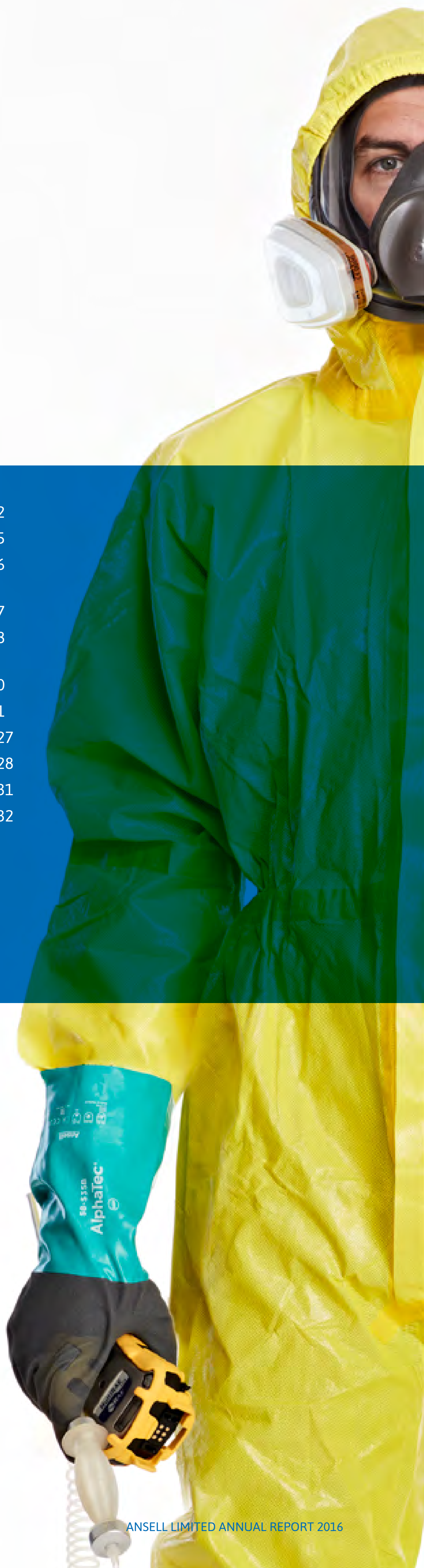
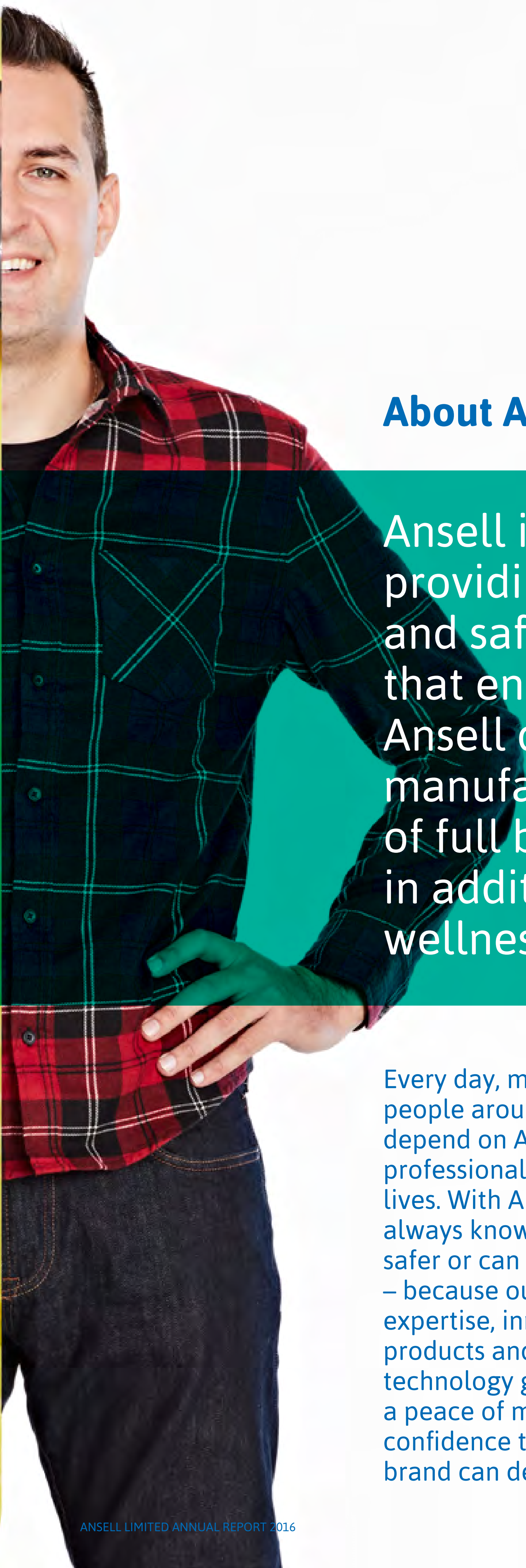
Ansell

2016 ANNUAL REPORT

PROTECTING EVERYDAY HEROES

Contents





About Ansell

Ansell is a world leader in providing superior health and safety protection solutions that enhance human well being. Ansell designs, develops and manufactures a wide range of full body protection solutions, in addition to various sexual wellness offerings.

Every day, millions of people around the world depend on Ansell in their professional and personal lives. With Ansell, they always know they are safer or can perform better – because our category expertise, innovative products and advanced technology give them a peace of mind and confidence that no other brand can deliver.

Ansell would like to thank these everyday heroes for all that they do and for the candid feedback on our products, helping us to continually innovate to meet and surpass their everyday needs.

Our Purpose and Vision

Protection is at the heart of everything we do. But Ansell means more than just safety; our products and services inspire confidence in people everywhere and enable businesses and consumers to perform better. Ansell's vision is to create a world where people and products enjoy optimal protection against the risks to which they are exposed. People, be it at work or during their leisure time, require the right protection solution for the right application.

Protect Everyday Heroes

Alonzo Harris

Alonzo Harris is a cabinet maker at Jet Aviation in St. Louis, Missouri. The phrase 'safety first' takes on a very personal meaning. An accident in his childhood left him with a prosthetic eye, leading him to be cautious for his own safety and the safety of his loved ones. In fact, Alonzo refers to his HyFlex® gloves with INTERCEPT™ technology as his seatbelt – 'you wouldn't drive anywhere without buckling your seatbelt first, and I don't begin my workday without putting on my Ansell gloves.' Be sure to visit Ansell.com to watch a video of Alonzo sharing his story.

Neil Wetzig

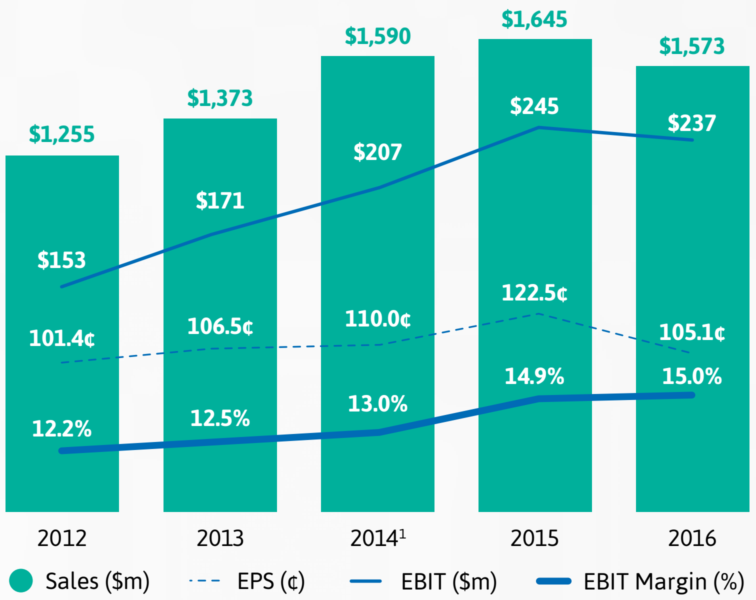
Neil Wetzig is a breast and endocrine surgeon at Princess Alexandra Hospital in Queensland, Australia. He has been leading multi-disciplinary medical teams to the HEAL Africa Hospital since 2006. Neil is also a board member of the G4 Alliance, advocating for greater access to surgical care for the world's poor and marginalised. "As a surgeon with 31 years of experience, I prefer Ansell GAMMEX® gloves because they fit well and are comfortable, even when 'double gloving' for protection. This comfort continues even when worn for prolonged periods of time. Most importantly, they provide the touch and sensitivity required to perform accurate and safe surgery with low risk of perforation."

Our Values

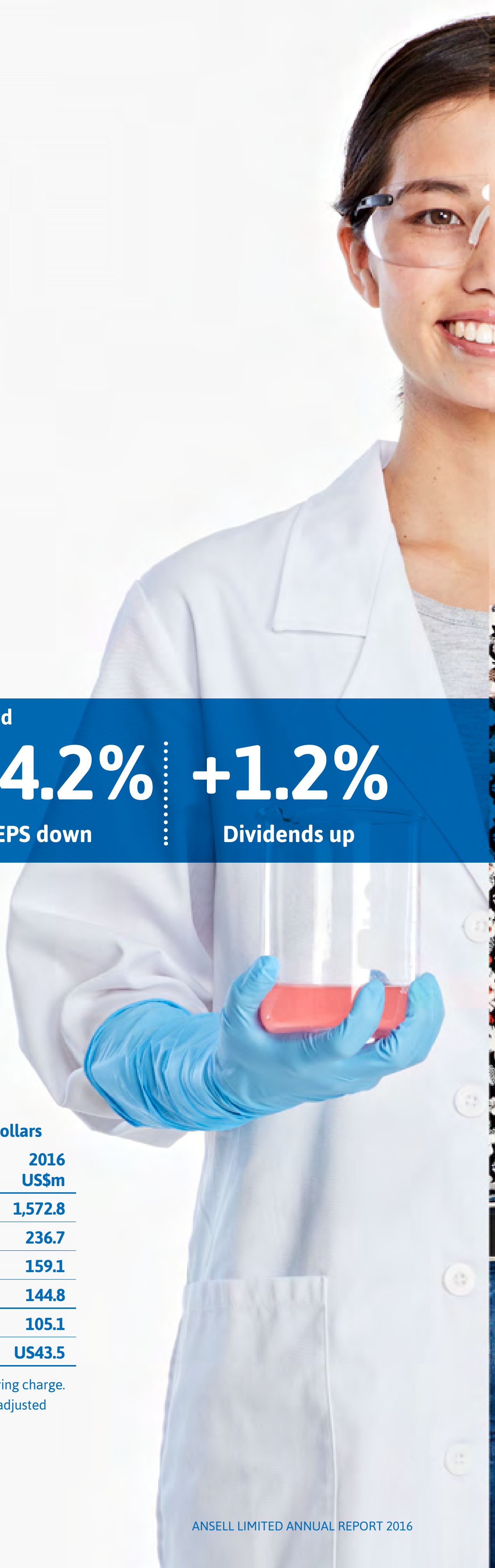
- **Integrity** – We value doing what is right and ethical. Ever since its start over 100 years ago, Ansell has been dedicated to a mission of making a difference in the lives of its customers. All employees are trained annually on our Code of Conduct and we encourage reporting of any concerns employees may have including through a confidential hotline.
- **Trustworthiness** – We value acting with respect, fairness and dependability.
- **Agility** – We value responsiveness to customers and each other, openness to change and flexibility.
- **Creativity** – We value inventiveness, innovation and new and divergent ways of thinking. Ansell extended its leadership in the cut protection market with a suite of HyFlex® gloves engineered with next-generation INTERCEPT™ Technology® yarns, featuring an innovative new knitting technology which blends engineered, synthetic and natural fibres into high performance yarns.
- **Passion** – We value energy and excitement, commitment, drive and dedication.
- **Involvement** – We value our team members' input, influence and initiative. Each year Ansell holds its Innovation Awards, in which hundreds of Ansell employees around the world submit ideas that have changed traditional ways of thinking.
- **Teamwork** – We value collaboration and a sense of partnership, sharing and caring.
- **Excellence** – We value a tenacious focus on results, accountability and goal achievement.

Financial Summary

5 Year Performance



1. The 2014 results exclude the US$123 million pre-tax (US$115 million after tax) one-off restructuring charge.



Results as Reported

-4.4%	-3.5%	-14.2%	+1.2%
Sales down	EBIT down	EPS down	Dividends up

Results in Operating Currency – US Dollars

	2012 US$m	2013 US$m	2014[1] US$m	2015 US$m	2016 US$m
Sales	1,255.3	1,372.8	1,590.2	1,645.1	**1,572.8**
EBIT	153.2	170.5	206.5	245.3	**236.7**
Profit Attributable	133.0	139.2	156.9	187.5	**159.1**
Operating Cash Flow[2]	62.6	89.3	150.6	116.4	**144.8**
Earnings Per Share (US cents)	101.4	106.5	110.0	122.5	**105.1**
Dividends Per Share (cents)	A35.5	A38.0	US39.0	US43.0	**US43.5**

1. The 2014 results exclude the US$123 million pre-tax (US$115 million after tax) one-off restructuring charge.
2. Means Net cash provided by operating activities per the Consolidated Statement of Cash Flows adjusted for Net Capex (see Glossary), Interest received and paid (Net Interest).

Sales by Global Business Unit (GBU)

	2016 US$m	2015 US$m	Movement %	Movement Constant Currency %
Industrial	654.8	668.5	(2.1)	3.3
Medical	396.3	447.2	(11.4)	(8.3)
Single Use	301.7	312.4	(3.5)	(1.1)
Sexual Wellness	220.0	217.0	1.4	8.2
Total Sales	**1,572.8**	**1,645.1**	**(4.4)**	**(0.1)**

41.6% Industrial
25.2% Medical
19.2% Single Use
14.0% Sexual Wellness

Segment EBIT by GBU

	2016 US$m	2015 US$m	Movement %	Movement Constant Currency %
Industrial	89.0	92.7	(4.0)	10.1
Medical	52.3	70.6	(25.9)	(17.5)
Single Use	64.6	59.7	8.2	14.9
Sexual Wellness	31.0	26.1	18.8	41.0
EBIT	**236.9**	**249.1**	**(4.9)**	**8.5**

37.6% Industrial
22.1% Medical
27.3% Single Use
13.0% Sexual Wellness

Results in Constant Currency

-0.1% Sales down

8.5% EBIT up

-1.4% EPS down

+1.2% Dividends up

Currency Reporting

United States dollar

1. *The United States dollar (US$) is the predominant global currency of Ansell business transactions and the currency in which the global operations are managed and reported. Non-US$ values are included in this Report where appropriate, however unless otherwise stated, the values appearing in this Report are in US$.*

Constant currency reporting

2. *Constant currency financial reporting is supplemental information. It is provided using the best estimate of the prior year results translated at the foreign currency exchange rates applicable to the current period and compared to the financial performance for the current year. As such, it is unaudited non-IFRS financial information and uses only a convenience translation. The Board believes that this provides greater insight into the financial performance of the business by the removal of year on year foreign exchange volatility. The principles of constant currency reporting and its implementation are subject to oversight by the Audit and Compliance Committee of the Board.*

Global Business Units

Industrial

- Hand and body protective solutions for an extensive variety of industrial applications such as manufacturing, chemical protection, mining, and aviation
- No. 1 in multi-use industrial gloves
- Sales $655 million
- 42 per cent + growth in new product sales – led by HyFlex® styles with INTERCEPT™ Cut Resistance Technology

Medical

- Clinically relevant safety solutions that enhance protection for healthcare workers and patients
- No. 1 in surgical gloves
- Sales $396 million
- Introduced new SMART Pack packaging, revolutionising the way Ansell packages gloves and providing a new, SMART solution to reinvent the end-user experience in the medical workplace

Single Use

- Premium disposable hand protection solutions for laboratory, electronics and automotive after-market industries
- No. 1 in branded single use gloves
- Sales $302 million
- Nine Microflex® products launched outside North America

Sexual Wellness

- Supreme condoms, lubricants, devices and fragrances
- No. 2 in branded condoms
- Sales $220 million
- SKYN® growth of 12 per cent with FEEL EVERYTHING™ campaign increasing awareness and share for leading non-latex condom

Chairman's Review

"Our unique material science capabilities provide a key point of differentiation in safety and comfort, allowing stronger partnerships to be nurtured with both distributors and end-users. We remain committed to our strategy of driving growth and new product innovation, which will help us to succeed in a slow global economy."

Glenn L L Barnes, Chairman

Dear Fellow Shareholders,

After six successive years of revenue growth, the results of the Group declined in FY16 against the prior year. The primary reasons for this were the impact of swings in global currencies on our results that are reported in US dollars, a world economy that continues to grow at a slow and uneven rate and a significant increase in our global average tax rate. We also experienced a setback in the implementation of our multi-year manufacturing strategy that temporarily increased cost and limited supply, affecting our Medical division. These issues are now addressed, and we are confident we will be back to growth in Medical in the coming year.

Although results are down on the prior period, there were nevertheless many significant achievements during the fiscal year that position Ansell well for the future. The Sexual Wellness business performed well with strong results in emerging markets and with our SKYN® brand. It was encouraging to see strong growth of new products translating to an improving organic growth rate for the Industrial business, while the Single Use business continued to perform well. Recent acquisitions within Industrial and Single Use are delivering targeted returns. In addition, these acquisitions are creating enhanced opportunities for future organic growth, as we leverage the technology, market positions and brands of the acquired businesses.

Global Economic Environment

Consistent with the well reported slowdown in global economic activity, we continue to see a slow growth environment in a number of our major markets. Our growth in North America and EMEA has been uneven and largely reflects the generally sluggish rate of activity, particularly in manufacturing related verticals. Emerging market performances have been mixed, with steep declines in our businesses in Russia and Brazil, offset by very strong results in other markets such as Mexico and China. Pressure to reduce government expenditures on healthcare, particularly in emerging markets with weak currencies, is creating headwinds for our Medical business.

We do not forecast any significant improvement in the demand environment in the coming year. However, we remain convinced that our businesses have the potential to achieve meaningful organic growth even with only modest support from growth in market demand. Gaining market share is an important focus for all businesses, and we believe our strategy will achieve success.

Results

Overall Sales declined 4 per cent to $1,573 million and EPS was lower at $1.05. However, at constant currency sales were level with last year and EBIT was up 8.5 per cent, a creditable result in the conditions described above. Operating cash flow continued to be strong at $145 million for the year, and we maintained a healthy balance sheet with net debt to EBITDA at 1.5 times.

The Board declared a final dividend of US 23.5 cents, unfranked, taking the total dividend to US 43.5 cents per share, representing a 1.2 per cent increase over the prior year. The record date for the final dividend is 22 August 2016 and the dividend payment on 8 September 2016.

Having reviewed options for further capital deployment, the Board decided a year ago that with continued strong cash flow generation and a lack of compelling acquisition opportunities, it was an opportune time to buy back shares. 6.7 million shares have subsequently been acquired for a consideration of $93 million.

Governance

A major focus of the Board this year was a review of our remuneration practices. This review, which was launched in September 2015, became even more important after our Annual General Meeting at which a significant minority of shareholders voted against last year's Remuneration Report. The outcome of this review is addressed in detail in the Remuneration Report. We are confident that the changes made will further strengthen the alignment of incentive outcomes to shareholder value creation while also continuing to enable us to attract and retain talented executives in the markets in which our operations are located.

We have also increased the focus on Corporate Social Responsibility (CSR), outlined in a significantly enhanced CSR section in this Report.

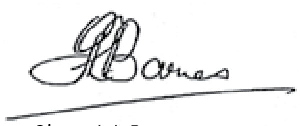
People and Culture

Ansell has a very strong culture across all its operations worldwide and the Board of Directors manages to interact with people at all levels of the Company through the meetings we hold at multiple Ansell locations through the year.

As a global leader in protection solutions, one of our most important goals is to protect our own employees from hazards in the workplace. The overall number of injuries recorded and reviewed by the Board declined by 4 per cent during the year. However, the tragic death of a contract worker in our Bangkok, Thailand manufacturing facility has reminded us that we can never let up in our vigilance and determination to protect all our workers from harm. As with all accidents and near misses, an in-depth review of this incident has been used to identify improvements in structural protection and procedures that are being implemented at all sites.

Your Board and management team are also committed to improving the diversity of the Board and Company leadership. Several important initiatives were launched during the year to enhance pathways to success for female leaders in the Company.

Finally, on behalf of your Directors, I would like to acknowledge the hard work and commitment of all the men and women of Ansell around the world over the past year. This year has been a true test on many fronts and it is the dedication of our employees that has seen us through. The ability of our people to show resilience through difficult periods and to concurrently make significant progress gives us great confidence in the future for the Company.



Glenn L L Barnes
Chairman

Chief Executive Officer's Review

"Protecting our real life superheroes is at the heart of everything we do. But Ansell means more than just safety; our products and services inspire confidence in people everywhere and enable businesses and consumers to perform better."

Magnus Nicolin, Managing Director and Chief Executive Officer

Continuing our transformational journey

From the year I joined Ansell in 2010 to 2015, your Company delivered a strong combination of growth in financial results and success against our strategic imperatives. We grew revenue by almost 60 per cent to $1.6 billion, increased GPADE[1] margins from 35 to 40 per cent, EBIT[2] margins from 10 to 15 per cent and nearly doubled Earnings per Share (EPS) to $1.22 in FY15.

In 2016, our sales and profits have declined. There are several reasons for this temporary step back or pause in our financial performance and they will be clearly laid out in this report. However, despite the fact that our results have not progressed at the rate I would have liked, we have continued to make important progress against the key elements of our strategy and Ansell is now positioned better than ever before to realise its significant long term growth potential.

- The substantial effort made in rejuvenating our **product portfolio** is now realising strong results with the best gains from new product sales in 10 years, particularly in the Industrial and Sexual Wellness divisions where each achieved over 40 per cent year on year growth in new product sales.
- We continue to **grow in emerging markets** benefiting from the increased breadth and depth of our market positions. Strong results in China, India and Mexico more than offset the very challenging conditions in Russia and Brazil. Emerging markets now account for 24 per cent of global sales, up from 18 per cent in 2010.
- Our **acquisitions are delivering returns** well ahead of WACC (our weighted average cost of capital), are creating shareholder value and are also positioning Ansell for stronger organic growth as we leverage new product portfolios, new technologies and market positions globally.
- Our significant focus on **building strong global brands** is paying dividends with 56 per cent of overall sales now generated by our core growth brands, with growth brand revenue up more than 100 per cent from 2010.
- Our focus on developing **stronger distribution partnerships** to complement the strength of our end user relationships is showing encouraging results and we expect that these partnerships will increase Ansell's global market shares substantially.

Given this progress across many key strategic objectives, it is disappointing that this year our financial performance is not reflecting a similar development. The reasons are threefold. First, although our results are reported in US$, only about 50 per cent of our revenue is earned in US$. So the general strengthening of the US$ has reduced the revenue and margins of our non US$ trade. Second, we have seen an increase in our average global tax rate from approximately 14 per cent to 25 per cent this year as unbooked tax losses have been fully recognised. Third, global economic conditions remain challenging; as we are seeing no overall demand growth in developed economies and significant volatility in the demand in emerging markets.

24%+

Growth in operating cash flow was delivered in an operationally tough year, this demonstrates the strength of Ansell

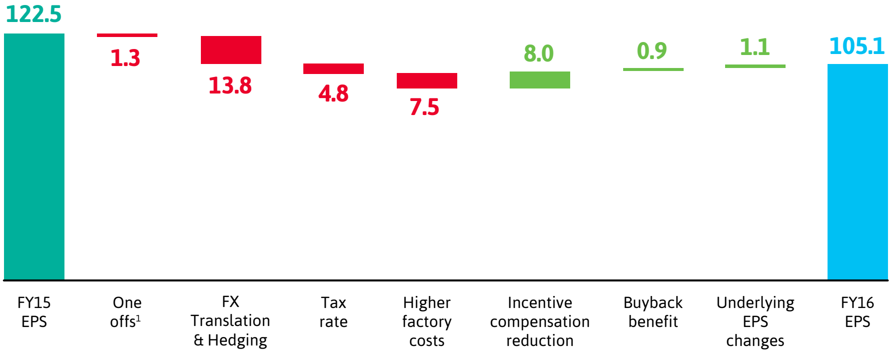
These global factors are the major reason for the short term lack of EPS growth. However, a fourth factor has also impacted Ansell's FY16 performance: some setbacks in the implementation of our manufacturing strategy.

Our transformational changes to our manufacturing base, which we have been working on for the last five years with very significant success, inevitably entail execution risk in a business with as many moving parts as Ansell. We encountered significant manufacturing issues this year when we closed one of three medical plants and drove change in our Industrial facility in Mexico to improve efficiency and cost.

"We protect the people who protect you – Ansell surgical gloves provide a safer environment for both healthcare professionals and patients; our food processing gloves protect workers and your food; and our laboratory gloves protect the pharmaceuticals you use and the chemists who make them."

1. GPADE means Gross Profit after distribution expenses.
2. EBIT means earnings before interest and tax.

EPS bridge from FY15 to FY16 – US cents



1. One offs of 1.3 cents were FY15 (Shah Alam property sale profit less restructuring) net of FY16 (Onguard divestment gain).

Corporate and sustainability overview

Corporate Social Responsibility and Sustainability isn't just important for people and the planet, but also is vital for business success and critical to delivering shareholder value. In the CSR report on page 30, we focus on four key areas of sustainable business practices – Human Rights, Societal, Environmental and Governance.

Human Rights

We treat all people fairly and are committed to ethical behaviour and the respect of human rights as established in the United Nations Guiding Principles on Business and Human Rights and administered through our own policies and guidelines.

Societal

We attract and retain top talent while building a culture of diversity and inclusion as an employer of choice. We create opportunities for growth and employment around the world and help people in need following disaster and disease.

Environmental

We make responsible use of natural resources and view as paramount our commitments to the safety of our workers as well as to the residents of the communities in which we operate.

Governance

We believe that sustainable environmental, social and governance (ESG) practices start at the top with a culture of accountability. We deliver value to stakeholders and earn the status of responsible business partner while also being committed to managing and measuring the sustainability of risks and opportunities related to Ansell's business strategy.

The first issue that became apparent was that the available capacity on our synthetic surgical latex production lines was less than anticipated, due to product mix, and was being outstripped by continued growth in our synthetic products. Secondly, we ran into issues ramping up production at the two remaining sites including start up issues on one major new line leading to high reject rates and lower throughput. Thirdly, we encountered a step back in performance on our Solvex® Industrial production in Mexico also resulting in higher cost. The combination of these effects were higher factory costs of $15 million or 7.5 cents EPS.

We have made significant progress in addressing these challenges. The Solvex facility in Mexico is now performing better than ever before with record production and low reject rates. For the Medical plants we have successfully commissioned two new lines to address the synthetic capacity constraint and dramatically improved performance on other lines. Although it will take a further three to six months to improve the Medical supply chain and fully rebuild inventory levels, we are confident we will see solid Medical growth during FY17.

I remain convinced that our manufacturing strategy is correct and the evidence is all around us. As illustrative examples, we continue to see significant benefits from the manufacturing investments made to insource key technologies, including yarn wrapping and PU dipping. Our multi-year productivity initiatives such as the new Medical 'SMART Pack' investments in robotics and our integrated vending packaging lines are all reducing cost by leveraging LEAN manufacturing principles.

The success of our manufacturing strategy is also seen in the excellent new product results, building on key technology platforms and a more efficient cost base. For example, INTERCEPT™ is based on a yarn technology platform that differentiates Ansell from the competition and allows us to increase the barriers to entry in mechanical gloves. We are also excited about the rapid growth of our FORTIX™ Technology platform – a new Nitrile dip technology that is 8 times stronger at equivalent cost. The products using these technologies have been some of the biggest growth drivers in Ansell history. New products in Medical and Sexual Wellness continue to leverage our unique patented capabilities in Polyisoprene and Polychloroprene formulations.

Group Results

Sales performance was level with last year in constant currency (CC). While this is below the rate of growth we believe is achievable for our business, there were some very encouraging developments arising from the strategic accomplishments mentioned above. Sexual Wellness achieved 8 per cent organic CC growth on continued strong results in emerging markets and with the SKYN® brand globally. Growth brands within Industrial continue to deliver strong growth with our largest brand, HyFlex® up 5 per cent and new product sales up 42 per cent (both in CC). By the end of FY16, sales of older brands were stabilising and should moderately contribute to growth going forward. Single Use also saw strong volume growth in its growth brands of 5 per cent. The main underperformer in organic growth was Medical where sales were down 8 per cent CC relating to aforementioned production issues as well as a 40 per cent decline in the Russian market following that economy's rapid contraction.

Chief Executive Officer's Review continued

Organic Growth	Profitability and Cash flow	Capital Development
Medium term goals	**Medium term goals**	**Medium term goals**
Low – mid single digit organic growth	Mid – high single digit EPS growth continued strong cash flow	Improving ROCE for base business
FY17 Business priorities	**FY17 Business priorities**	**FY17 Business priorities**
Channel partnerships	Reduce waste in manufacturing	Acquisition pipeline more active
Continued NPD success	Realise Capex productivity gains	Continue to improve return profile of capital expenditure
Restore Medical to growth		
Continue SW momentum		

"With significant progress in all four strategic growth drivers (Innovation, Emerging Markets, Core Brands and Vertical Channels), Ansell is ending the year in a much stronger position."

While EBIT in CC (constant currency) was up 8 per cent, EPS at $1.05 were down on last year's $1.22. As the EPS bridge on page 9 highlights, the primary reason for the decline in earnings per share related to Foreign Exchange (FX), tax and higher factory costs as addressed above. These factors were partly offset by a significant reduction in the performance related pay that management will receive as is appropriate in a year in which we have not met many financial performance goals.

With modest sales growth and significant impact on profitability from the factors discussed above, management focused on managing cash flow well. We were pleased with the result, with Operating Cash Flow of $145 million up 24 per cent on FY15.

Road ahead and outlook

As we begin FY17, I am satisfied to see many of the key components of our strategic plan now delivering to expectation. The Sexual Wellness business has continued its strong recovery. Single Use has continued to perform ahead of our expectations at the time of the Barriersafe acquisition. And Industrial is now showing very strong evidence of success from the significant focus we have put on product innovation and developing end user and distributor partnerships. While manufacturing was a setback last year, these issues are now behind us and we will emerge from this period a stronger manufacturing organisation. We have made significant changes in the leadership of key manufacturing plants where we fell short. We have also changed our reporting and performance metrics within the plants to focus better on overall production efficiency, improving quality and reducing rejects.

I therefore believe that we have clear evidence from our recent performance that we have the capability to achieve ongoing organic sales growth in the low to mid single digits. Continued investments in productivity and leveraging our global scale will translate that organic growth into EPS growth in the mid to high single digits while at the same time improving our return on capital employed.

These are the three key metrics we will be focused on over the next few years and consequently they also form the heart of our new long term incentive plan.

For FY17, in particular our focus will be on the priorities shown in the table above. We will build on the success shown in launching new products, strengthen distributor partnerships for Industrial and Single use, restore Medical to growth, while continuing to sustain the positive momentum in Sexual Wellness.

Finally, I would like to thank the 16,000 hardworking Ansell employees who yet again have shown tremendous resilience and determination, especially when under pressure.

Magnus Nicolin
Managing Director and
Chief Executive Officer

Five-Year Summary

of Ansell Limited and subsidiaries for the year ended 30 June 2016

	2012 US$m	2013 US$m	2014 US$m	2015 US$m	**2016 US$m**
Income Statement					
Sales	1,255	1,373	1,590	1,645	**1,573**
EBIT	153	171	84[1]	245	**237**
Net financing costs	5	11	18	22	**22**
Income tax expense	12	17	21	35	**53**
Non-controlling interests	3	4	3	2	**3**
Profit attributable	133	139	42[1]	188	**159**
Balance Sheet					
Cash – excluding restricted deposits	247	306	321	278	**270**
Other current assets	419	523	611	619	**577**
Property, plant and equipment	151	187	206	231	**245**
Intangible assets	391	541	1,068	1,116	**1,077**
Other non-current assets	146	147	155	132	**122**
Total assets	1,354	1,704	2,360	2,376	**2,291**
Current payables	174	219	243	244	**241**
Current interest bearing liabilities	17	90	14	7	**5**
Other current liabilities	64	72	108	79	**69**
Non-current interest bearing liabilities	285	451	720	734	**687**
Other non-current liabilities	90	98	134	147	**152**
Total liabilities	630	930	1,219	1,210	**1,154**
Net assets	724	774	1,141	1,167	**1,137**
Issued capital	866	865	1,227	1,230	**1,147**
Reserves	75	37	49	(49)	**(88)**
Accumulated losses	(231)	(144)	(151)	(29)	**62**
Ansell Limited shareholders' equity	710	758	1,125	1,152	**1,121**
Non-controlling interests	14	16	16	15	**16**
Total shareholders' equity	724	774	1,141	1,167	**1,137**
Total funds employed	779	1,009	1,555	1,629	**1,559**
Share information					
Basic earnings per share (cents)	101.4	106.5	29.3[1]	122.5	**105.1**
Diluted earnings per share (cents)	101.2	106.1	29.1	121.4	**104.5**
Dividends per share (cents)	A35.5	A38.0	US39.0	US43.0	**US43.5**
Net assets per share ($)	5.5	5.9	7.5	7.6	**7.7**
General					
Net cash from operating activities	98	130	221	200	**232**
Capital expenditure	38	40	53	84	**67**
Shareholders (no.)	30,866	33,126	33,886	36,014	**39,884**
Employees (no.)	10,486	12,596	12,607	14,500	**15,890**
Ratios					
EBIT margin (%)	12.2	12.5	5.3	14.9	**15.0**
Return on average shareholders' equity (%)	18.8	19.1	4.6	16.4	**14.1**
EBIT return on funds employed (%) – ROCE	19.6	16.9	5.4	15.1	**14.9**
Average days working capital	79.2	82.5	85.9	81.4	**85.6**
Interest cover (times)	30.6	15.5	4.6	11.4	**10.7**
Net liabilities to shareholders' equity (%) – gearing	52.9	80.6	78.8	79.8	**77.8**
Number of shares at 30 June (million)	131	131	153	153	**148**

1. FY14 underlying EBIT was $207 million, profit attributable $157 million and basic earnings per share $1.10.

Operating and Financial Review

The World of Ansell

Ansell is a multicultural global company. Our historical roots are in Australia, but for many years our leadership team has been based in international markets close to our customers.

Today Ansell operates from four corporate hubs in New Jersey, USA; Brussels, Belgium; Cyberjaya, Malaysia and Melbourne, Australia. Reflective of the cultural diversity of our organisation, our leadership team comes from 10 different countries, we manufacture in 13 and have a local presence in 35.

North America

Head office:
Metro Park, New Jersey

Revenue

$672m

Assets

$213m

Latin America and Caribbean (LAC)

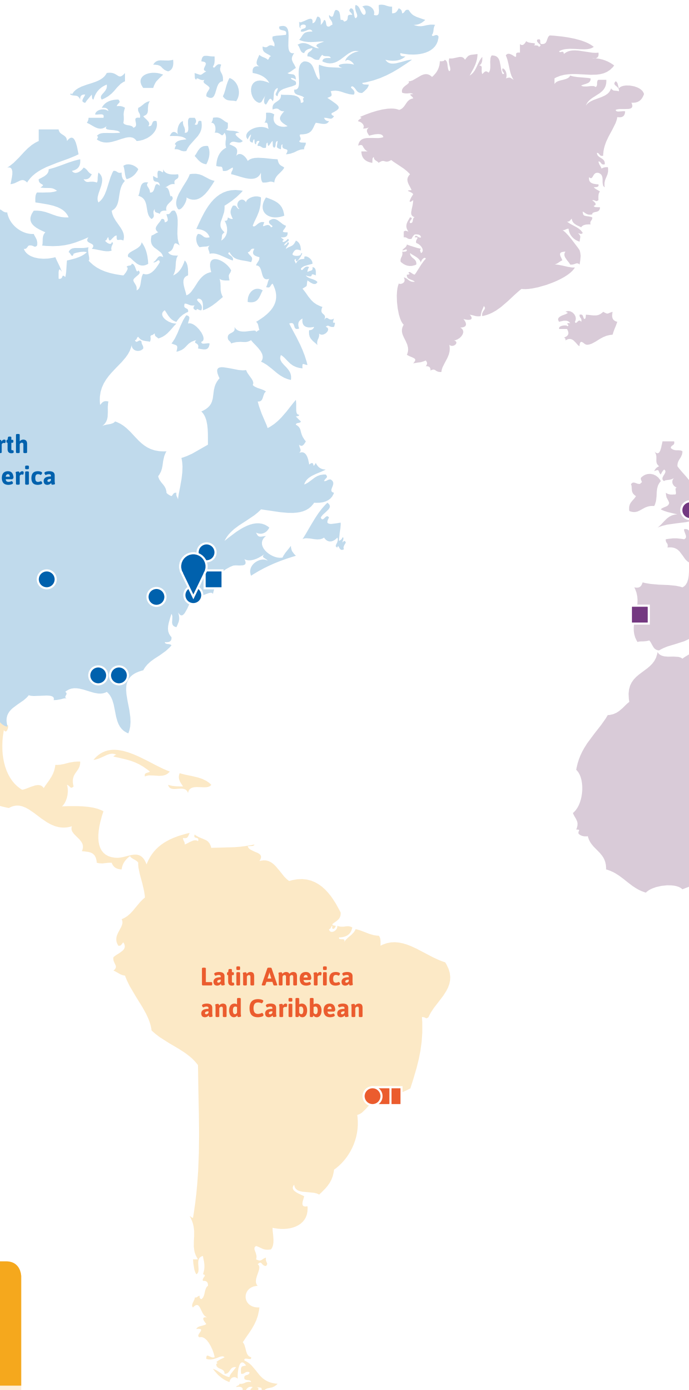
Head office:
São Paulo, Brazil

Revenue

$92m

Assets

$49m



Map Key

- Corporate offices
- Operating facilities
- Manufacturing and distribution facilities
- Research and development facilities

Asia Pacific (APAC)

Head office:
Melbourne, Australia
Cyberjaya, Malaysia

Revenue

$284m

Assets

$376m

Europe, the Middle East and Africa (EMEA)

Head office:
Brussels, Belgium

Revenue

$525m

Assets

$188m

Providing global support to our multinational customers is something Ansell is uniquely positioned to do. Our Industrial and Single Use sales teams globally is trained in the use of our patented Guardian® safety assessment technology, which we conduct in 17 languages. When our distributor or end user partners are looking to standardise on global solutions in any of our business units, they generally find only Ansell can give them the support they need.

Strategy & Focus

Organic Growth

Innovate and grow new product sales

Grow share in emerging markets

Build strong global brands

Develop stronger channel partnerships in focus verticals

Profitability & Cash Flow

Leverage core processes for improved customer service

In-sourcing key materials and technology

Lean Manufacturing

Rationalising brands, SKUs, legal entities, sites

Capital Deployment

Consistent dividend growth

Strategic, disciplined M&A

High return capex enabling growth and productivity

Strategy

Ansell has the market leading position globally in single and multi-use hand protection for industrial end users and in surgical gloves. We also have the second largest market share in condoms and we have fast growing positions in body protection for industrial end users and products providing safety solutions to the surgical operating room.

The markets we focus on provide attractive long term sources of growth. Demand for improved protection of workers whether in medical or industrial environments, is often driven by increased regulatory requirements or government initiatives to improve worker safety. This helps drive demand for advanced protection equipment in developed and particularly in emerging markets.

Ansell's ability to build and maintain its leading positions in attractive markets arises from the following:

- The breadth and performance of our unmatched product range: through our focus on R&D and innovation we created many of these product categories and continue to lead the industry in product performance.
- Our unique material science capability allows us to combine the needs of protection with a product that is comfortable to use, thus improving worker productivity and delighting our Sexual Wellness consumers. For example, our products reduce the risk of skin irritation or allergic reaction. Other products are unique in their field in having ergonomic certification. Many of our latest product launches are surprisingly thin and dexterous, while still providing high protection levels.
- We have invested over many years in our patented Guardian® Technology (tools that provide comprehensive advice to end users on the right products to use for optimal safety and productivity) and so built strong relationships with end users.
- We are uniquely positioned to provide global solutions as the only industry participant with leading market positions in all our product ranges in all regions.
- Through a disciplined acquisition strategy we have:
  - strengthened our core market positions,
  - increased our ability to differentiate in material science, and
  - added near adjacent product portfolios that we think will be successful long term through the application of the above strategic focus.

Our current strategic priorities are summarised in the diagram on page 14.

Review of Operations

Summary

US$ millions	FY15	FY16	% Change	% CC Change[1]
Sales	1,645	**1,573**	-4.4%	-0.1%
Profit before interest and tax (EBIT)	245	**237**	-3.5%	+8.5%
Profit for the period attributable to Ansell Ltd shareholders	188	**159**	-15.1%	-2.5%
EPS (US cents)	122.5	**105.1**	-14.2%	-1.4%
Operating Cash Flow[2]	116.4	**144.8**	+24.4%	
Dividend (US cents)	43.0¢	**43.5¢**	+1.2%	

1. CC denotes Constant Currency – constant currency financial reporting is supplemental information. It is provided using the best estimate of the prior year results translated at the foreign currency exchange rates applicable to the current period and compared to the financial performance for the current year. As such, it is unaudited non-IFRS financial information and uses only a convenience translation. The Board believes that this provides greater insight into the financial performance of the business by the removal of year on year foreign exchange volatility. The principles of constant currency reporting and its implementation are subject to oversight by the Audit and Compliance Committee of the Board.
2. Operating Cash flow, is Net cash provided by operating activities less payments for Net interest and for property, plant equipment and intangible assets plus proceeds from sale of property, plant and equipment per the Consolidated Statement of Cash Flows on page 90.

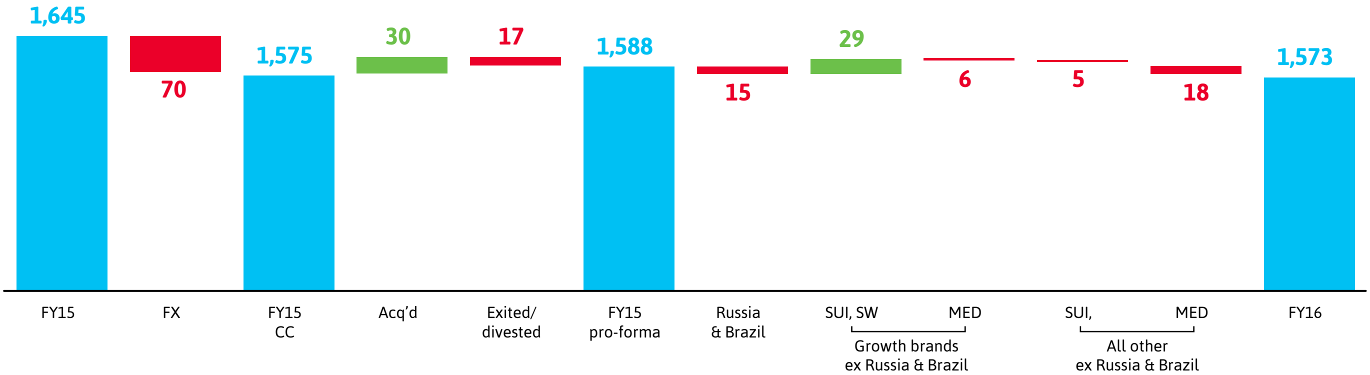
Group Sales Commentary[3]

- Sales revenue was 4 per cent lower on currency translation. Constant currency revenue was flat in an external environment that remained challenging with limited demand growth and volatility in both foreign exchange and emerging markets.
- Organic growth improved through the year in Industrial (up 2 per cent in H2 FY16 – HyFlex® was up 9 per cent) and Single Use segments, driven by improved distributor partnerships and success with NPD[4] (Industrial NPD sales up 42 per cent, success of INTERCEPT™ and Fortix® Technologies).
- A strong year for Sexual Wellness driven by emerging markets growth of 15 per cent, and SKYN® up 12 per cent and gaining market share.
- Disappointing results were seen in Medical arising from manufacturing challenges in our Melaka, Malaysia facility, with sales down 8 per cent, of which 2 per cent related to capacity constraints and 6 per cent from weak emerging markets and lower exam sales. Medical is on track to restore operational capability and return to growth in FY17.

3. All percentages quoted, except where otherwise indicated, refer to constant currency variations versus the prior year comparative period.
4. NPD – New Product Development.

Group Sales Bridge – Foreign Exchange and Medical results impacting the Group

Constant currency sales were level on FY15. Success with Single Use, Industrial and Sexual Wellness Growth Brands[1], plus the benefit of acquisitions, was offset by divestments, lower sales in Medical and continued weakness in Russia and Brazil.



Group EBIT commentary

EBIT was 3 per cent down on prior year, but 8.5 per cent up on constant currency basis.

- Plant consolidation and ensuing operations performance challenges cost the Group $15 million, but were offset by a similar amount in lower incentive compensation expense.
- FY16 EBIT results include $8.1 million pre-tax profit on sale of the Onguard footwear business ($2.2 million after tax).
- FY15 EBIT includes $17.8 million pre-tax profit on sale of our Shah Alam, Malaysia facility, offset by pre-tax $17 million restructuring charge.
- FY15 results included $22.6 million Foreign Exchange hedge gains, which were not replicated in FY16.

Borrowing Costs and Taxes

- Borrowing costs were in line with the prior year, including the full year funding impact of Microgard®.
- The tax rate for FY16 was higher than FY15 due to the absence of deferred tax asset recognition and tax losses in our Australian legal entity being fully recognised for accounting purposes.
- In addition:
  – the sale of the Onguard footwear business attracted a high tax rate relative to the EBIT profit adding 2 per cent to the Group rate
- The country profit mix of earnings increased the overall effective tax rate.

Cash Flow Commentary

Cash flow highlights included:

- Strong cash flow generation with Operating Cash Flow up 24 per cent.
- 6.7million shares were bought back during FY16.

FY16 continued the strong cash flow generation record of the Group. Despite higher tax payments, strong working capital management led to a significant year over year improvement in Operating Cash Flow performance.

Cash outlays on investing activities were significantly below the prior year, primarily due to the sale of the Onguard business this year whilst last year's outlays included the acquisition of the Microgard body protection business. Capital expenditures were also lower than expected with a reduced rate of spend on information technology and maintenance activities on completion of major programs, with spend now oriented more to growth and high return productivity initiatives.

Financing outlays were higher due to the repayment of borrowings and also the funding of share buybacks during the year.

1. Growth brands composed of Industrial – HyFlex®, ActivArmr®, Alphatec®, SolVex®, Edge®; Single Use – Microflex®, TouchNTuff®; Medical – Gammex®, Encore®, MediGrip®, Sandel®; Sexual Wellness – SKYN®, Jissbon®, Kamasutra®, Blowtex®.

INDUSTRIAL

Operating and Financial Review continued

Industrial – Global Business Unit

The Industrial GBU manufactures and markets high-performance, hand and body protection solutions for a wide-range of Industrial applications. Ansell protects workers in almost every industry including Automotive, Chemical, Metal Fabrication, Machinery and Equipment, Food, Construction, Mining, and First Responders.

	FY15	FY16	% Change	% Change – CC
Sales	668.5	654.8	-2.1%	+3.3%
EBIT[1]	92.7	89.0	-4.0%	+10.1%
EBIT%/Sales	13.9%	13.6%	–	–

1. EBIT for FY15 excludes restructuring.

Sales Performance

Industrial achieved constant currency sales growth of 3 per cent benefiting from very strong growth of new products and the Microgard acquisition. Other notable items included:

- Growth rates improved through the year as new products continued to gain traction and market share gains were achieved through strengthened distributor partnerships.
- Exceptional new product sales growth of 42 per cent YoY driven by HyFlex® Intercept™ cut resistance styles.
- HyFlex® sales up 5 per cent on prior year.
- Emerging Markets up 5 per cent with strong results in China and Mexico with Russia returning to growth in the second half and overall flat on the year. Weak conditions continued in Brazil and South East Asia.
- Our Body Protection products are up 15 per cent over FY15 (+23 per cent CC) benefiting from the full year impact of the Microgard acquisition.

EBIT Performance

EBIT margin was moderately lower at 13.6 per cent due to lower gross margins which resulted from temporarily higher waste levels in Mexico, subsequently resolved, as well as currency impacts where sales price increases couldn't offset the full impact of higher input costs. These effects were largely offset by strong discretionary cost control, and the benefit of higher margins earned by growing new products.

At constant currency EBIT grew 10 per cent and margins improved.

New product sales up 42%

Emerging markets up 5%

-2.1% Sales reported

+3.3% Sales (constant currency)

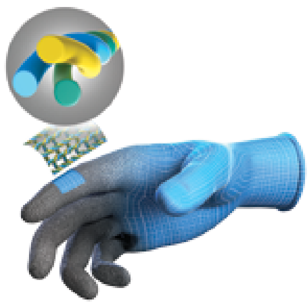
-4.0% EBIT reported

+10.1% EBIT (constant currency)

INTERCEPT™ Technology platform

INTERCEPT™ Cut Resistance Technology

8 Products launched with ground breaking technology and more to come using exclusive Ansell owned and branded technology



The evolution of chemical protection

New product development

World's First ergonomically certified chemical glove AlphaTec® 58-128

ANSELL GRIP™ Ansell Grip Technology

ERGOFORM™ Ergonomic Design Technology

$15m INTERCEPT™ global sales (since launch)

$50m Prospective sales and growing

500% Growth in chemical guardian assessments

13% Double digit growth in chemical protection

Brands

ACTIVARMR AlphaTec HyFlex Solvex EDGE MICROGARD

MEDICAL

Operating and Financial Review continued

Medical – Global Business Unit

The Medical GBU manufactures and markets surgical and examination gloves together with a range of healthcare safety devices such as disposable scalpels and antimicrobial surgical theater consumables. Its customer base includes Acute Care Hospitals, Emergency Services, Alternate Care, Dentistry and Veterinary clinics.

Sales Performance

Medical sales were lower on the following factors:

- Supply constraints limited growth of its market leading synthetic surgical range.
- Emerging market sales fell on economic weakness and currency volatility in Russia and South East Asia.
- Pricing pressure in commodity exam gloves, coupled with healthcare expenditure cuts put pressure on sales pricing and led to some volume losses.

	FY15	FY16	% Change	% Change – CC
Sales	447.2	**396.3**	-11.4%	-8.3%
EBIT[1]	70.6	**52.3**	-25.9%	-17.5%
EBIT%/Sales	15.8%	**13.2%**	–	–

1. EBIT for FY15 excludes restructuring.

EBIT Performance

EBIT was lower on sales decline, higher wastage and lower throughput from temporary manufacturing issues that increased costs by $9 million. Performance improved in the second half as production shipments increased 15 per cent on the first half, construction of new capacity was completed and the manufacturing cost position improved.

Supply constraints and higher manufacturing costs drove EBIT lower

FY17 expected to benefit from lower factory costs and the launches of several new synthetic surgical products.

-11.4% Sales reported

-8.3% Sales (constant currency)

-25.9% EBIT reported

-17.5% EBIT (constant currency)

The Sensoprene® solution

Ansell introduces a revolution in comfort and allergy prevention

ULTRA-THIN • COMFORTABLE • DURABLE
SENSOPRENE®
SURGICAL GLOVE FORMULATION
NON-LATEX • ACCELERATOR-FREE

- Reduces risk of latex and chemical accelerator allergies.
- Prevalence of latex sensitivity among healthcare workers varies between 2.9–17 per cent.

25% Thinner than standard surgical gloves

33% Glove-related reactions are chemical allergies

Exceptional comfort for hands and budget

The story of HYBRID, Ansell's newest patent pending technology

- The first ever PI-Neoprene surgical glove on the market.
- Protects from latex allergies, an anaphylactic allergic episode can cost between $5,000–$15,000.

Brands

ENCORE® SANDEL GAMMEX® MEDI-GRIP® MICROFLEX® MICRO-TOUCH®

SINGLE USE

Operating and Financial Review continued

Single Use – Global Business Unit

The Single Use GBU has the market leading range of high performance single use gloves used in a broad variety of industrial applications including Chemical, Food Services, Life Sciences, Electronics, and Automotive after Market. The GBU was created subsequent to the acquisition of BarrierSafe Solutions,Inc. (BSSI) in January 2014.

	FY15	FY16	% Change	% Change – CC
Sales	312.4	**301.7**	-3.4%	-1.1%
EBIT[1]	59.7	**64.6**	+8.2%	+14.9%
EBIT%/Sales	19.1%	**21.4%**	–	–

1. EBIT for FY15 excludes restructuring.

Sales Performance

Sales were marginally down on last year (in CC) with volume growth offset by price reductions, as the benefit of lower raw material prices was passed on to customers:

- Microflex® and TNT® up a combined 2 per cent in revenue with volume up 5 per cent, and prices lower as mentioned above.
- Successful global launch of key Microflex® products is contributing ahead of target and expected to drive future growth.
- Strong results across almost all emerging markets including from new Edge® branded products.
- Continued innovation under Microflex® brand, including the launch of a new industry leading chemical resistant glove to significant customer interest.

Microflex® and TNT® volumes up 5%

EBIT Performance

EBIT margin improved on the benefit from lower raw materials and diligence in cost control plus continued delivery of BSSI integration synergies.

-3.4% Sales reported

-1.1% Sales (constant currency)

+8.2% EBIT reported

+14.9% EBIT (constant currency)

2.5x

Automotive aftermarket revenue growth in EMEA

$80m

Achieved in SU life sciences global sales

16%

Sales growth in emerging markets in Russia, Brazil, Central and Eastern Europe, Africa, Middle East and Mexico

Brands

MICROFLEX® TouchNTuff®

SEXUAL WELLNESS

Sexual Wellness – Global Business Unit

The Sexual Wellness GBU (SW) manufactures, sells and markets a range of branded condoms, lubricants, devices and fragrances globally. It sells through retail outlets and also supplies condoms to public health programs globally.

	FY15	FY16	% Change	% Change – CC
Sales	217.0	**220.0**	+1.4%	+8.2%
EBIT[1]	26.1	**31.0**	+18.8%	+41.0%
EBIT%/Sales	12.0%	**14.1%**	–	–

1. EBIT for FY15 excludes restructuring.

Sales Performance

A strong sales and EBIT performance for SW on continued success with premium branded condoms and strong emerging market results:

- SKYN® sales were up 12 per cent on continued success with the global market leading non-rubber latex condom and rapid growth on the new SKYN® lubricant range.
- China up 28 per cent, India branded business up 11 per cent.
- Improved performance of our natural rubber latex brands contributed 10 per cent growth.

SKYN® up 12%
China up 28%

EBIT performance

EBIT margin improved significantly on success in emerging markets and with new products. Increased investments in marketing activities where more than offset by reduced overheads and productivity gains in manufacturing and distribution.

+1.4% Sales reported

+8.2% Sales (constant currency)

+18.8% EBIT reported

+41.0% EBIT (constant currency)

28%

Sales growth in China e-commerce

11%

Sales growth in India. Strong portfolio with growing condom, lube and fragrance business

16%

Lubricants sales grew 16% SKYN® lubes in 11 markets

Brands

SKYN · jissbon · Blowtex · LifeStyles · Kama Sutra · MANIX

Material Business Risks

Ansell has established controls and procedures that are focused on safeguarding the Group's assets and the integrity of its reporting. The Group's internal controls cover accounting, financial reporting, safety and sustainability, fraud, delegations of authority and other control points. The risk management framework below summarises the Group's approach to managing risk, including the identification of risk appetite and monitoring of risks to that appetite.

Risk Management Framework

Risk Appetite

- Management establishes risk appetite (goals, metrics)
- Board oversight
- Cascade through the organisation

Organisational Alignment

- Stakeholders and managers to identify risk
- Risk mitigation process
- Risk appetite updated after feedback

Resource and Adherence

- Adherence to risk appetite
- Supports risk culture to ensure they are within acceptable tolerances

Communication

- Organisational communication of strategies and objectives
- Clear communication of how much risk organisation will accept

Material Risks – Description and Mitigation Actions

Risk	Nature of Risk	Mitigation Actions
Global markets instability	The Group's presence in over 30 countries globally and its growing presence in emerging markets exposes the Company to geopolitical, regulatory and other factors beyond the Group's control.	• Continually monitor the Group's exposure to these risks through our local presence. • Geographic diversification provides protection in itself.
Systems and technology	As a modern business Ansell relies on Information Technology (IT) platforms. Interruption, compromise to or failure of these platforms could affect Ansell's ability to service its customers effectively.	• Modern ERP systems are in place in the largest regions of North America and EMEA whilst also managing our supply chain. • These systems are progressively being deployed through the rest of the Group. • The Group has a fall back redundancy and sought and received external assistance on system protection and security.
Major incident at a significant manufacturing site or warehouse	The Group has a number of materially sized manufacturing sites and warehouses. These are vital to the business and financial losses from natural disasters, civil or labour unrest, terrorism, major fire or other incidence are possible.	• The Group has business continuity and disaster recovery plans for all major sites. • Insurance coverage including business interruption cover. • Ongoing safety, fire preparedness and local country economic reviews are conducted.
Organisational overstretch	The Group has set demanding targets and invested heavily in new acquisitions, new products and our staff. These initiatives can at times compete for internal resources, which can lead to organisational overstretch and the inability of the organisation to effectively respond to all matters in a timely manner.	• Planning programs have been introduced to focus efforts on high priority projects. • Global employee engagement and cultural surveys have been carried out to monitor staff concerns; and • Staff are encouraged to alert senior management to issues of this nature.
Foreign exchange risk	Around half of the Group's revenues and costs are in currencies other than the US$. With volatile foreign exchange markets, significant changes can occur in foreign exchange rates and result in a significant impact on US$ earnings.	• The Group's foreign exchange risks and management strategies are detailed in Note 15 to the financial statements.
Product quality	As a manufacturer, quality is paramount to the Group and failures in this area can have a significant negative effect on results and customer relationships.	• Investment in quality assurance and governance practices, including systematic quality assurance testing during and after the manufacturing and procurement process. • Dedicated team of quality and regulatory staff monitor this.
Loss of a key supplier	Raw materials purchased for manufacturing purposes and buying finished goods exposes the group to the risk of the failure of a supplier to perform leaving the Company short of a vital ingredient or product.	• Utilise dual sourcing strategy wherever feasible. • In recent years there has also been a strategy of vertical integration which reduces dependency on third parties.

Outlook

The Group will continue to focus on:

- organic growth
- profitability and cash flow
- capital deployment

Organic Growth

Ansell's organic growth focus in recent years has been on restoring clear differentiation in our product leadership through a significant increase in R&D and product innovation efforts. We have continued to develop our Guardian® Technology and trained our sales teams globally on its use and application and acquired businesses that we think will enhance our ability to grow long term.

Our overall organic growth achievement over the last three years, has shown significant success from this strategy, as is evident from results of new products and our Growth Brands. Overall organic growth has been limited by a number of other factors. We have been rationalising and exiting some lower margin or non core products, particularly within Industrial. We have been able to lower prices in Single Use and Medical ensuring customers benefit from lower raw material costs. We have had capacity constraints in Medical while volatility in emerging markets has affected some businesses.

In all cases we believe these adverse influences on growth will be of reduced impact going forward. For example, we have largely completed the Industrial rationalisation program and new capacity coming online early in FY17 will alleviate the Medical growth constraint.

With continued success with new products and our Growth Brands, and a reduced offset from other factors, we expected overall improved organic growth in FY17, and in the medium term believe a low to mid single digit organic revenue growth rate is achievable.

Our business priorities for advancing our strategic goals in FY17 are oriented around the following main objectives:

- Build stronger and deeper partnerships with our key distributor partners.
- Expand recently acquired product ranges such as Microflex® and Microgard® globally.
- As capacity constraints are resolved in Medical, work to resume growth of our leading synthetic surgical range.
- Continue improvement in service and quality metrics to ensure Ansell is the leading company globally on these criteria as well as in product performance.

Profitability and Cash Flow

Ansell has continually delivered strong cash flow throughout the last five years, and has improved EBIT margin from 12.2 per cent in FY10 to 15.0 per cent in FY16.

The focus for FY17 is therefore:

- Fully resolve FY16 manufacturing issues and then realise in full significant productivity benefits from recent investment in automation and in-sourcing production of key materials.
- With an enhanced focus on Return on Capital Employed, the Company will increase its focus on optimal use of working capital and generating high returns from manufacturing investments.

Offsetting the above gains are expected higher underlying tax rates and the dilution of ongoing earnings by the sale of the Onguard business.

Capital Deployment

Ansell has invested significantly in acquisitions and capital expenditure over the last five years while maintaining an investment grade balance sheet and delivering dividend increases in each year. In FY16 cash returns to shareholders were further supplemented by the share buyback program. As we begin FY17 we have a more active acquisition pipeline that will be the short term focus while the Board will also consider a continuation of the current share buyback as an alternative capital deployment option.

Corporate Social Responsibility & Sustainability Report

CSR Commitment

Ansell is committed to leading our industry in responsible human rights, societal, environmental and governance practices.

"Ansell's extraordinary efforts to donate products distributed in 28 countries – both on an everyday basis and in the wake of global emergencies – has made an amazing impact on people's lives."

Thomas Tighe, President and Chief Executive Officer at Direct Relief

Chartered jets delivered Ansell medical examination gloves to help stop the spread of infection in West African clinics and health centers during the worst outbreak of Ebola in history. In FY16, following its mission to create an 'Ansell protected world' we donated products to 28 countries around the world facing natural disasters and disease outbreaks.

Introduction

Sustainable business practices are critical to delivering shareholder value. Ansell recognises and values the connection between its business strategy and corporate social responsibility. Understanding and addressing material risks is also a key part of ensuring the sustainability and success of our organisation.

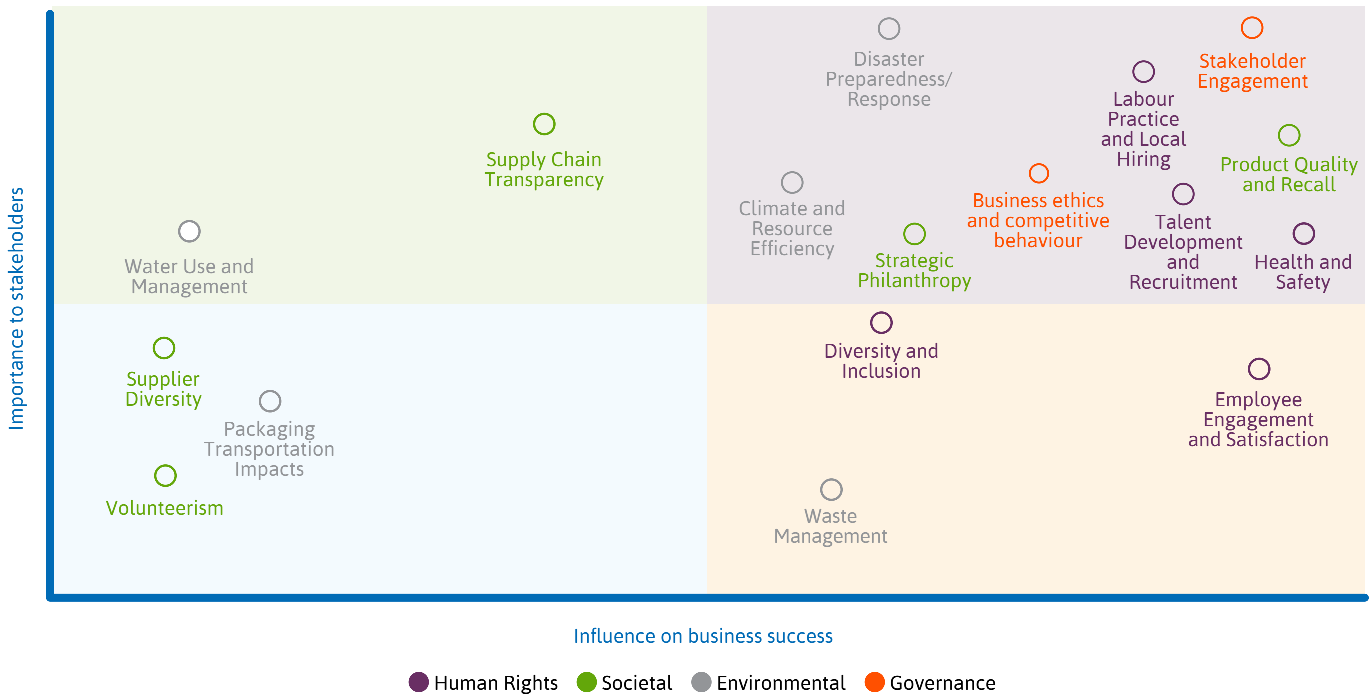
In FY16, we worked to mature our processes and practices around sustainable business and formalise key components of stakeholder interest. Employees, customers, distributors and investors depend on Ansell as a global leader in protection solutions. Governmental agencies, NGOs, socially responsible investors and other organisations monitor the Company's activities and their impact. Ansell will continue the momentum into FY17 and beyond, dedicated to strategic improvements in corporate social responsibility and sustainability.

In this report, we will focus on four key areas of sustainable business practices – Human Rights, Societal, Environmental and Governance.

CSR Initiatives: Knowing What Matters Most

Working in FY16 with Business for Social Responsibility (BSR), a global non-profit organisation that develops sustainable business strategies, Ansell identified nine key focus areas for its evolving sustainability practice. These nine key focus areas represent the issues that matter most to our business and our stakeholders and are illustrated in the top right quartile of the Materiality Assessment Map on this page. These focus areas are considered to be the issues which are the most important to Ansell's stakeholders and have the greatest influence on business success. While Ansell is cognisant of and addresses all of the issues on the Materiality Assessment Map, these nine key focus areas will receive the greatest attention in FY17.

Materiality Assessment Map



The findings identify both risks and opportunities for Ansell. We are now developing a process of governance around these findings, prioritising the key focus areas and creating appropriate action and implementation planning to address gaps and enhance strengths.

Ansell has also engaged with Sedex, the Supplier Ethical Data Exchange, to create a baseline self-assessment for Ansell against international standards in Human Rights, Labour, Safety and Environment. We have piloted the self-assessment surveys at the majority of our manufacturing facilities – India, Malaysia, Brazil, Sri Lanka, Vietnam, China, Thailand, Korea, Lithuania and Portugal – and have also engaged with Sedex to initiate self-assessments with our top suppliers. This holistic view of our strengths and opportunities will provide a platform for continuous improvement.

"We've been pleased to partner with Ansell to identify and prioritise the most material CSR issues facing the Company, and have been impressed by the team's commitment to driving change and to leading their industry sector in sustainability."

Laura Gitman, Vice President, BSR

Human Rights

We treat all people fairly and are committed to ethical behaviour and the respect of human rights as established in the United Nations Guiding Principles on Business and Human Rights and administered through our own policies and guidelines.

Our People and Human Rights

Ansell aims to provide good human rights and labour practices across the Company. We demonstrate these practices by doing what is necessary to ensure that the Company is managed in line with our own commitment and according to local and country governance. In FY16, the Board adopted the Human Rights Statement (found at www.ansell.com) which informs and guides Ansell's approach to respecting and promoting human rights within Ansell's spheres of operating influence.

Ansell operates with a fundamental respect for the rights of the people we employ, do business with and interact with along our value chain. Ansell meets or exceeds minimum labour standards and remuneration for its manufacturing organisation and offers a host of benefits to ensure that its employees are adequately rewarded for their contribution at, or in most cases, above the prevailing market-rate. Ansell seeks to be an employer-of-choice wherever it operates. The importance of managing human resources and meeting labour standards is recognised by the Risk Committee and metrics to monitor our progress have been adopted and are regularly reviewed by the Risk Committee.

Recruitment, Talent Development and Retention

Ansell is focused on motivating, engaging and educating a committed and high-performing workforce. In FY16, Ansell launched an enhanced global on-boarding program to ensure that new hires receive an exemplary welcome to Ansell and feel comfortable and supported from day one. These first few critical months on the job can make all the difference between success and failure.

Employee Turnover Data FY16	%
Turnover: male staff	18.0
Turnover: female staff	18.8
Total Turnover	18.4

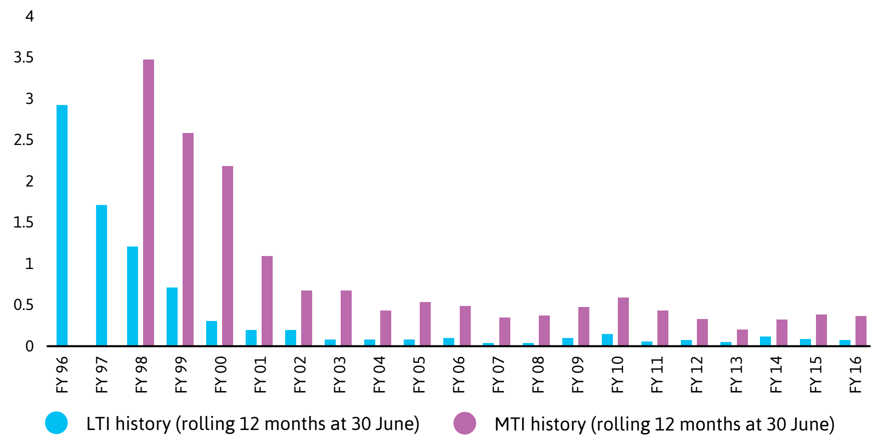
Ansell University

In FY16, Ansell employees completed just under 14,000 online learning modules available through Ansell University, our internal training program. Training is also available in Global Management and Supervisor Development, Ansell-certified Medical Education, and Six Sigma Lean University.

Employee Health and Safety

As a leader in protection solutions, the safety our workers is of paramount importance. Ansell measures, benchmarks and reports its safety statistics and these are regularly monitored by the Risk Committee. Tragically, in May 2016, Ansell experienced a fatality in its manufacturing facility in Thailand. In addition to supporting the family of the deceased, Ansell has undertaken extensive root cause analysis of the cause of the incident and will use the findings to strengthen existing policies and procedures throughout its manufacturing facilities to ensure employee safety.

Lost Time Injuries (LTIs) and Medical Treatment Injuries (MTIs) per 100 employees per annum



Employee Engagement

The results of the FY15 I AM ANSELL Employee Engagement and Culture survey of our 16,000-member workforce show that Ansell's overall engagement score is at 61 per cent, on par with Human Resource consultancy Aon Hewitt's global benchmark, and higher than global manufacturing companies. Building on these good results, Ansell strives to be a global employer of choice, known for attracting, developing and retaining the best talent at all levels. To achieve this, Ansell is addressing the areas that our employees said they valued the most, and is working towards an engagement score that places us among the best companies in the world, regardless of industry.

Diversity and Inclusion

Ansell has a continuing commitment to enrich the diversity profile of our management, with a focus on gender diversity. Our future actions will be managed against the objective of improving diversity at all levels and especially in our senior leadership ranks while maintaining a robust pipeline of talent.

In FY15, the Women's Leadership Forum was founded at Ansell to:

- Build awareness of gender diversity throughout Ansell;
- Create platforms for opportunities to network and share information, expertise and knowledge;
- Sponsor activities to promote development; and
- Monitor and report progress towards the stated mission.

In the past year, the Women's Leadership Forum has expanded its mentorship program for female managers; held numerous events at Ansell global locations to provide opportunities for open exchange and dialogue; shared insightful commentary from its CEO and female Board members to mark International Women's Day; and increased its knowledge-sharing database, available to all employees.

In addition to the best practice programs Ansell is running in the areas of recruitment and retention, the Company has launched a 'diverse slate' approach, which means that we aspire to present hiring managers with at least one female qualified candidate. This approach encourages recruiters to look longer, harder and smarter for more gender diversity in the talent pool and ensures that hiring managers are exposed to more candidates of both genders during the interview process.

WOMEN'S LEADERSHIP FORUM

In FY16, the Board confirmed its strategies designed to increase gender diversity and agreed on gender diversity objectives. These objectives included that, by 2020, Ansell would aim to have women constituting over 30 per cent of its executive management and over 40 per cent of its senior management. Additionally, the Board has a commitment to increase from two female Non-Executive Directors (at present) to three or more female Non-Executive Directors through its normal succession planning cycle to come as close as practical to 50 per cent female Non-Executive Director representation.

"By rising to the challenge of closing gender gaps at various levels, Ansell is taking active steps to remove barriers (often subtle) and create more equitable talent acquisition and development processes."

Susan Colantuono, CEO and Founder of Leading Women

29%

29 per cent of our Non-Executive Directors are women

19%

19 per cent of our executive leadership (Director Level and above) are women

32%

32 per cent of our management (Manager level through Associate Director) are women

HERhealth Launching in FY17

In FY17, Ansell will launch an exciting new program aimed at increasing health awareness and access to health services through a sustainable workplace program for female workers at its manufacturing plants in Xiamen, China; Bangalore, India; and Dong Nai Province, Vietnam.

HERhealth bridges an existing gap by bringing critical health information and services to women in the workplace.

HERhealth workplace programs strive to improve awareness and behavior related to general and reproductive health, to challenge harmful taboos, to promote preventive care, and to increase access to critical health products and services.

In each Ansell manufacturing plant, women will be selected as peer health educators and will be provided with a series of trainings that take place at work, during working hours. In addition to spreading information efficiently, the peer-to-peer model also creates significant empowerment benefits for the women selected as peer educators.

HERhealth was launched by our partner BSR in 2007 and has impacted over 250,000 women. It is recognised as a leading innovation for women's health by the UN 'Every Woman, Every Child' Initiative.

Societal

We attract and retain top talent while building a culture of diversity and inclusion as an employer of choice. We create opportunities for growth and employment around the world and help people in need following disaster and disease.

Ansell employees assisting with flood relief activities in Chennai.

Passion, Involvement, Teamwork... These are at the core of Ansell's business and are values all Ansell employees share. Ansell is passionate about embracing different cultures, languages and beliefs, and appreciates the benefits that diverse backgrounds and viewpoints bring to our business. Another viewpoint that all Ansell people share is the belief in creating a safer, healthier and more protected world by contributing to community.

Employees Initiatives

As global citizens, Ansell employees are committed to providing protection solutions that keep the world safe. In the hometowns where Ansell employees live, work and raise their families, these same employees are also making a difference – one town at a time.

- In 'Cake for a Cause', employees at Ansell Portugal show their sweet side. Each year the team stages a tasty bake sale, and matched with a contribution from management, brings hands-on assistance to improve conditions at local charitable organisations, which have included a home for children and vocational training for people living with disabilities.
- When Chennai city in South India was paralysed by the worst flooding in a century, employees from Ansell Bangalore organised an effort to distribute basic necessities and financial support to individuals in this hard-hit community.

These are examples of the many initiatives undertaken by our employees and supported by the Company.

Corporate Philanthropy and Community Engagement

Ansell provides partnership, resources and financial support to non-profit organisations improving the lives of people around the world and seeks to engage with its local community and those who use its products.

Ansell prides itself on its role as the premier manufacturer of sterile surgical gloves, examination gloves and healthcare safety solutions. A critical part of this leadership role includes educating healthcare professionals on a variety of topics including barrier protection, hand hygiene and managing latex allergies and providing clinical summaries of healthcare topics through the Ansell Cares™ program. To deepen its engagement with healthcare professionals, in 2013, Ansell introduced the H.E.R.O.® Nurse Award in the United States. The award recognises the incredible humane role of nurses by allowing the colleagues, family and friends of nurses to nominate outstanding service by nurses in the nursing profession.

In FY15, Ansell expanded the H.E.R.O. Nurse Award to include Europe, Australia and New Zealand and launched a social media campaign on Twitter®, Facebook® and through microsites. Worldwide winners' ceremonies were recently held and charitable organisations were notified of the contributions made in the winners' names. Through the H.E.R.O. program, Ansell has donated more than $35,000 to local charities on the winners' behalf and recognised 350 nurses as heroes.

Ansell is working with Operation Smile, an international medical charity that provides free surgeries for children and young adults born with cleft lip, cleft palate and other facial deformities to raise both funds and awareness, as well as donating products and educating surgeons about the importance of donning latex-free gloves when treating children.

In North America, Ansell provided Operation Smile with gloves and marking pens used on 70 missions in FY16. In EMEA, Ansell employees volunteered on Operation Smile missions in Russia in both FY15 and FY16, in addition to providing financial support and product donations valued at more than $20,000.

In FY16, the Ansell Sexual Wellness team again led the way to support the Movember Foundation, the global men's health movement. Ansell supported the Movember Foundation by creating a special edition Movember SKYN® condom pack and donating $1 for each pack sold, raising over $30,000 in Australia and $50,000 in the US. Ansell employees also took up the Movember cause and donated personally throughout Australia, Europe and the United States.

Setting the bar high, Ansell CEO Magnus Nicolin pledged a donation to UNICEF based on global employee response to the I AM ANSELL Employee Engagement and Culture Survey. In response to the outstanding 93 per cent employee response rate, Ansell donated $50,000 to UNICEF at its Employee Culture Town Hall in May 2015. Ansell's gift allowed UNICEF to use it where it was needed most, helping UNICEF to do whatever it takes to save and protect the world's most vulnerable children.

Nepal, 2015. On May 25, Jamuna Nepali, 9, (centre, red) and other children attend a UNICEF-supported Child Friendly Space in the camp for earthquake-displaced people where they are staying on a wind-swept ridge above the town of Charikot, Dolakha District.

Product Donations

In the right hands, a pair of gloves can do extraordinary things.

In FY16, Ansell donated 118,000 pairs of surgical gloves, 457,000 examination gloves and 126,000 condoms to Direct Relief.

Even before the Ebola outbreak began in 2014, West African health care systems were underfunded and thinly staffed. When Ebola erupted, the system was completely overwhelmed. Ansell provided generous glove donations from the beginning. In January 2016 the World Health Organization declared the Ebola outbreak over, but its consequences are lasting. Ansell continues to provide donations to care for survivors, many of whom face serious physical and psychological challenges.

On February 20, 2016, Tropical Cyclone Winston, the most powerful storm ever recorded in the Southern Hemisphere, swept across Fiji with wind gusts reaching 230km/h (145mph). At least 44 people died and 40,000 homes were damaged or destroyed. Forty percent of Fiji's population were impacted by the storm. Within days, Ansell medical examination gloves were on the ground in Fiji, part of an initial shipment of 15,000 pounds of humanitarian medical aid distributed to local healthcare facilities.

Ansell has also joined in the global fight against HIV/AIDS, equipping front-line health providers in several countries, including the US and Mexico with the supplies they need to provide HIV testing, treatment and support for people living with or at-risk of infection.

In all these humanitarian efforts, Ansell is proud to partner with Direct Relief, a non-profit aid organisation working to improve the lives of people living in poverty or the aftermath of disaster. Charity Navigator, America's leading charity watchdog organisation, ranks Direct Relief Number One on its 2016 list of 'Ten of the Best Charities Everyone's Heard Of'.

Environmental

We make responsible use of natural resources and view as paramount our commitments to the safety of our workers as well as to the residents of the communities in which we operate.

Ansell is a world-class manufacturer of personal protective equipment, ranging from protective suits to supported industrial gloves, sterile surgical gloves and condoms. In FY16, Ansell operated 21 manufacturing sites throughout Asia, the Americas and Europe and had an extensive third-party supply chain. Ansell has a responsibility to ensure that its manufacturing processes and supply-chain are best in class, demonstrating excellent environmental stewardship and adequately managing the risks of its operations. The Board and the Risk Committee of Ansell actively monitor the key risks of the Company's operations throughout the world, some of which are outlined below.

Disaster Preparedness and Prevention

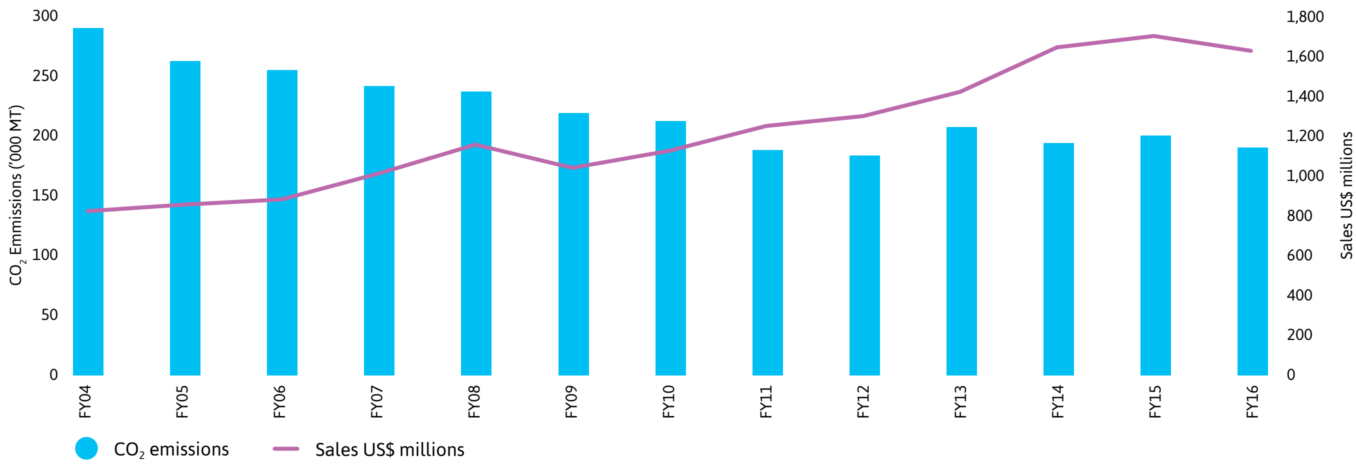
Ensuring that Ansell can continually supply its customers with high-quality product within the expected timeframe of the customer is critical. As part of its Crisis Management and Recovery plan, Ansell actively monitors and manages the following risks:

Risk	Mitigation Measures
Loss of a key supplier	• Dual-sourcing of key inputs • Supply chain management • Strategic partnerships with key suppliers
Management of proprietary sourcing	• Move key inputs to in-house manufacturing • Backwards integration of supply chain through acquisitions and strategic partnerships
Loss of key site or key warehouse	• Install and maintain fire protection in place • Ongoing audit by EHS (Safety, Health and Environment) group
Safety	• Ensuring that safety standards are world class • Monitor safety statistics to ensure downwards trend • Rapidly integrate newly acquired sites to Ansell standards

Resource Efficiency

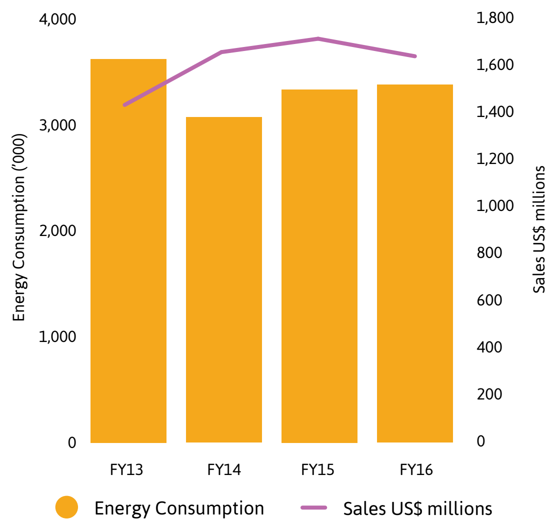
This section reviews Ansell's use of resources in FY16 and Ansell's measures to sustainability operate its business.

Ansell Global CO_2 Emissions



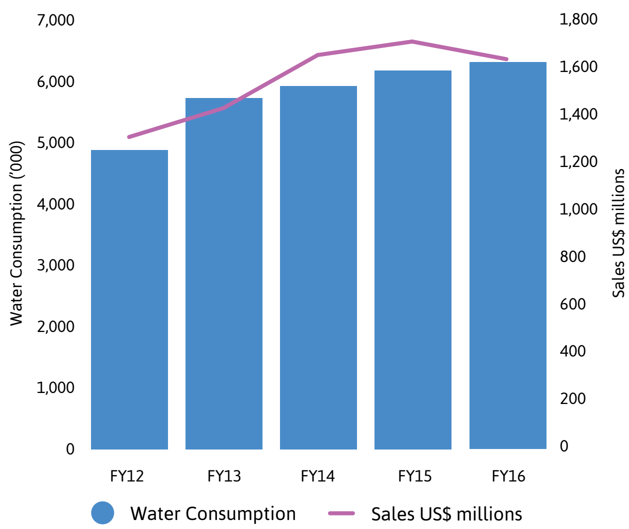
- In FY10 and FY14, improvements were driven by the first biomass boiler in Lanka and second biomass boiler in Bangkok, converting fuel oil and natural gas operation to biomass.
- FY13 and FY15 increases were due to acquisitions and an increase in latex consumption respectively.
- In late FY14, a third biomass boiler was commissioned in Lanka, further reducing emissions.
- In FY15 and FY16 acquisition of Ansell Textiles Lanka contributed to slight increase, offset by Shah Alam plant closure.
- In FY16, maximum utilisation of the third biomass boiler and the ability to run Ansell Lanka normal operations with zero fuel oil helped to further reduce CO_2 emissions.

Energy Consumption (mmBTU)



Energy consumption increases in line with additional latex consumption and acquisitions of manufacturing facilities. Energy use is offset by energy reduction initiatives such as biomass boilers or other efficiencies.

Water Consumption (m³)



Water consumption increases in line with additional latex consumption and acquisitions of manufacturing facilities. Water consumption is offset by process improvements and production of products with a lower latex requirements (predominately Industrial GBU products).

ISO 14001 Certification and Waste Management

Ansell manufacturing sites follow ISO 14001 guidelines in developing and implementing waste management systems and all facilities meet local regulations and requirements. All but one of Ansell's manufacturing sites are certified to ISO 14001 and the last site is pending certification. For a manufacturing site to hold ISO 14001 certification, the site must have an acceptable environmental management system in place to manage the site's environmental responsibilities.

Energy Down and Water Down Projects

In FY16, Ansell undertook a number of targeted projects to improve resource efficiency:

Category	Examples	Estimated Savings
Electrical Energy	• Replace fluorescent lights with LEDs • Replacement of inefficient chillers • Power management scheme for computers	4,456,000kWh per annum
Thermal Energy	• Insulation improvements on ovens • Re-use of waste heat • Solar panel hot water systems	• 795,000kWh per annum • 4,280 tonnes of woodchips (for biomass boilers)
Water	• Water reuse • Reduce water flowrate	9,000m^3 per annum

Energy Down Case Studies

As part of its commitment to minimise its environmental impact, Ansell has invested in biomass boilers to power some of its manufacturing sites. For the biomass boiler in our Bangkok manufacturing site to operate at optimal efficiency, the woodchip moisture level should be around 20 to 25 per cent. However, the average moisture level of the woodchips delivered was 35 per cent, consuming additional energy to evaporate the excess moisture during combustion. Ansell's engineering team studied existing industrial systems to remove excess moisture in the woodchip before feeding in to the boiler. Having gained experience, the team designed and tested a prototype dryer. The design phase of this project demonstrated that the target moisture reduction of 20 to 25 per cent could be achieved. The final woodchip dryer is powered with hot air from boiler exhaust, recycling heat from existing energy use. It is estimated that by drying the woodchips to optimal temperature using recycled heat, the Bangkok biomass boiler will save approximately 3,000 tonnes of woodchips per annum.

The EMEA IT team evaluated the costs and power consumption associated with computer usage by testing the effects of adjusting the standard power management scheme on the 800 computers within the region. An optimisation setting was applied that put each computer into a low power consumption state in order to reduce rising energy costs. On average, after adding the optimisation setting, energy consumption by each computer decreased by 2KWh. It was soon confirmed that adding the optimisation setting will save 108,000KWh per year when applied to Ansell's 4,500 computers globally in FY17.

Governance

We believe that sustainable environmental, social and governance (ESG) practices start at the top with a culture of accountability. We deliver value to stakeholders and earn the status of responsible business partner while also being committed to managing and measuring the sustainability risks and opportunities related to Ansell's business strategy.

Good corporate governance is crucial to delivering shareholder value.

The Board has implemented systems to identify and manage risks and has appropriate oversight and governance of risk. The Board and the Executive Leadership Team also lead by example to ensure that the highest standard of ethical behaviour is adopted throughout Ansell.

A report on the Company's Corporate Governance practices for the year ending 30 June 2016 and a checklist on compliance with the ASX Corporate Governance Principles and Recommendations (3rd ed.) (Principles) can be found at www.ansell.com. The Board believes that the Company's corporate governance policies and practices have complied in all respects with the Principles.

Some of the key governance elements are outlined below.

Board and Committee Framework

The Board relies upon the Skills Matrix and the Board Charter to ensure that each Director has the necessary international experience and business acumen to oversee Ansell's diverse global businesses. The Board has established the Audit and Compliance Committee, the Risk Committee, the Human Resources Committee, and the Governance Committee to consider and provide advice to the Board on specific matters within the remit of that Committee. The Board and each Committee undertake an annual evaluation. Each Non-Executive Director also completes an annual performance review. Full details of the governance structure are found in the Company's report on Corporate Governance at www.ansell.com.

Ethics and Compliance

Ansell's Core Values, Leadership Competencies and the global Code of Conduct constitute the platform for all activities, serving as a guide to ethical principles and business conduct at Ansell. Ansell expects its employees will act with the utmost integrity when dealing with all stakeholders. The global Code of Conduct forms a core part of the induction of new employees and all employees are trained on the global Code of Conduct annually. Employee performance is measured against the Ansell Core Values.

In FY16, we updated the Code of Conduct, emphasising the key importance of the basic values and ethics that are expected from all Ansell employees. Training took place globally to ensure that all Ansell employees are familiar with the updated Code of Conduct and the operations of its third-party compliance hot line as a secure and confidential way to be empowered and 'speak up' about any suspected unethical behavior, policy violations or concerns.

Education

The Company continued its practice of visiting the Company's facilities in each year. During FY16, Board meetings were held in conjunction with visits to the Company's global hubs in New Jersey, Melbourne and Brussels. The Board also visited manufacturing and sales operations in Chicago, Vietnam and Cyberjaya and Melaka in Malaysia.

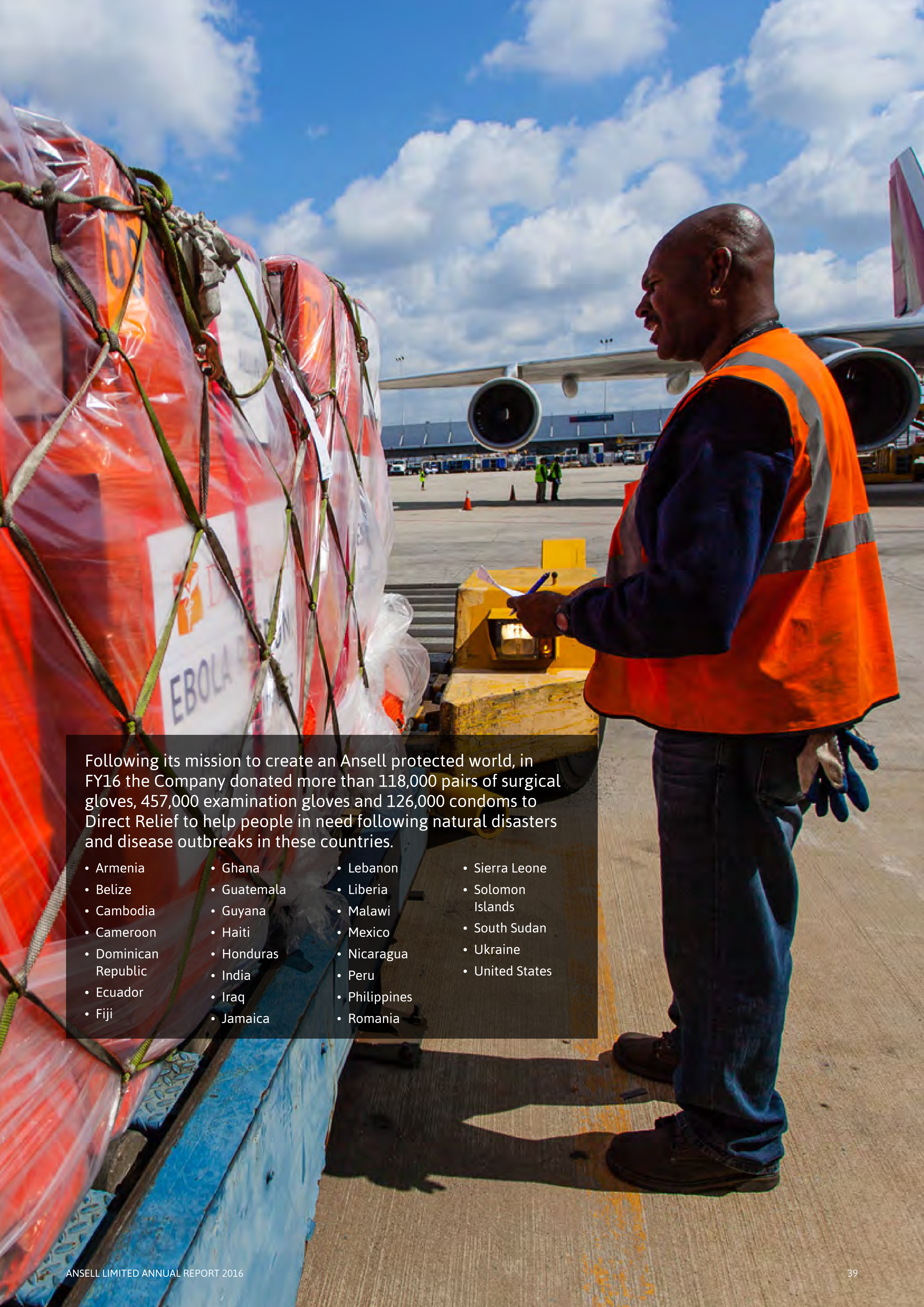
Stakeholder Engagement

Ansell regularly engages with its stakeholders through a variety of media such as the ASX electronic lodgement platform; periodic updates to shareholders; discussions with large investor groups and proxy analysts; and its Annual General Meeting. Ansell's relevant documentation concerning corporate governance; its ASX releases; and its media releases are placed on its website at www.ansell.com and periodically updated. Other examples of stakeholder engagement include our ongoing dialogue with organisations such as Finnwatch, the Swedish County Council and the British Medical Association.

Diversity

Ansell recognises that effectively harnessing a talented and diverse global workforce is a key competitive advantage for our business and our success is a reflection of not only the quality and skills of our people, but our ability to channel their backgrounds, experiences, regional points of view and cultural and ethnic differences. Further details are provided in the 'Diversity and Inclusion' section of this Report.

Ansell held its Annual General Meeting in October 2015 in Melbourne, Victoria and enjoyed good attendance by its shareholders.



Following its mission to create an Ansell protected world, in FY16 the Company donated more than 118,000 pairs of surgical gloves, 457,000 examination gloves and 126,000 condoms to Direct Relief to help people in need following natural disasters and disease outbreaks in these countries.

- Armenia
- Belize
- Cambodia
- Cameroon
- Dominican Republic
- Ecuador
- Fiji
- Ghana
- Guatemala
- Guyana
- Haiti
- Honduras
- India
- Iraq
- Jamaica
- Lebanon
- Liberia
- Malawi
- Mexico
- Nicaragua
- Peru
- Philippines
- Romania
- Sierra Leone
- Solomon Islands
- South Sudan
- Ukraine
- United States

Board of Directors

Glenn L L Barnes
Chairman
B Ag Sc (Melb), CPM, FAMI, FAICD, SF Fin, FRSA

Appointed Non-Executive Director in September 2005 and Chairman in October 2012.

Chair of the Governance Committee and member of the Human Resources Committee.

Current Directorships: Non-Executive Director at Sydney Children's Hospital Foundation, Stronghold Pty Ltd, Barnes Investments Pty Ltd (Retired as Chairman of Australian Unity Limited at end March 2016).

Mr Barnes has over twenty years of governance experience in banking and financial services, business information, consumer goods and the not-for-profit sector. He was involved in the packaged goods, banking and financial services sectors for over thirty years, as an executive, business leader and Director in Australia, New Zealand, the United Kingdom, United States of America, Republic of Ireland, Japan and China.

The Board considers Glenn Barnes to be an independent Director.

Magnus R Nicolin
Managing Director and Chief Executive Officer
BA, MBA (Wharton)

Managing Director and Chief Executive Officer since March 2010.

Current Directorships: Non-Executive Director at FAM AB.

Prior to joining Ansell, Mr Nicolin, a Swedish citizen, spent three years with Newell Rubbermaid Inc., most recently as President, Europe, Middle East, Africa and Asia Pacific. Prior to that he spent seven years with Esselte Business Systems Inc., where in 2002 he led the leveraged buy-out of Esselte from the Stockholm and London Stock Exchanges. Following the buy-out he became the Chief Executive Officer of Esselte.

Mr Nicolin has also held senior management positions with Bayer AG, Pitney Bowes and McKinsey & Company.

Mr Nicolin holds an MBA from the Wharton School of the University of Pennsylvania and a BA from the Stockholm School of Economics.

As an Executive Director, Magnus Nicolin is not independent.

Marissa T Peterson
Non-Executive Director
BSc (MECH), MBA (Harvard), Hon Doctorate (MGMT)

Appointed Non-Executive Director in August 2006.

Chair of the Risk Committee and member of the Audit and Compliance Committee.

Current Directorships: Chair of Oclaro Inc. and Director of Humana Inc.

Mrs Peterson currently runs Mission Peak Executive Consulting, an executive coaching and consulting firm specialising in helping develop, grow and scale leaders in the high-technology space. Mrs Peterson retired from full-time executive roles in 2006, having spent 18 years with Sun Microsystems in senior executive positions. She has extensive experience in supply chain management, manufacturing and quality, logistics, information technologies, customer advocacy and leadership development.

The Board considers Marissa Peterson to be an independent Director.

Ronald J S Bell
Non-Executive Director
BA (Strathclyde)

Appointed Non-Executive Director in August 2005.

Chair of the Human Resources Committee and member of the Governance Committee.

Mr Bell is an experienced international consumer industry executive with a background of over 30 years in highly competitive global branded products. He is a former President of Kraft Foods, Europe and served as Executive Vice President of Kraft Foods Inc. and brings to the Board broad general management and marketing skills particularly in the European and North American markets.

The Board considers Ronald Bell to be an independent Director.

Leslie Desjardins

Non-Executive Director
BIA, Finance (Kettering), MS(MIT)

Appointed Non-Executive Director in November 2015.

Member of the Audit and Compliance Committee and the Risk Committee.

Mrs Desjardins is an experienced international finance executive with a focus on business performance and growth. Mrs Desjardins was formerly a Director of AptarGroup and Chief Financial Officer for Amcor Limited. Mrs Desjardins held various executive roles at General Motors Corporation, including Chief Financial Officer, General Motors Holden, and Controller for General Motors North America. She has extensive experience in finance, strategy, government relations and global operations. Mrs Desjardins currently serves on the Terry Fox Cancer Foundation Audit Committee.

The Board considers Leslie Desjardins to be an independent Director.

L Dale Crandall

Non-Executive Director
CPA, MBA (UC Berkeley)

Appointed Non-Executive Director in November 2002.

Member of the Audit and Compliance Committee and the Risk Committee. Special Advisor for mergers and acquisitions.

Current Directorships: Director of Bridgepoint Education Inc., and Endurance International Group, Inc.

Mr Crandall has a background in accounting and finance and is a former Group Managing Partner for Southern California for Price Waterhouse. He was formerly President and Chief Operating Officer of Kaiser Foundation Health Plan and Hospitals in the United States and lead trustee of The Dodge and Cox Mutual Funds.

The Board considers Dale Crandall to be an independent Director.

W Peter Day

Non-Executive Director
LLB (Hons), MBA (Monash), FCPA, FCA, FAICD

Appointed Non-Executive Director in August 2007.

Chair of the Audit and Compliance Committee and member of the Risk Committee.

Current Directorships: Alumina Limited, Australian Unity Investment Real Estate Limited, Boart Longyear Limited and SAI Global Limited.

Mr Day was formerly a Chairman and Director of Orbital Corporation, Chairman of Centro Retail Trust and a Director of Federation Centres. He was Chief Financial Officer of Amcor Limited for seven years, and Chief Financial Officer and Executive Director Finance of Bonlac Foods Limited. He also has held senior office and executive positions in the Australian Securities Commission (Deputy Chair), Rio Tinto, CRA and Comalco. He is also involved in disability services and education initiatives. He has a background in finance and general management across diverse and international industries.

The Board considers Peter Day to be an independent Director.

John A Bevan

Non-Executive Director
BCom (UNSW)

Appointed Non-Executive Director in August 2012.

Member of the Human Resources Committee, the Governance Committee and the Audit and Compliance Committee.

Current Directorships: Chairman of BlueScope Steel Limited and Director of Nuplex Industries Limited.

Mr Bevan was formerly the Chief Executive Officer and Executive Director of Alumina Limited and brings to the Board extensive international business experience. Prior to joining Alumina Limited in June 2008, he had a long career with the BOC Group Plc where he was a member of the Board of Directors and held a variety of senior management positions in Australia, Korea, Thailand, Singapore and the United Kingdom.

The Board considers John Bevan to be an independent Director.

Executive Leadership Team

Steve Genzer
President and General Manager Industrial Global Business Unit
BSc, MBA

Joe Kubicek
President and General Manager Single Use Global Business Unit
BA, MBA

William Reilly
Senior Vice President Corporate General Counsel
BA, JD

Anthony Lopez
President and General Manager Medical Global Business Unit
BS, MS

Debbie Lynch
Chief Human Resources Officer
BS, MS, PhD

Magnus Nicolin
Managing Director and Chief Executive Officer
BA, MBA

Chrystelle Fontan
Senior Vice President Quality
BS, MS

Francois Le Jeune
Senior Vice President Business Development and Chief Commercial Officer Body Protection SBI
BS, MS, MBA

Peter Dobbelsteijn
Chief Commercial Officer EMEA and APAC Region and Ansell Global Guardian
BMkt

Darryl Nazareth
Senior Vice President Research and Development
BS, MS

Neil Salmon
Chief Financial Officer (Finance and IT)
BA, ACMA

Jeyan Heper
President Sexual Wellness Global Business Unit
BA, (Hons)

Mark Nicholls
Senior Vice President and Chief Commercial Officer-Americas
BA, LLB (Hons) Melb.

Giri Peddinti
Senior Vice President and Global Chief Information Officer
BE, MBA

Report by the Directors

This Report by the Directors of Ansell Limited ('the Company') is made for the year ended 30 June 2016. The information set out below is to be read in conjunction with the:

- Remuneration Report appearing on pages 52 to 81.
- Notes 20 and 21 to the financial statements, accompanying this Report.

Directors and Secretary

The names and details of each person who has been a Director of the Company during or since the end of the financial year are:

- Glenn L L Barnes (Chairman)
- Magnus R Nicolin (Managing Director and Chief Executive Officer)
- Ronald J S Bell
- John A Bevan
- L Dale Crandall
- W Peter Day
- Leslie Desjardins (appointed 30 November 2015)
- Marissa T Peterson
- Annie H Lo (resigned 30 November 2015)

Particulars of the qualifications, experience and special responsibilities of each Director, as at the date of this Report, and of their other directorships, are set out on pages 49 and 51.

Details of meetings of the Company's Directors (including meetings of Committees of Directors) and each Director's attendance are also set out on page 45.

The Company Secretary is Alistair Grant, BA/LLB, LL. M, AGIA and he was appointed to that position in October 2013. Mr Grant joined the Company in 2009, and has a legal background. He has held senior positions in the Corporate Head Office, including the position of Asia Pacific Regional Legal Counsel.

Principal Activities

The activities of Ansell Limited and its subsidiaries ('the Group') principally involve the development, manufacturing and sourcing, distribution and sale of gloves and protective personal equipment in the industrial and medical gloves market, as well as the sexual wellness category worldwide. Ansell operates in four main business segments: Medical, Industrial, Single Use and Sexual Wellness.

Operating and Financial Review

The Operating and Financial Review for the Group for the financial year is set out on pages 12 to 28, and forms part of this Report.

State of Affairs

During the year the Group continued to progress the strategies that have been identified to accelerate growth and create increased shareholder value. The Operating and Financial Review provides additional information on the Group's growth strategies. Other than set out in the Operating and Financial Review, no significant changes occurred in the state of affairs of the Group during the financial year.

Likely Developments

Likely developments in the operations of the Group are referred to on page 28 of this Report. In the opinion of the Directors, the disclosure of any further information about likely developments in the operations of the Group has not been included in the Report because disclosure of this information would likely result in unreasonable prejudice to the Group.

Significant Events Since Balance Date

The Directors are not aware of any significant matters or circumstances that have arisen since the end of the financial year that has affected or may affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Dividends and Share Issue

The final dividend of US 23 cents per share (unfranked) in respect of the year ended 30 June 2015 was paid to shareholders on 10 September 2015. An interim dividend of US 20 cents per share (unfranked) in respect of the half-year ended 31 December 2015 was paid to shareholders on 10 March 2016. A final dividend of US 23.5 cents per share (unfranked) in respect of the year ended 30 June 2016 is payable on 8 September 2016 to shareholders registered on 22 August 2016. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2016 and will be recognised in subsequent financial reports.

On 13 August 2015, the Company issued (a) 15,213 shares to Mr Salmon, CFO of Ansell Limited, which were earned from performance rights that were issued as partial compensation for value being left behind under prior employment agreements and had retention provisions applied to them; (b) 104,357 shares to Mr Nicolin, CEO of Ansell Limited, due to a vesting under a plan approved at the 2010 AGM; and (c) 315,203 shares pursuant to the vesting of the FY13 Long Term Incentive Plan. On 10 September 2015, the Company issued 183,492 shares under its Dividend Reinvestment Plan. On 8 January 2016, the Company issued 26,981 shares to Mr Joe Kubicek, President and General Manager Single Use Global Business Unit and 26,981 shares to Mr Mike Mattos, Chief Commercial Officer North America and LAC regions (resigned on 31 January 2016), on the vesting of performance rights issued pursuant to a retention agreement following the 2014 acquisition of BarrierSafe Solutions International Inc. On 10 March 2016, the Company issued 199,830 shares under its Dividend Reinvestment Plan.

Details of unissued shares under option at the date of this Report and shares issued during or since the end of the financial year as a result of the exercise of options are set out in Note 13 to the financial statements, which accompany this Report.

Interests in the Shares of the Company

The relevant interests of each Director in the share capital of the Company, as at the date of this Report, as notified to the ASX Limited pursuant to the Listing Rules and Section 205G of the *Corporations Act 2001*, were:

G L L Barnes	61,748^
R J S Bell	15,429
J A Bevan	17,402^
L D Crandall	20,680
W P Day	27,307^
L Desjardins	1,961
M T Peterson	20,133
M R Nicolin	229,030^
A H Lo	3,529

^ Beneficially held in own name or in the name of a trust, nominee company or private company.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of Board Committees) held during the financial year and the number of meetings attended by each Director.

	Board		Audit and Compliance Committee		Risk Committee		Human Resources Committee		Governance Committee	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
G L L Barnes	6	6					8	8	2	2
R J S Bell	6	6					8	8	2	2
J A Bevan	6	6	5	5			8	8	2	2
L D Crandall	6	6	5	5	4	4				
W P Day	6	6	5	5	4	4				
L Desjardins[1]	4	4	4	4	2	2				
M T Peterson	6	6	5	5	4	4				
M R Nicolin	6	6								
A H Lo[2]	2	2	1	1	2	2				

Held – Indicates the number of meetings held while each Director was a member of the Board or Committee.

Attended – Indicates the number of meetings attended during the period that each Director was a member of the Board or Committee.

1. Mrs Desjardins was appointed as a Director on 30 November 2015.

2. Mrs Lo resigned as a Director on 30 November 2015.

A meeting of a special Board Committee comprising G L L Barnes and M R Nicolin was convened on 11 August 2015 in relation to the review and lodgement of the 2015 Financial Report and the 2015 Full Year Results announcement. A meeting of a special Board Committee comprising G L L Barnes and M R Nicolin was convened on 8 February 2016 in relation to the review and lodgement of the Half-Year Results announcement, reports and financial statements for the six months ended 31 December 2015. Both special Board Committees are excluded from the number of meetings noted above. Audit and Compliance Committee meetings were generally attended by all other Directors.

Corporate Governance

The Board of Ansell Limited believes that a strong corporate governance framework helps to underpin a strong company. Ansell's corporate governance policies and practices are set out in the Corporate Governance Statement. We have provided a summary of the Corporate Governance Statement in the Annual Report, and the full Statement, which sets out the extent to which Ansell's policies and practices comply with the requirements of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, can be found at www.ansell.com.

Performance in Relation to Environmental Regulations

Group entities are subject to environmental regulation in the jurisdictions in which they operate. The Group has risk management programs in place to address the requirements of the various regulations. From time to time, Group entities receive notices from relevant authorities pursuant to local environmental legislation. On receiving such notices, the Group evaluates potential remediation or other options, associated costs relating to the matters raised and, where appropriate, makes provision for such costs. The Directors are not aware of any material breaches of Australian or international environmental regulations during the year.

The Board monitors compliance with the Group's environmental policies and practices, and believes that any outstanding environmental issues are well understood and are being actively managed. At the date of this Report, any costs associated with remediation or changes to comply with regulations in the jurisdictions in which Group entities operate are not considered material.

Indemnity

Upon their appointment to the Board, each Director enters into a Deed of Access, Indemnity and Insurance with the Group. These Deeds provide for indemnification of the Directors to the maximum extent permitted under law. They do not indemnify for any liability involving a lack of good faith.

No Director or officer of the Group has received the benefit of an indemnity from the Group during or since the end of the year.

Rule 61 of the Group's Constitution also provides an indemnity in favour of officers (including the Directors and Company Secretary) of the Group against liabilities incurred while acting as such officers to the extent permitted by law. In accordance with the powers set out in the Constitution, the Group maintains a Directors' and Officers' insurance policy. Due to confidentiality obligations and undertakings of the policy, no further details in respect of the premium or the policy can be disclosed.

Auditor Independence

The Directors received the Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* as follows:

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To: the Directors of Ansell Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Gordon Sangster
Partner

Melbourne
15 August 2016

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss Cooperative.

Liability limited by a scheme approved under Professional Standards Legislation.

Report by the Directors continued

Non-audit Services

During the year, the Group's auditor, KPMG, was paid the following amounts in relation to non-audit services provided by KPMG:

Taxation and other services	$28,101
Other assurance and advisory services	$4,646

The Directors are satisfied that the provision of such non-audit services is compatible with the general standards of independence for auditors imposed by, and do not compromise the auditor independence requirements of, the *Corporations Act 2001* in view of both the amount and the nature of the services provided and that all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Compliance Committee to ensure they do not impact the integrity and objectivity of the Auditor.

Rounding

The Group is a company of the kind referred to in Australian Securities and Investments Commission Instrument 2016/191 dated 31 March 2016 and, in accordance with that Instrument, unless otherwise shown, amounts in this Report and the accompanying financial statements have been rounded off to the nearest one hundred thousand dollars.

This Report is made in accordance with a resolution of the Board of Directors made pursuant to Section 298(2) of the *Corporations Act 2001* and is signed for and on behalf of the Directors.

G L L Barnes
Director

M R Nicolin
Director

Dated in Melbourne this 15th day of August 2016

Directors

Glenn L L Barnes Chairman – B Ag Sc (Melb), CPM, FAMI, FAICD, SF Fin, FRSA

Appointed Non-Executive Director in September 2005 and Chairman in October 2012.

Chair of the Governance Committee and member of the Human Resources Committee.

Current Directorships: Non-Executive Director at Sydney Children's Hospital Foundation, Stronghold Pty Ltd, Barnes Investments Pty Ltd (retired as Chairman of Australian Unity Limited at end March 2016).

Mr Barnes has over twenty years of governance experience in banking and financial services, business information, consumer goods and the not-for-profit sector. He was involved in the packaged goods, banking and financial services sectors for over thirty years, as an executive, business leader and Director in Australia, New Zealand, the United Kingdom, United States of America, Republic of Ireland, Japan and China.

The Board considers Glenn Barnes to be an independent Director.

Magnus R Nicolin Managing Director and Chief Executive Officer – BA, MBA (Wharton)

Managing Director and Chief Executive Officer since March 2010.

Current Directorships: Non-Executive Director at FAM AB.

Prior to joining Ansell, Mr Nicolin, a Swedish citizen, spent three years with Newell Rubbermaid Inc., most recently as President, Europe, Middle East, Africa and Asia Pacific. Prior to that he spent seven years with Esselte Business Systems Inc., where in 2002 he led the leveraged buy-out of Esselte from the Stockholm and London Stock Exchanges. Following the buy-out he became the Chief Executive Officer of Esselte.

Mr Nicolin has also held senior management positions with Bayer AG, Pitney Bowes and McKinsey & Company.

Mr Nicolin holds an MBA from the Wharton School of the University of Pennsylvania and a BA from the Stockholm School of Economics.

As an Executive Director, Magnus Nicolin is not independent.

Report by the Directors continued

Marissa T Peterson Non-Executive Director – BSc (MECH), MBA (Harvard), Hon Doctorate (MGMT)

Appointed Non-Executive Director in August 2006.

Chair of the Risk Committee and member of the Audit and Compliance Committee.

Current Directorships: Chair of Oclaro Inc. and Director of Humana Inc.

Mrs Peterson currently runs Mission Peak Executive Consulting, an executive coaching and consulting firm specialising in helping develop, grow and scale leaders in the high-technology space. Mrs Peterson retired from full-time executive roles in 2006, having spent 18 years with Sun Microsystems in senior executive positions. She has extensive experience in supply chain management, manufacturing and quality, logistics, information technologies, customer advocacy and leadership development.

The Board considers Marissa Peterson to be an independent Director.

Ronald J S Bell Non-Executive Director – BA (Strathclyde)

Appointed Non-Executive Director in August 2005.

Chairman of the Human Resources Committee and member of the Governance Committee.

Mr Bell is an experienced international consumer industry executive with a background of over 30 years in highly competitive global branded products. He is a former President of Kraft Foods, Europe and served as Executive Vice President of Kraft Foods Inc., and brings to the Board broad general management and marketing skills particularly in the European and North American markets.

The Board considers Ronald Bell to be an independent Director.

L Dale Crandall Non-Executive Director – CPA, MBA (UC Berkeley)

Appointed Non-Executive Director in November 2002.

Member of the Audit and Compliance Committee and the Risk Committee. Special advisor for mergers and acquisitions.

Current Directorships: Director of Bridgepoint Education Inc., and Endurance International Group, Inc.

Mr Crandall has a background in accounting and finance and is a former Group Managing Partner for Southern California for Price Waterhouse. He was formerly President and Chief Operating Officer of Kaiser Foundation Health Plan and Hospitals in the United States and lead trustee of The Dodge and Cox Mutual Funds.

The Board considers Dale Crandall to be an independent Director.

W Peter Day Non-Executive Director – LLB, MBA (Monash), FCPA, FCA, GAICD

Appointed Non-Executive Director in August 2007.

Chairman of the Audit and Compliance Committee and member of the Risk Committee.

Current Directorships: Alumina Limited, Australian Unity Investment Real Estate Limited, Boart Longyear Limited and SAI Global Limited.

Mr Day was formerly a Chairman and Director of Orbital Corporation, Chairman of Centro Retail Trust and a Director of Federation Centres. He was Chief Financial Officer of Amcor Limited for seven years, and Chief Financial Officer and Executive Director of Bonlac Foods Limited. He also has held senior office and executive positions in the Australian Securities Commission (Deputy Chair), Rio Tinto, CRA and Comalco. He is also involved in disability services and education initiatives. He has a background in finance and general management across diverse and international industries.

The Board considers Peter Day to be an independent Director.

John A Bevan Non-Executive Director – BCom (UNSW)

Appointed Non-Executive Director in August 2012.

Member of the Human Resources Committee, the Governance Committee and the Audit and Compliance Committee.

Current Directorships: Chairman of BlueScope Steel Limited and Director of Nuplex Industries Limited.

Mr Bevan was formerly the Chief Executive Officer and Executive Director of Alumina Limited and brings to the Board extensive international business experience. Prior to joining Alumina Limited in June 2008, he had a long career with the BOC Group Plc where he was a member of the Board of Directors and held a variety of senior management positions in Australia, Korea, Thailand, Singapore and the United Kingdom.

The Board considers John Bevan to be an independent Director.

Leslie Desjardins Non-Executive Director – BIA, Finance (Kettering), MS (MIT)

Appointed Non-Executive Director in November 2015.

Member of the Audit and Compliance Committee and the Risk Committee.

Mrs Desjardins is an experienced international finance executive with a focus on business performance and growth. Mrs Desjardins was formerly a Director of AptarGroup and Chief Financial Officer for Amcor Limited. Mrs Desjardins held various executive roles at General Motors Corporation, including Chief Financial Officer, General Motors Holden, and Controller for General Motors North America. She has extensive experience in finance, strategy, government relations and global operations. Mrs Desjardins currently serves on the Terry Fox Cancer Foundation Audit Committee.

The Board considers Leslie Desjardins to be an independent Director.

Annie H Lo Non-Executive Director – BSc (Bus Adm), MBA (Eastern Michigan)

Appointed Non-Executive Director on 1 January 2013. Member of the Audit & Compliance Committee and Risk Committee. Resigned as a Non-Executive Director and member of the Audit & Compliance Committee and Risk Committee on 30 November 2015.

Mrs Lo was formerly the Chief Financial Officer of Johnson & Johnson's Worldwide Consumer and Personal Care Group. She retired from this role in late 2011, having spent over 20 years in executive roles with Johnson & Johnson.

Mrs Lo has significant experience in directing business expansion across the Asia Pacific region and globally as well as in managing healthcare business challenges and regulatory processes

The Board considers Annie Lo to be an independent Director.

Remuneration Report

Chairman's Letter

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present Ansell's Remuneration Report for the financial year ended 30 June 2016. It has been a challenging year for Ansell with demand subdued across many of our major markets. After six successive years of growth, our results in FY16 were lower than in FY15. Nevertheless, there have been significant achievements during the year positioning Ansell well for the future.

This year has also been a transitional one in respect to our remuneration arrangements. At the time of our Notice of Meeting to last year's AGM, we announced a review of our remuneration structures. We also announced we had implemented a one-off Special Incentive Plan (SIP) for FY16 as an interim measure to maintain alignment between the interests of shareholders and management, encourage retention of participants through time vesting requirements and encourage high performance through achievement of performance hurdles set at challenging levels (on a constant currency basis). This was done following the cancellation of the FY14 LTI grant, vesting of which had been rendered unachievable by material currency value shifts, which are outside of management control. It was an interim measure while we conducted our review of remuneration structures. Further details of the SIP are provided in section 7.4 of this Remuneration Report.

At the subsequent 2015 Annual General Meeting (AGM), notwithstanding a strong majority (65 per cent) of the votes cast last year approving our Remuneration Report, a sizable minority voted against the Report, constituting a first strike. In addition, an offer of options to our CEO and Managing Director, Magnus Nicolin, as part of his remuneration package, was not approved.

What have we done since the 2015 Annual General Meeting?

The Board has taken the AGM vote seriously. In response, we have reviewed our remuneration structures and made adjustments to better support our business strategy and to respond to concerns raised by our stakeholders following the 'first strike' received in relation to our 2015 Remuneration Report.

Specifically we have:

- engaged broadly with a range of stakeholders to understand the reasons for the strong message being sent;
- redesigned our Remuneration Report to assist with clarity and readability, so that our shareholders can more easily see the linkages between our strategic drivers, Company performance against those drivers and remuneration outcomes. We recognised that we did not clearly communicate a number of remuneration-related matters in FY15; and
- approved a number of changes to our remuneration structures for FY17 after taking into account many factors, including:
  - the comments of our shareholders,
  - the need to better align our incentives with our strategic objectives,
  - expectations of continued volatility in foreign currency relativities,
  - the need for a 'global' remuneration framework,
  - the slowdown in economic growth globally and
  - the need to continue to attract, retain and reward our executive team.

These changes are summarised in section 1.2 of the Remuneration Report. With these changes in place, we do not feel it is necessary to repeat the FY16 Special Incentive for FY17.

FY16 financial performance and remuneration outcomes

Our financial results in FY16 were affected by the challenging economic environment globally, the impact of swings in global currencies affecting our US dollar reported results, a world economy that continues to grow at a slow and uneven rate and a significant increase in our global average tax rate. We communicated a revised performance range to the market earlier this year and are pleased to report that while lower than for FY15, our FY16 financial outcomes were within guidance. Furthermore:

- at constant currency, sales were level with FY15;
- at constant currency, EBIT was up 8.5 per cent on FY15;
- our Operating Cash Flow was again strong, increasing by $28 million to $145 million in FY16; and
- our balance sheet remains investment grade with net debt to EBITDA at 1.5 times,

all of which are solid results given the economic conditions.

Other performance highlights include that our recent acquisitions in the Industrial and Single Use businesses are delivering targeted returns and creating organic growth opportunities. We also experienced strong sales growth in new products in the Industrial business. The Sexual Wellness and the Single Use businesses both performed well and we made significant progress addressing the manufacturing issues that affected Medical results in FY16.

In relation to our Short Term Incentive (STI) Plan for FY16, we set performance targets with the challenging global economic environment in mind. After normalising for the anticipated currency and tax headwinds, the FY16 targets required significant underlying growth in key metrics. These targets were not achieved for Sales and Profit Attributable (PA). However, the constant currency growth in Earnings Before Interest and Tax (EBIT) of 8.5 per cent was above threshold and came close to the target and the strong cash flow improvement exceeded the target level. This level of financial performance has resulted in outcomes under our STI plan for senior executives that were in most cases moderately lower than those for FY15.

As the FY14 Long Term Incentive Plan (LTIP) was cancelled, no awards under the LTIP vested this year.

The SIP is a one-off incentive program implemented for FY16. It was put in place following cancellation of the FY14 LTI plan for reasons given above. The SIP was put in place at half the opportunity level of remuneration outcomes originally available under the cancelled FY14 LTIP and was linked to two of the performance conditions set under the STI Plan, the revenue performance condition, which was not met and the EBIT performance condition, which was met around target. Accordingly, the SIP outcomes were significantly below the maximum opportunity available.

As there was no LTI available for vesting in FY16 and the STI and SIP outcomes were well below target levels, the total actual remuneration outcomes for Executives in FY16 are materially below those for FY15.

We have again provided a voluntary realised pay table in Section 5, in addition to the statutory remuneration tables in Section 10. Both tables show a significant year over year reduction for our Executives, particularly for those Executives who were participants in the cancelled FY14 LTIP. Specifically for our CEO, the realised table shows his FY16 realised compensation was 47 per cent lower than the amount realised in FY15. The performance linked component of his compensation (earned under the STI and SIP) was 26 per cent of the maximum available in FY16.

Although our FY16 financial results were creditable given the prevailing market conditions, we recognise that they were generally lower than FY15 and the Board considers our remuneration outcomes to appropriately reflect the Group's performance and the outcome experienced by our shareholders.

Ansell is a truly international company

Our shareholders understand that Ansell is a unique Company when compared to many of its ASX peers. While Australian listed, all of the Executive Key Management Personal (KMP) are located outside of Australia, as are nearly all of our employees and our operations. This means our financial performance is affected by economic conditions around the world (not just those prevailing in Australia) and our remuneration structures and practices need to be accepted and competitive in the markets where our people are based, including the US and Europe for our Executives. As these structures and practices are not those traditionally adopted by our Australian based ASX peers, we understand it is our responsibility to explain our structures to our shareholders.

We think our 2016 Remuneration Report transparently communicates remuneration outcomes for FY16, a transitional year as we have redesigned our remuneration system to better suit our business needs, and clearly explains the remuneration structures that we have put in place for FY17 and beyond. We hope you agree and welcome any feedback you may care to provide.

On behalf of the Directors, we look forward to welcoming you to the 2016 AGM.

Ronnie Bell
Chairman of the HR Committee

Section 1 – Introduction

1.1 Key Management Personnel (KMP)

The Directors of Ansell Limited (Ansell) present the Remuneration Report (Report) prepared in accordance with Section 300A of the *Corporations Act* for the Group for the financial year ended 30 June 2016. This Report, which has been audited by KPMG, forms part of the Report of the Directors.

The Report outlines the remuneration arrangements in place for the KMP of Ansell, which comprises all Directors (executive and non-executive) and those executives who have authority and responsibility for planning, directing and controlling the activities of the Group. In this Report, 'Executives' refers to members of the Group Executive team identified as KMP.

The following table details Ansell's KMP during FY16:

Name	Role
Non-Executive Directors	
Glenn L L Barnes	Chairman, Independent Non-Executive Director
Ronald J S Bell	Independent Non-Executive Director
John Bevan	Independent Non-Executive Director
L Dale Crandall	Independent Non-Executive Director
W Peter Day	Independent Non-Executive Director
Leslie Desjardins	Independent Non-Executive Director (appointed on 30 November 2015)
Annie H Lo	Independent Non-Executive Director (retired on 30 November 2015)
Marissa T Peterson	Independent Non-Executive Director
Executive Director	
Magnus R Nicolin	Managing Director (MD) and Chief Executive Officer (CEO)
Other Executives	
Neil Salmon	Chief Financial Officer (Finance and IT)
Scott Corriveau	President and General Manager Industrial GBU (ceased as a KMP on 30 September 2015)
Peter Dobbelsteijn	Chief Commercial Officer EMEA and APAC Region and Ansell Global Guardian
Steve Genzer	President and General Manager – Industrial GBU (prior to 30 September 2015, was Senior Vice President Global Supply Chain Operations)
Jeyan Heper	President and General Manager Sexual Wellness GBU
Joe Kubicek	President and General Manager Single Use GBU
Anthony Lopez	President and General Manager Medical GBU
Mark Nicholls	Chief Commercial Officer Americas (commenced on 1 January 2016)
Mike Mattos	Chief Commercial Officer North America and LAC Region (ceased as a KMP on 1 January 2016)

1.2 Response to first strike and changes for FY17

Since incurring a 'first strike', Ansell has engaged extensively with stakeholders to understand their concerns.

Set out below is a summary of the Board's responses to the key issues raised by some shareholders and proxy advisers to the 2015 Remuneration Report and changes to our remuneration arrangements following review of our remuneration structures:

Issue	Changes for FY17
Base salary	**Response to misunderstandings surrounding base salary** There was some misunderstanding regarding the CEO's fixed remuneration and incentive opportunity levels last year. These misunderstandings arose from: • translation of our then US based CEO's remuneration to A$ by proxy advisers despite it being paid and reported in US$. This translation, coupled with a near 30 per cent depreciation in the Australian dollar, made it appear like the CEO had received a large pay increase, when this was not the case, but was in fact a foreign exchange effect; and • the difference between 'base salary' (which determines incentive opportunities for our Executives) and 'fixed remuneration' (which includes base salary and other benefits such as retirement benefits, but is not used to determine opportunity levels). We will aim to better communicate these matters going forward, but would urge all advisors to note that our reporting currency is US$ and to be cognisant that we use base salary and not fixed annual remuneration in determining our incentive opportunities.
STI deferral	**Introduction of incentive deferral** There was concern that our STI plan incentives are paid entirely in cash following the determination of results each year, which may encourage management to pursue short term objectives at the expense of longer term value. While we believe our short term and long term remuneration arrangements complement and counterbalance each other, from FY17 onwards, a part of our STI awards will be deferred in the form of restricted shares (determined with reference to the extent that performance is at or above the midpoint between threshold and stretch to a maximum of 50 per cent of the overall STI opportunity). Restricted shares will be awarded in place of cash to place a part of the reward at continued risk against future share price movements. The restriction will see the shares held for a period of two years from when the shares are granted. This change recognises the sizeable short term rewards that may be earned for exceptional performance and a desire to ensure those short term targets are exceeded in a manner that is sustainable over the longer term.
STI – performance conditions and setting of targets	**Selection of performance measures** The selection of financial metrics used in the STI plan will generally include a revenue measure, a profit measure plus also in some cases, a measure of asset efficiency or Cash flow depending on priorities set for the coming year. Incentives will be calculated on a constant currency basis based on total Ansell performance for Executives, and for all others on a combination of total Ansell and individual business unit or regional performance. Beginning in FY17, incentive payments will incorporate a lower threshold and lower starting incentive amount as compared to the current plan. Incentive outcomes will be calculated in a straight line from zero to maximum, similar to the new LTI plan (discussed below).
STI – non-financial measures	**Use of non-financial metrics** In recognition of the importance of measures other than financial targets to our longer term prosperity as a company, we are continuing our practice of having non-financial performance measures as a portion of the STI scorecard for our Executives. Non-financial measures will comprise a maximum of 20 per cent of the total scorecard in any given year. In FY17 these non-financial measures will make up 10 per cent of the scorecard for our Executives and include metrics on safety and customer satisfaction. These measures are intended to augment our strong financial measures and will be clearly defined and measurable in order to deliver results that are consistent with the Group's strategic priorities and relevant to the particular role of the Executives.

Remuneration Report continued

Issue	Changes for FY17
STI – vesting schedule	**Updated vesting schedule** The vesting schedule will be on a straight line basis from zero to maximum which represents a change from the current plan where separate threshold, target and maximum levels are set. Payout amounts (as a percentage of base salary) under the FY17 STI plan (as compared to FY16) will be as follows:

	Threshold STI (Previous)	**Maximum STI** (Previous)
CEO	**0%** (50%)	**225%** (200%)
CFO	**0%** (30%)	**150%** (125%)
Other Executives	**0%** (25%)	**100%** (105%)

Issue	Changes for FY17
LTI – equity not cash	**Payment of awards entirely in equity for all Executives** Our LTI awards in prior years have generally comprised cash and Performance Share Rights (PSR), other than for the CEO who receives only PSRs. This reflected the international dispersal of LTI plan participants and global practice with respect to incentive awards. From FY17, all of our LTI plan awards will be granted entirely in the form of PSRs (i.e. with no cash element) to further strengthen the alignment with our shareholders.
LTI – performance conditions	**Introduction of two additional performance measures** As Ansell has continued to invest capital in acquiring businesses that we believe complement or augment our existing business, some stakeholders have expressed concern at our single LTI plan performance condition relating to growth in earnings per share (EPS). The Board has therefore decided to introduce two additional performance measures for FY17 and beyond – Group return on capital employed (ROCE) and long term growth in revenue (Organic Growth). Using these measures in combination with EPS growth should improve the alignment between incentive outcomes and long term value creation. A gateway still applies to the EPS performance condition. The Board considered the introduction of a relative total shareholder return measure (TSR), which was favoured by some of our shareholders. Given Ansell's specific characteristics (in terms of being Australian listed but a global company, not having many global listed competitors and being of a different size to many of them), we were unable to identify an appropriate comparator group (globally or regionally). While we considered having multiple TSR comparator groups across the US, Europe and Asia Pacific, this did not meet our key criteria of simplicity and transparency and so the Board determined that relative TSR would not be an appropriate performance measure for the LTI plan.

Issue	Changes for FY17
LTI – gateway	**Change to a ROCE gateway** We have had a minimum return gateway on the EPS performance condition before the EPS measure is able to vest. Traditionally our return gateway for the LTI has been based on return on equity (ROE). As our investments are funded by both equity and debt, we considered that from FY17 it would be more appropriate to use a return on capital employed (ROCE) gateway, which measures our returns against both equity and debt in the business, rather than the ROE gateway used previously which only takes into account equity capital. Therefore, achieving at least the minimum ROCE threshold set for the new ROCE performance condition will be required as the gateway to achieve any incentive against the EPS measure. That is, if the ROCE measure does not vest, the ROCE gateway will not be met and the EPS measure cannot vest either. ROCE is, therefore, being used as: • a performance measure in its own right applicable to one third of the LTI grant; and • a gateway to the EPS performance condition.
LTI – setting of targets	**Approach to setting targets** Target performance ranges setting the minimum to maximum incentive range for EPS, Organic Growth and ROCE may vary from year to year and will be set after taking account of expected economic conditions and strategic priorities of the business. The low end of the target performance range will be lower compared to the current plan as payout will begin in a straight line from zero, versus today's minimum payout for the CEO at 25 per cent of maximum opportunity (being 100 per cent of base salary). Achieving the upper end of incentive targets where excellent performance is now required against three measures over three years is more challenging than a plan focused only on one measure.
LTI – vesting schedule	**Updated vesting schedule** The vesting schedule will be a straight line from zero to maximum, a change from the current plan where separate threshold, target and maximum levels are set. Payout amounts (as a percentage of base salary) under the LTI plan going forward (as compared to last year) will be as follows:

	Threshold LTI (Previous)	**Maximum LTI** (Previous)
CEO	**0%** (100%)	**360%** (400%)
CFO	**0%** (62.5%)	**300%** (250%)
Other Executives	**0%** (50%)	**200%** (200%)

In addition to the EPS performance condition, an additional two performance conditions have been introduced as discussed above. In order for Executives to earn the total maximum opportunity available, maximum performance must be achieved for all 3 performance conditions. For example, for the CEO, 120 per cent of base salary is achievable for maximum performance under each of the performance conditions. Therefore, in order to achieve the maximum 360 per cent of his base salary, the maximum performance must be achieved for each of those 3 performance conditions.

Remuneration Report continued

Issue	Changes for FY17
Constant Currency measurement	**Use of Constant Currency reporting** As Ansell's operations (whether sales or manufacturing) occur in many countries in many currencies, and our financial reporting translates all of these results to a single currency (US dollars) for reporting purposes, the fluctuations in exchange rates can cause significant distortion to reported performance. Accordingly, the performance measures under our current STI and LTI plans and going forward will be tested on a Constant Currency basis (which will remove foreign exchange fluctuations for the period which may either favour or penalise management). In the interest of transparency, Ansell will include details of its performance in Constant Currency terms in addition to its statutory reporting requirements.
Mandatory shareholding requirements	**New mandatory shareholding requirements for Executives** Ansell has, for some years, been committed to encouraging strong alignment between our Executives and shareholders through a mandatory shareholding requirement. After reviewing international practice, noting that our requirements were significantly higher than many of our peers and considering the shift to a much larger emphasis on equity in our short and long term incentives, we have determined to reset the level of mandatory shareholding requirements from FY17 (which is not inclusive of any unvested equity rights held pursuant to the incentive plans) to: • CEO – 3 x base salary (previously 4 x base salary) • Executives – 1 x base salary (previously 2 x base salary) These adjusted mandatory shareholding requirements remain market leading. Restricted shares granted under the FY17 STI and FY16 SIP will be included in assessing whether an Executive meets the mandatory shareholding targets.
Board discretion	**Exercise of discretion by the Board** Our remuneration policy aims to link management incentive outcomes to performance against strategic objectives that drive long term shareholder value creation. In certain circumstances, events or accounting rules (such as the recognition of deferred tax assets) can create favourable or unfavourable effects on earnings for a single year that may cause a misalignment between incentive outcomes and shareholder value creation. In these circumstances the Board retains its discretion to incorporate adjustments to the calculation of incentive outcomes. The Board has developed a detailed policy that will guide it in applying this discretion and that will be applied consistently. The policy covers individually material items including restructuring charges, acquisitions and divestments and equity capital issuance and repurchase. The Board will continue its practice of clearly explaining in its annual remuneration report the basis and calculation of any adjustments made that have influenced incentive outcomes.

Section 2 – Remuneration philosophy and strategy

Our remuneration philosophy links the achievement of our strategic objectives and corporate plans with appropriate and measured rewards for our Executives.

Our governing principles are summarised below:

Principle	Description	
Ensure competitiveness in Base Salary and Total Salary Package	Offer competitive levels of remuneration in the relevant employment marketplace in which the employee is based to attract and retain the best talent available. These remuneration arrangements are truly global, not those traditionally adopted by most of our predominantly Australian operating ASX peers.	**Ansell's Executive KMP remuneration**
Support a performance culture	Support high performance culture by setting appropriately challenging performance objectives that drive the generation of shareholder value and link rewards to the achievement of those objectives and provide the largest part of the remuneration package 'at risk'.	
Balance short and long term performance	Balance the desire to reward superior performance against short term goals that are delivered in a manner that supports generation of superior shareholder returns over the longer term.	
Link rewards to business results	Apply a pay-for-performance philosophy that directly links Executive reward to the achievement of Ansell and business unit operating results and performance against strategic goals both annually and over the longer term.	
Significant equity component to align with shareholders	Provide a large portion of total remuneration in the form of Ansell equity.	

The remuneration design and quantum for our Executives is determined by fit for purpose contemporary criteria as well as reviewing what is generally paid for similar roles in similar businesses in the relevant geographic locations – the locations where the Executives reside and work. While Ansell is publicly listed on the ASX, it reports in US dollars, more than 95 per cent of its revenue is derived outside of Australia and it is active in a diverse range of geographies. Additionally, many Executives are located in our four global corporate offices. As such, the mix of remuneration for individual Executives is reflective of prevailing best practice and market conditions in the region in which the Executive is based.

Our Remuneration Policy and Strategy document is available on our website at the following link http://www.ansell.com/en/About/Investor-Center/Corporate-Governance-and-Corporate-Governance-Statement.aspx.

Section 3 – FY16 Remuneration framework components

Our executive remuneration framework for FY16 consisted of the following components:

- Fixed Annual Remuneration (FAR);
- a Short Term Incentive (STI) plan; and
- a Long Term Incentive (LTI) plan.

In FY16, Executives were also invited to participate in a one-off Special Incentive Plan (SIP). We have provided further detail on the operation of the SIP in section 7.4.

Remuneration framework

The diagram below outlines the link between the components of remuneration for Executives, the relevant performance conditions and the strategic objectives of Ansell that these components were designed to achieve for FY16. Further information on each of these components can be found in section 7.

Component	Performance measure	Strategic objective/ performance link
Fixed Annual Remuneration (FAR) Base salary plus contributions to retirement plans and other benefits CEO FY16 Target FAR was 42 per cent of total remuneration CFO/Other Executives Target FAR was 60 per cent of total remuneration	Considerations in determining FAR include the responsibilities, performance, qualifications, experience, location and market rate for a comparable role in similarly sized companies, in similar industries, operating in similar jurisdictions.	FAR set at competitive levels in the market to attract, retain and engage talented executives to achieve results (including being competitive internationally for talent).
+		
STI **Cash** Deferral into equity to be introduced in FY17 CEO FY16 Target STI was 29 per cent of total remuneration CFO/Other Executives FY16 Target STI was 20 per cent of total remuneration	Based on annual growth in sales revenue, EBIT and free cash flow. For the CEO and CFO, Profit Attributable is also an additional performance measure. *From FY17, non-financial performance measures will make up a portion of the STI scorecard. Financial measures will not be less than 80 per cent of the scorecard*	The Board considers these performance measures to be appropriately aligned with the Group's short-term objectives of delivering profitable growth and improving shareholder return. In addition, the executives have a clear line of sight to the targets and are able to affect results through their actions.
+		
LTI Cash and rights to receive fully paid ordinary shares Rights only for 2017 LTI grant onwards CEO FY16 Target LTI was 29 per cent of total remuneration CFO/Other Executives FY16 Target LTI was 20 per cent of total remuneration	**Gateway condition – Return on Equity (ROE)** EPS growth performance condition measured over a three year performance period. *From FY17, performance measures will include, in addition to EPS growth, ROCE and Organic Revenue Growth with the EPS component being subject to a ROCE performance gateway.*	The Board selected EPS growth as a performance measure for vesting of the PSRs and cash awards on the basis that it: • is a relevant indicator of increases in shareholder value; and • is a target that provides a suitable line of sight to encourage and motivate executive performance. The Board selected ROE as a gateway to ensure that our capital was being employed efficiently and earnings growth was translating to shareholder value.
=		

Total remuneration

The total remuneration mix is designed to attract, retain and motivate a highly capable executive team, encourage and drive leadership performance that reinforces Ansell's short and long term strategic objectives and provide a common interest between Executives and shareholders by linking the rewards that accrue to Executives to the creation of value for shareholders.

Section 4 – Group performance

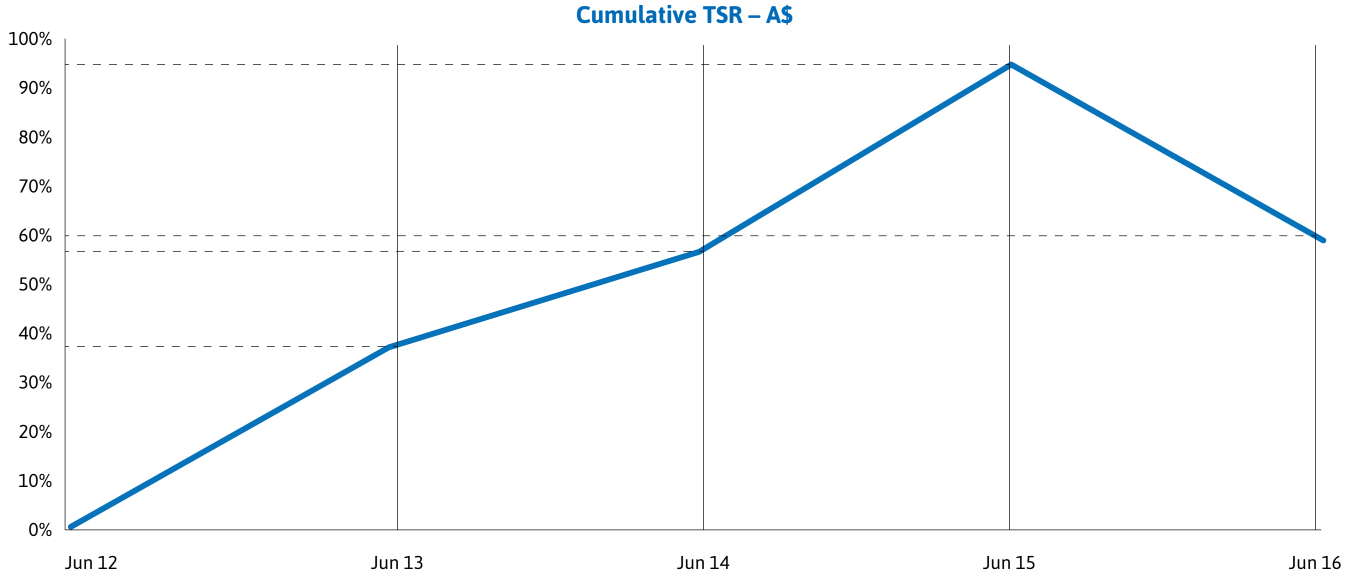
4.1 Group performance

The five year performance history of the Group shows growth in top line sales and underlying profitability from FY12 to FY15, before a decline in FY16. The primary reasons for the decline were the adverse impact of foreign currency translation, a sluggish world economy and an increased tax rate for the Group. Furthermore, manufacturing issues in our medical division temporarily increased costs and affected supply. The Constant Currency (CC) column below is intended to show the year over year performance after restating FY15 results using FY16 exchange rates. These show a robust financial performance year over year, despite the factors noted above.

Table 4.1(a)

	2012 US$m	2013 US$m	2014 US$m	2014 Underlying[1] US$m	2015 US$m	2016 US$m	2016 vs 2015 CC%[2]
Income Statement							
Sales	1,255	1,373	1,590	1,590	1,645	1,573	-0.1%
EBIT	153	171	84	207	245	237	+8.5%
Profit for the period attributable to Ansell shareholders	133	139	44	157	188	159	-2.5%
Share information							
Basic earnings per share ($US cents)	101.4	106.5	29.3	110.0	122.5	105.1	-1.4%
Dividends per share[3] (A$ or $US cents)	A 35.5	A 38.0	US 39.0	US 39.0	US 43.0	US 43.5	n/a
Ansell Share Price (A$)	13.20	17.63	19.83	n/a	24.09	18.17	n/a
Ratios							
Return on average shareholders' equity (%)	18.8	19.1	4.6	15.7	16.4	14.1	n/a

Table 4.1(b) – Cumulative Total Shareholder Return (TSR)[4]



1 During FY14, the Group acquired BSSI and restructured the business, which involved significant non-cash write-downs as well as cash expenses totaling $122 million. The underlying results exclude this charge.

2 2016 v 2015 CC per cent refers to the percentage change when comparing FY16 to FY15 expressed in Constant Currency as defined in the Glossary section.

3 Dividends have been declared in US$ since Ansell adopted the US$ as reporting currency in 2014.

4 Cumulative Total Shareholder Return (TSR) is the cumulative financial return which an investor received from holding shares in Ansell, assuming dividends paid are reinvested in Ansell shares. It is expressed as a cumulative percentage change from a starting value at 1 July 2012 and finishing on 30 June 2016.

Section 5 – Realised pay (Non-Statutory Remuneration Disclosure)

The table in this section uses non-IFRS financial information which is used to detail realised pay earned by the CEO and Other Executives during FY16. This is a voluntary disclosure and is supplemental information to the statutory remuneration disclosure prepared in accordance with statutory requirements and accounting standards as detailed in Section 10 of this Remuneration Report. A description of how to calculate the non-IFRS financial information is set out below and in the footnotes to the tables. Realised pay includes cash salary, retirement benefits, non-cash benefits paid/payable in relation to FY16 and the full value of incentives earned for the performance period ended 30 June 2016. The table below shows realised pay for FY16 along with comparatives to FY15 and has been audited.

Table 5 (a) – Realised Pay Summary

Award	Year	Base Salary[1]	Retirement Benefits[2]	Other Benefits[3]
Executive Director				
Magnus R Nicolin	**2016**	**1,030,000**	**367,842**	**95,156**
	2015	983,750	369,385	97,596
Other Executives[8]				
Neil Salmon[9]	**2016**	**490,738**	**76,718**	**108,450**
	2015	456,500	107,645	17,790
Peter Dobbelsteijn[11]	**2016**	**385,114**	**38,456**	**458,240**
	2015	411,588	55,858	99,427
Steve Genzer	**2016**	**412,699**	**74,818**	**2,222**
	2015	399,950	89,137	0
Jeyan Heper[12]	**2016**	**277,446**	**27,500**	**26,736**
	2015	145,759	0	8,267
Joe Kubicek	**2016**	**378,250**	**66,475**	**10,137**
	2015	340,000	56,016	8,720
Anthony Lopez[13]	**2016**	**376,565**	**70,693**	**134,899**
	2015	365,750	81,679	86,211
Mark Nicholls[14]	**2016**	**175,000**	**34,221**	**563**
	2015	n/a	n/a	n/a

1. Base salary – the base salary earned by the individual in FY16. The increases in the base salary for Executives are based on benchmarking of similar positions in the jurisdictions in which the executives are based, as well as their performance during the previous year. As a result, whilst the CEO increase was 4 per cent with effect from 1 October 2015, increases for Other Executives' pay were either lower or higher depending the outcomes of the benchmarking and performance reviews.
2. Retirement Benefits includes the retirement benefits earned by the individual in FY16.
3. Other Benefits includes the cost to the company of cash benefits such as motor vehicle, executive expatriation and relocation allowances, executive insurance, expat tax equalisation payments and other amounts. Significant year over year variations in other benefits above are detailed below.
4. 2016 STI represents amounts payable under the 2016 STI plan – refer section 7.2.
5. 2016 SIP Restricted Shares represents the value of the restricted share awards under the one-off SIP – refer section 7.4. These awards are awarded as restricted shares, which will be bought on market by the Group, with recipients being unable to sell the shares for a period of 2 years from the issue date.
6. LTI PSRs – Given the cancellation of the FY14 LTI, the PSRs column relates only to the FY13 LTI grant, which vested in the FY15 performance period. The figure represents the value, in US$, of the PSRs which vested from the FY13 LTI grant , multiplied by the closing share price of Ansell Ltd on ASX on 5th August 2015. This was the date on which the HRC approved the vesting of shares at the prevailing price of A$25.08 (the translation to US$ used an average exchange rate of US$1: A$1.195). Each individual is subject to the holding restrictions on those shares as outlined in the Share Purchasing Policy of Ansell Ltd.
7. Total Realised Pay is the sum of Base Salary, Retirement Benefits, Other, Total Cash Awards and Total Equity Award referred to in each of the above columns.

Cash Awards			Equity Awards			Total
2016 STI Cash[4]	LTI Cash	Total Cash Awards	2016 SIP Restricted Shares[5]	LTI PSRs[6]	Total Equity Awards	Total Realised[7]
600,000	**n/a**	**600,000**	**499,200**	**0**	**499,200**	**2,592,198**
745,800	n/a	745,800	n/a	2,718,714	2,718,714	4,915,245
196,682	**0**	**196,682**	**150,645**	**0**	**150,645**	**1,023,233**
206,736	n/a[10]	206,736	n/a	n/a	n/a	788,671
124,141	**0**	**124,141**	**93,105**	**0**	**93,105**	**1,099,056**
147,595	125,424	273,019	n/a	213,044	213,044	1,052,936
119,443	**0**	**119,443**	**99,536**	**0**	**99,536**	**708,718**
106,041	162,500	268,541	n/a	266,583	266,583	1,024,211
127,512	**n/a**	**127,512**	**n/a**	**n/a**	**n/a**	**459,194**
40,674	n/a	40,674	n/a	n/a	n/a	194,700
125,120	**0**	**125,120**	**78,200**	**0**	**78,200**	**658,182**
133,008	n/a	133,008	n/a	n/a	n/a	537,744
108,985	**0**	**108,985**	**90,821**	**0**	**90,821**	**781,963**
133,041	165,000	298,041	n/a	270,696	270,696	1,102,377
56,000	**n/a**	**56,000**	**n/a**	**n/a**	**n/a**	**265,784**
n/a	n/a	n/a	n/a	n/a	n/a	n/a

8. Mike Mattos and Scott Corriveau were KMP during the year, but have not been included in this section as they ceased their employment with the Group during FY16.
9. Mr Salmon relocated to Belgium during FY16 and his other benefits include relocation costs.
10. Mr Salmon did not participate in the FY13 LTI Grant due to the timing of his commencement of his employment and the LTI is therefore not applicable.
11. Mr Dobblesteijn is Chief Commercial Officer for EMEA and APAC and so is required to travel extensively in his role. As a result he is potentially exposed to various complex income tax issues. Following a review by relevant authorities during FY16 of his previous tax returns, Mr Dobblesteijn was assessed to owe additional tax liabilities to the Belgian authorities. These were reimbursed by Ansell pursuant to the terms of his employment agreement. These amounts have been included in the other benefits category above and are the main reason for the year over year increase. In addition, his base salary disclosed above as expressed in US$ has reduced as a result of foreign exchange translation.
12. Mr Heper joined Ansell part way through FY15 and his FY15 remuneration is not an annualised figure. He was also not a participant of the FY14 LTI grant or 2016 SIP.
13. Mr Lopez relocated to Belgium part way through FY15 and is entitled to housing and other allowances. The year over year increase is primarily due to the full year impact of the allowances paid during FY16 as they commenced part way through the FY15 period.
14. Mr Nicholls was appointed as a KMP on 1 January 2016 following the decision by Mike Mattos to resign from Ansell. Mr Nicholls was not a participant of the FY14 LTI grant and is not entitled to participate in the 2016 SIP. His pay details above represent the 6 months of realised pay for his time following his commencement as KMP.

Section 6 – Remuneration governance

6.1 Role of the Human Resources Committee

Ansell's approach to Executive remuneration is founded on the understanding that shareholders expect reward to reflect Group performance. The Human Resources Committee (HRC) is responsible for ensuring that our executive remuneration philosophy, strategy and policies are designed with this objective in mind.

Our governance framework for determining executive remuneration is outlined below:

Board

The Board is responsible for:

- defining Ansell's remuneration strategy
- determining the structure and quantum of remuneration for the CEO and Other Executives that support and drive the achievement of Ansell's strategic objectives

The Board has an overarching discretion with respect to the awards given under Ansell's incentive plans.

Consultation with shareholders and other stakeholders

HRC

The HRC is delegated responsibility by the Board to review and make recommendations on the remuneration policy, strategy and structure for Ansell's Board members, the CEO and Other Executives.

The HRC has in place a process of engaging and seeking independent advice from external remuneration advisers and ensures remuneration recommendations in relation to Other Executives are free from undue influence by management.

Remuneration consultants and other external advisors

- Provide independent advice, information and recommendations relevant to remuneration decisions.
- In performing its duties and making recommendations to the Board, the Chairman of the HRC seeks independent advice from external advisers on various remuneration related matters.
- Any advice or recommendations provided by external advisers are used to assist the Board – they do not substitute for the Board and HRC process.

Management

Provides information relevant to remuneration decisions and makes recommendations to the HRC.

Obtains remuneration information from external advisors to assist the HRC (i.e. market data, legal advice, accounting advice, tax advice).

Remuneration consultants and other external advisors

- Management seeks its own independent advice with respect to information and recommendations relevant to remuneration decisions.

6.2 External consultants

From time to time during the financial year ended 30 June 2016, the Group engaged external consultants to provide insights on remuneration trends, regulatory and governance updates and market data in relation to the remuneration of Non-Executive Directors, the CEO and Other Executives. No remuneration recommendations as defined in Section 9B of the *Corporations Act 2001* were obtained during the financial year ended 30 June 2016.

6.3 Mandatory shareholding policy

To encourage alignment with shareholder interests, the Board has adopted a mandatory shareholding policy, known as the Share Purchasing Policy, which requires Directors and Executives to purchase a multiple of their Directors' fees / base salary in Ansell shares over a set period.

Ansell has developed a mechanism to enable Directors and Executives to regularly purchase Ansell shares, known as the Voluntary Share Purchasing Plan, to facilitate compliance with the Share Purchasing Policy, while complying with ASX trading rules and the restrictions of the Share Trading Policy (detailed on the following page).

The Share Purchasing Policy requires that, in addition to existing share grants as part of the LTI plan, Executives must hold a proportion of their base salary in shares. As set out in section 1.2, for FY16 this is 4 times base salary for the CEO and 2 times base salary for the Other Executives. From FY17, this will be 3 times base salary for the CEO and 1 times base salary for Other Executives.

Non-Executive Directors are expected to invest an appropriate percentage of their gross fees in acquiring shares on market, to achieve a shareholding worth two times the annual Directors' fees within a 10-year period from the later of 2013 or their start date. Further details on this share plan are outlined in section 6.5.

The movement in the number of shares held by each KMP and the progress of each KMP during FY16 in achieving their respective share ownership goals is as follows:

Table 6.3 (a) KMP share ownership

	Held at 1 July 2015	Purchases	Granted Under Awards	Net Movement Due to Other Changes	Held at 30 June 2016	% of Share Ownership Goals Met[5]
Non-Executive Directors						
Glenn L L Barnes						
FY16	**41,509**	**20,239**	**n/a**	**0**	**61,748**	**129%**
FY15	39,214	2,295	n/a	0	41,509	110%
Ronald J S Bell						
FY16	**10,568**	**4,861**	**n/a**	**0**	**15,429**	**69%**
FY15	7,939	2,629	n/a	0	10,568	65%
John Bevan						
FY16	**11,320**	**6,082**	**n/a**	**0**	**17,402**	**78%**
FY15	7,705	3,615	n/a	0	11,320	70%
L Dale Crandall						
FY16	**18,585**	**2,095**	**n/a**	**0**	**20,680**	**86%**
FY15	17,433	1,152	n/a	0	18,585	104%
W Peter Day						
FY16	**17,361**	**10,179**	**n/a**	**0**	**27,540**	**111%**
FY15	14,680	2,681	n/a	0	17,361	103%
Leslie Desjardins[1]						
FY16	**0**	**1,961**	**n/a**	**0**	**1,961**	**9%**
FY15	n/a	n/a	n/a	0	n/a	n/a
Annie H Lo[2]						
FY16	**2,705**	**824**	**n/a**	**0**	**n/a**	**n/a**
FY15	1,138	1,567	n/a	0	2,705	18%
Marissa T Peterson						
FY16	**14,896**	**5,237**	**n/a**	**0**	**20,133**	**84%**
FY15	12,064	2,832	n/a	0	14,896	85%
Executive Director						
Magnus R Nicolin[3]						
FY16	**65,665**	**0**	**233,897**	**(70,532)**	**229,030**	**78%**
FY15	31,278	9,014	25,373	0	65,665	26%
Other Executives						
Neil Salmon						
FY16	**14,917**	**0**	**15,213**	**0**	**30,130**	**43%**
FY15	0	0	14,917	0	14,917	25%
Scott Corriveau[4]						
FY16	**32,632**	**0**	**13,679**	**(22,191)**	**n/a**	**n/a**
FY15	27,120	0	5,512	0	32,632	66%

	Held at 1 July 2015	Purchases	Granted Under Awards	Net Movement Due to Other Changes	Held at 30 June 2016	% of Share Ownership Goals Met[5]
Other Executives						
Peter Dobbelsteijn						
FY16	**5,308**	**1,480**	**10,151**	**(3,312)**	**13,627**	**25%**
FY15	0	0	5,308	0	5,308	10%
Steve Genzer						
FY16	**6,493**	**1,151**	**12,702**	**(4,698)**	**15,648**	**27%**
FY15	0	0	6,493	0	6,493	13%
Jeyan Heper						
FY16	**0**	**0**	**0**	**0**	**0**	**0%**
FY15	0	0	0	0	0	0%
Joe Kubicek						
FY16	**30,000**	**10,000**	**26,981**	**0**	**66,981**	**124%**
FY15	0	30,000	0	0	30,000	69%
Anthony Lopez						
FY16	**2,885**	**1,360**	**12,898**	**(4,770)**	**12,373**	**23%**
FY15	0	0	2,885	0	2,885	6%
Mike Mattos[4]						
FY16	**16,100**	**0**	**0**	**(16,100)**	**n/a**	**n/a**
FY15	0	16,100	0	0	16,100	33%
Mark Nicholls						
FY16	**0**	**12,000**	**0**	**0**	**12,000**	**24%**
FY15	n/a	n/a	n/a	n/a	n/a	n/a

1. Leslie Desjardins was appointed as a Non-Executive Director on 30 November 2015, and in accordance with the policy, is required to be compliant with the policy within a 10 year period.
2. Annie Lo retired from the Board with effect from 30 November 2015 and accordingly is no longer required to comply with the policy.
3. During the year, Magnus Nicolin sought leave to sell a portion of his shareholdings to pay for tax liabilities on past PSR awards and the Board authorised the sale in accordance with the Group's share trading policies.
4. Scott Corriveau and Mike Mattos ceased their employment with the Group during FY16 and accordingly are no longer required to be compliant with the policy.
5. The percentage of ownership goals met are based upon a multiple of an individual's base pay or directors fees (as applicable). The combination of a lower A$ share price and stronger US$ exchange rate has resulted in a higher shareholding requirement in FY16, which has seen the percentage of ownership goals met, in some cases, fall from the prior year despite purchases made during the year.

6.4 Share Trading Policy

Ansell has a Share Trading Policy which prohibits certain individuals within the Company, including the KMP, from trading Ansell shares other than during specified trading windows or in accordance with the Voluntary Share Purchasing Plan. All KMP are required to declare to either the CEO (for Other Executives) or the Chairman (for Non-Executive Directors) and the Company Secretary any share trades into which they enter during trading windows for the purpose of disclosure on the ASX.

6.5 Non-Executive Directors' Share Purchases

As noted above, the Non-Executive Directors are expected to invest an appropriate percentage of their gross fees in acquiring Ansell shares on market to achieve a shareholding worth two times annual Non-Executive Directors' fees within a 10-year period from the earlier of 2013 or their start date. Under the Voluntary Share Purchasing Plan, a pre-agreed amount of Ansell shares (by value) are acquired monthly on the ASX through a trustee company at the prevailing market price and are transferred into the name of the Director, but are subject to a restriction on dealing until the Director ceases to hold office.

Shares were purchased on market (at no discount) on behalf of the Directors throughout FY16 pursuant to the Voluntary Share Purchasing Plan at the following prices per share Table 6.5 (a). The second Table 6.5 (b), shows the total number of shares purchased by the directors, both under the Voluntary Share Purchasing Plan and individual purchases in compliance with the Share Trading Policy.

Table 6.5 (a) – Share price per share

Month	Share Price
31-Jul-15	24.87
31-Aug-15	22.01
30-Sep-15	18.66
30-Oct-15	19.89
30-Nov-15	21.85
31-Dec-15	21.87
29-Jan-16	19.76
29-Feb-16	17.29
31-Mar-16	17.21
29-Apr-16	19.97
31-May-16	19.26
30-Jun-16	18.17

Table 6.5 (b) – Number of Shares bought by Non-Executive Directors

Director	Total Purchased in FY16
Glenn L L Barnes	20,239
Ronald J S Bell	4,861
John Bevan	6,082
L Dale Crandall	2,095
W Peter Day	10,179
Leslie Desjardins	1,961
Annie H Lo	824
Marissa Peterson	5,237

Section 7 – Executive Remuneration

7.1 Fixed remuneration

Ansell seeks to offer competitive levels of remuneration in the relevant employment marketplace in which our Executives are based to attract and retain the best talent available.

In setting fixed remuneration, regard is had to role, responsibility and experience of the Executive as well as what is generally paid for similar roles in appropriate comparator businesses for each role in the relevant geographic locations where executives reside and work. Accordingly, our remuneration arrangements are truly global, not those traditionally adopted by most of our predominantly Australian operating ASX peers.

The Group considers the 50th percentile of an appropriate comparator group as the general benchmark for fixed remuneration at the commencement of an employee's tenure or upon promotion to KMP. Fixed remuneration levels are reviewed annually.

7.2 At risk remuneration – STI

A summary of the key features of the FY16 STI plan is as follows:

Form and purpose of the plan	
What is the STI plan?	The STI plan enables Executives the opportunity to earn an annual cash award (expressed as a percentage of base salary) if they meet specific, pre-established annual performance targets.
Who is able to participate?	In addition to the Executives, the Board invites a number of other senior managers to participate.
Why does the Board consider the STI an appropriate incentive?	The STI plan puts a significant portion of a participant's annual remuneration "at risk", as it is earned only if the business and the participant meet specific performance targets directly linked to Ansell's annual business objectives.
Does the STI contain a deferred component?	Historically, no. However, from FY17, STI deferral will be implemented. See section 1.2.
Governance	
How is performance against the performance conditions assessed?	All performance conditions under the STI are clearly defined and measurable. The HRC assesses the Group and CEO's performance during the performance period and recommends to the Board an annual incentive award for the CEO. The CEO assesses the performance of Other Executives against their objectives for the performance year and recommends to the HRC for its approval annual incentive awards for the Other Executives.

When is performance against the performance conditions determined and the award paid?	Performance against the targets for the performance year is assessed in August following the completion of the audit of the financial statements for the relevant financial year. Payments (or share awards as will be the case for FY17 onwards) are typically made in September following the performance year. From FY17, share awards will be unable to be sold for a period of 2 years from the date of receipt of the award.
Does the Board have an overriding discretion?	Yes. The Board may adjust incentive outcomes under the STI plan (up or down) to ensure that executive reward aligns with shareholder experience and they have not exercised that discretion this year.
Performance conditions	
What are the STI performance conditions and why were they chosen?	Performance conditions for FY16 were based on a weighted mix of improvements across the Group, the Group Business Units, and the Regions in Sales Revenue, EBIT, and Free Cash Flow. In addition, for the CEO and CFO conditions also included Profit Attributable. The Board considers these metrics to be appropriately aligned with the Group's objectives of delivering profitable growth and improving shareholder return. **Individual multipliers** For Executive KMP's excluding the CEO, an assessment of the individual's performance (against objectives agreed at the beginning of the year) is made by the CEO and approved by the Board. If objectives are judged as having been met, the STI award will be paid in full at 100 per cent of the scorecard calculation derived from the relevant financial performance conditions. If the assessment is that objectives were only partially met or were exceeded, the financial amount, will be adjusted down or up accordingly with the maximum permissible range between zero per cent and 140 per cent of the STI calculation. The total maximum payout remains capped at the maximum available under the STI plan regardless of whether this is achieved through financial performance alone or a combination of financial performance and achievement against personal objectives. From FY17, non-financial performance measures will also be included as outlined in section 1.2.
What are the weightings of each of the performance conditions?	The weightings of the performance conditions for each Executive is as follows:

	Sales	EBIT	Free Cash Flow	Profit Attributable
CEO/CFO	40%	30%	20%	10%
Other Executives	40%	40%	20%	n/a

Reward opportunity	
What level of reward can be earned under the STI?	The opportunity levels under the FY16 STI plan are as follows:

	% of Base Salary		
	Threshold	Target	Maximum
CEO	50%	100%	200%
CFO	30%	60%	125%
Other Executives	25%	50%	105%

The opportunity levels are applied to each performance condition and weighted in accordance with the table above. Accordingly, it is possible for the Executives to achieve a below threshold outcome depending upon the mix of outcomes against the individual performance conditions.

From FY17, however, these opportunity levels will change as outlined in section 1.2.

Cessation of employment or clawback	
If a participant ceases employment during the year, will they receive a payment?	If an Executive ceases his or her employment with Ansell at any time prior to the end of the performance period, the Executive shall not be entitled to any STI payment. However, the HRC may, in its sole discretion, pay a pro-rated award in certain circumstances (such as death, disablement, retirement, or other approved situations).
Is there an ability to claw back awards in appropriate circumstances?	Unvested awards may be forfeited in the event of fraud, gross misconduct or the material misstatement of the Financial Statements by executives. From FY17, the STI deferral into equity initiatives will more easily allow clawback of equity instruments to occur during the restricted period.

STI – actual outcomes

Outlined below is Executives' performance against the STI performance measures for FY16:

	Sales	EBIT	Free Cash Flow	Profit Attributable
CEO and CFO	Threshold not met	Threshold met or exceeded	Target met or exceeded	Threshold not met
Other Executives	Threshold not met	Threshold met or exceeded	Target met or exceeded	Not applicable

The above outcomes reflect the following:

- Sales did not meet the STI growth targets as good growth in Sexual Wellness and success with new products in Industrial could not offset the effects of slow worldwide economic growth, declining demand in many emerging markets and manufacturing issues in our Medical division which affected supply.
- EBIT performance was stronger than sales performance as the company successfully implemented price increases in some regions and managed costs effectively throughout the year.
- Free Cash Flow performance was again strong and exceeded expectations as a result of a reduction in working capital and careful management of capital expenditure.
- Profit Attributable levels were below the Threshold levels primarily because of a higher tax expense.

As a result of these performance outcomes, the CEO and CFO received 29 per cent and 31 per cent respectively of their maximum opportunity under the STI plan whilst Other Executives were generally similar to the outcomes of the CEO and CFO. The difference between the two outcomes reflects a portion of the CEO's and CFO's performance being linked to the Profit Attributable performance measure.

The table below outlines the amounts payable to Executives under the STI plan for FY16:

Table 7.2(a) – FY16 STI amounts payable

For the Financial Year Ended 30 June 2016	Maximum Potential STI Opportunity as % of Base Salary	% of the Maximum STI Opportunity Achieved	% of the STI Maximum Opportunity Not Achieved[1]	Maximum Potential STI Opportunity ($)[1]	Actual STI Payment[2]
Executive Director					
Magnus R Nicolin	200%	29%	71%	2,080,000	600,000
Other Executives					
Neil Salmon	125%	31%	69%	632,709	196,682
Scott Corriveau[3]	105%	30%	70%	102,742	31,312
Peter Dobbelsteijn	105%	30%	70%	407,336	124,141
Steve Genzer	105%	27%	73%	435,469	119,443
Jeyan Heper	105%	43%	57%	298,856	127,512
Joe Kubicek	105%	30%	70%	410,550	125,120
Anthony Lopez	105%	27%	73%	397,341	108,985
Mike Mattos[4]	0%	n/a	n/a	n/a	0
Mark Nicholls	105%	30%	70%	183,750	56,000

1. Where the actual STI payment is less than the maximum potential, the difference is forfeited and does not become payable in subsequent years.
2. The 2016 STI was determined in conjunction with the finalisation of the FY16 results and will be paid in September 2016.
3. Mr Corriveau left the Group during FY16 and STI payments were pro-rated accordingly under the terms of his separation agreement.
4. Mr Mattos ceased his employment prior to the STI vesting period and is therefore not entitled to participate in the FY16 STI.

7.3 At risk remuneration – LTI

A summary of the details of how the LTI operates in respect of the grant made to Executives during FY16 is set out below:

Driving performance	
What is the LTI plan?	The LTI plan enables Executives to earn an award (expressed as a percentage of base salary) if the Group achieves specific, pre-established targets over a three-year performance period.
Who participates?	In addition to the Executives, the Board invites a number of other senior managers to participate.
How does the LTI plan drive performance and align participants' interests with shareholders?	Participation in the LTI plan is only offered to executives who are able, or have the potential, to influence shareholder value in a significant way. Also, by making awards primarily in equity, this element of remuneration for Executives is strongly linked to long-term shareholder value realisation.
Instrument	
How are awards delivered?	For the grant under the FY16 LTI: • 100 per cent of the CEO's award will be delivered in PSRs; • 60 per cent of the CFO's award will be delivered in PSRs and 40 per cent in cash; and • 50 per cent of Other Executives' awards will be delivered in PSRs and 50 per cent in cash. PSRs are granted at no cost to the Executive. Each PSR granted will entitle the Executive to one ordinary share in the Group at the time of vesting, subject to the satisfaction of performance conditions as described below. Any PSRs which vest are subject to holding restrictions in accordance with the Group's Share Purchasing Policy. Cash awards that are granted will vest subject to satisfaction of performance conditions. From FY17, awards will be delivered entirely by way of PSRs to all participants, as outlined in section 1.2.
Gateway and performance conditions	
Does a gateway apply to the LTI?	Yes. The gateway condition is a minimum acceptable level of performance that must be achieved before any LTI awards granted may vest. For the FY16 grant, the gateway requires that the Group's ROE to be at least 1.5 x the Weighted Average Cost of Capital (WACC) at the end of the performance period to ensure that the Group's capital was being employed effectively and earnings growth was translating to shareholder value. WACC is calculated based on a methodology defined by the HRC and is applied consistently from year to year. The calculation is performed and the gateway condition tested at the conclusion of each three-year performance period over which EPS performance is measured for LTI reward purposes. Specific components of the WACC are calculated using the principles outlined below: • Risk-free Rate: four year historical average United States five year bond rate. • Cost of Debt: Ansell's actual average cost of debt over the previous four years. • Market Risk Premium: four year average equity risk premium for United States equity markets. • Beta is assessed based on observed beta for Ansell and a basket of comparable companies. Four years was chosen as the relevant period over which to calculate the WACC components reflecting the fact that many of the decisions driving EPS growth over the LTI period will have been taken with reference to cost of debt and equity measurement in the year prior to the first year of EPS measurement.

What is the performance condition?	EPS growth is the sole performance condition for the FY16 LTI grant. The Board selected EPS as a performance measure on the basis that it: • is a relevant indicator of increases in shareholder value; and • is a target that provides a suitable line of sight to encourage and motivate executive performance. As outlined in section 1.2, EPS growth will be measured on a Constant Currency basis. From FY17 the performance measures for the LTI plan will also include Organic Growth and ROCE, as outlined in section 1.2.
Reward opportunity	
What are the performance targets and how is performance calculated?	The performance hurdles under the FY16 LTI grant are as follows:

	EPS Growth Hurdle
Threshold	7% CAGR
Target	8% CAGR
Stretch	12% CAGR

Base year EPS delivered in FY15, less adjustments made to FY15, was US$ 1.183. Therefore, the EPS growth required at +7 per cent, +8 per cent, and +12 per cent CAGR will be:

- + 26.6c in order to achieve threshold performance;
- + 30.7c in order to achieve target performance; and
- + 47.9c in order to achieve stretch performance.

EPS growth at Constant Currency will be calculated each year and the total of 3 years of Constant Currency EPS growth will be compared to the above performance hurdles. These performance targets were chosen as being consistent with the Group's longer range corporate plans in FY16 and considered appropriate because the Group has invested heavily in new products, improved manufacturing efficiencies through its profit improvement capital expenditures, expanded its presence in emerging markets and pro-active in acquisition efforts.

What level of reward can be earned under the LTI?	The opportunity levels under the FY16 LTI grant are as follows:

	% of Base Salary		
	Threshold	**Target**	**Maximum**
CEO	100%	200%	400%
CFO	62.5%	125%	250%
Other Executives	50%	100%	200%

Vesting will increase on a straight line basis for each 0.1 per cent of EPS growth over the performance period between the threshold EPS growth value and target EPS growth and between the target EPS growth and the stretch EPS growth.

From FY17, however, these opportunity levels will change as outlined in section 1.2.

How are the number of PSRs determined?	The number of PSRs granted is calculated by reference to Ansell's average closing share price on the Australian Securities Exchange over the ninety trading days prior to the grant date. The average closing price is then discounted for dividends foregone over the intended life of the PSRs on Ansell ordinary shares during the performance period.

Governance	
Will the Board exercise discretion with respect to the calculation of performance?	The Board has discretion to make adjustments in calculating the applicable performance conditions to: • exclude matters that are beyond the reasonable control or foresight of management; and • include matters that are within management control or should reasonably have been foreseen to ensure no unfair advantage or penalty in incentive outcomes when viewed in light of shareholder value creation.
Is retesting permitted?	No. Retesting is not permitted.
Are participants entitled to 'hedge' against awards?	It is strictly prohibited to hedge or to use any other instrument to affect the value of particular holdings which the individual holds or has been granted.
Cessation of employment, clawback or change of control	
Is there an ability to 'claw back' in appropriate circumstances?	The Board may, in its discretion, cancel, reset and/or require repayment of an award if the Award has vested in certain circumstances. These are detailed in the LTI plan rules, but typically relate to acts of fraud, dishonesty or serious breach of obligations. From FY17, as all awards will be in the form of PSRs and Shares, the clawback arrangements will be easier to enforce than previous cash based awards.
What happens to awards that are not yet exercisable on cessation of employment?	If an Executive ceases his or her employment with Ansell at any time prior to the end of the vesting period, the Executive shall not be entitled to any award. However, the Board may, in its sole discretion, pay a pro-rated award in certain circumstances such as death, disability, retirement or other reason approved by the Board.
How would a change of control impact LTI entitlements?	On a change of control, the Board has discretion to vest some or all of the LTI awards. In exercising this discretion, the Board will consider all relevant circumstances, including performance against the various measures and conditions for the part period up to the change of control event and the portion of the performance period which has expired.

LTI – actual outcomes under the FY14 LTI grant

As the FY14 LTI grant was cancelled, no outcomes were achieved as reflected in the table below.

Table 7.3(a) – FY14 LTI outcomes (vesting in FY16)

Name	Date Award Granted	Maximum Cash Opportunity[1] (US$)	Maximum Value of PSRs Granted (US$)	Cash Award Vested (US$)	Number of PSRs Vested (Shares)	Amount of Cash Forfeited (US$)	Number of PSRs Forfeited (shares)
Executive Director							
Magnus R Nicolin	17 October 2013	n/a	3,400,000	n/a	0	n/a	216,070
Other Executives							
Neil Salmon	15 August 2013	440,000	440,000	0	0	440,000	27,962
Scott Corriveau	15 August 2013	365,000	365,000	0	0	365,000	23,196
Peter Dobbelsteijn	15 August 2013	284,300	284,300	0	0	284,300	18,120
Steve Genzer	15 August 2013	340,000	340,000	0	0	340,000	21,607
Jeyan Heper[2]	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Joe Kubicek	15 August 2013	282,557	282,557	0	0	282,557	17,957
Anthony Lopez	15 August 2013	340,000	340,000	0	0	340,000	21,607
Mike Mattos	15 August 2013	307,489	307,489	0	0	307,489	19,541
Mark Nicholls[2]	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1. Calculated at average FX rates at the time of grant being A$1:US$1.89 and A$1:€0.7634.
2. Mr Heper and Mr. Nicholls commenced employment with the company after the award grant date of 15 August 2013 and are therefore not participants in the FY14 Plan.

7.4 At risk remuneration – SIP

The key features of the 'one off' SIP for FY16 are as follows:

Driving performance	
What is the SIP?	The SIP is a one-off plan introduced at 50 per cent of the FY14 LTI grant, but linked to performance conditions similar to the STI.
Why was the SIP introduced?	The Board has issued the SIP for FY16 to achieve the following purposes: • to maintain the alignment between the interests of shareholder and Ansell management; • to provide a replacement plan for the FY14 LTI grant which has been cancelled by the Board; • encourage retention of participants through time vesting requirements; and • encourage high performance through achievement of performance hurdles.
Who participates?	Those Executives and other senior managers whose grants under the FY14 LTI were cancelled.
Instrument	
How are awards delivered?	Awards are made by way of restricted shares (i.e. ordinary shares in Ansell that are unable to be sold, transferred, pledged, encumbered or otherwise dealt with for a period of two years from date of issue). The Group will purchase each restricted share on-market on the ASX.
Gateway and performance conditions	
Does a gateway apply to the SIP?	Yes. As in the FY14 LTI grant, the gateway requires that the Group's ROE is at least 1.5 x the WACC at the end of the performance period in order for any awards under the SIP to vest (see section 7.3).
What are the performance conditions?	The performance conditions are the same as those for sales and EBIT under the STI plan (see section 7.2).
Reward opportunity	
What are the performance targets and what level of reward can be earned under the SIP?	The performance targets under the SIP are exactly the same for Sales and EBIT as those in the STI (see section 7.2). The opportunity levels under the SIP are 50 per cent of the cancelled FY14 LTI grant opportunity levels, adjusted for current pay rates (see section 7.3).
Governance	
Will the Board exercise discretion with respect to the calculation of performance?	The Board has discretion to make adjustments in calculating the applicable performance conditions to: • exclude matters that are beyond the reasonable control or foresight of management; and • include matters that are within management control or should reasonably have been foreseen to ensure no unfair advantage or penalty in incentive outcomes when viewed in light of shareholder value creation.
Is retesting permitted?	No. Retesting is not permitted.
Cessation of employment, clawback or change of control	
Is there an ability to 'claw back' in appropriate circumstances?	The Board may, in its discretion, cancel, reset and/or require repayment of an award if the Award has vested in certain circumstances. These are detailed in the SIP plan rules, but typically relate to acts of fraud, dishonesty or serious breach of obligations.
What happens to awards that are not yet exercisable on cessation of employment?	If an Executive ceases his or her employment with Ansell at any time prior to the end of the vesting period, the Executive shall not be entitled to any award. However, the Board may, in its sole discretion, pay a pro-rated award in certain circumstances such as death, disability, retirement or other reason approved by the Board.
How would a change of control impact SIP entitlements?	On a change of control, unless the Board determines otherwise in its absolute discretion, the shareholding restrictions on the SIP awards will cease to apply.

SIP – actual outcomes

Performance under the SIP is linked to FY16 Sales and EBIT performance under the STI plan. Please refer to section 7.2 for details about performance against the relevant measures.

Gateway Condition

In addition to the performance conditions for Sales and EBIT above, a gateway condition exists relating to the Company's Return on Equity (ROE), which requires that the FY16 ROE to be at least 1.5 times the Company's WACC at 30 June 2016.

Ansell's WACC for FY16 was determined to be 7.4 per cent. This represents the minimum return anticipated on the assets of the Group and takes into consideration the Group's mix of funding between debt and equity. The gateway condition calculated at 1.5x WACC was 11.1 per cent. The Company's actual ROE for FY16 was 14.1 per cent, exceeding the gateway condition.

SIP shares

The grant of restricted shares as shown in the table below reflects the performance achieved and the value of shares issued to participants of the FY16 SIP.

Table 7.4 (a) – FY16 SIP outcomes

For the Financial Year Ended 30 June 2016	Maximum Potential SIP Opportunity as % of Base Salary	Maximum Potential SIP Opportunity ($)[1]	$ Value of SIP Equity Award[2]	% of the Maximum SIP Opportunity Achieved	% of the Maximum SIP Opportunity not Achieved[1]
Executive Director					
Magnus R Nicolin	200%	2,080,000	499,200	24%	76%
Other Executives					
Neil Salmon	125%	635,250	150,645	24%	76%
Peter Dobbelsteijn	100%	387,939	93,105	24%	76%
Steve Genzer	100%	414,732	99,536	24%	76%
Jeyan Heper[3]	n/a	n/a	n/a	n/a	n/a
Joe Kubicek[4]	100%	325,834	78,200	24%	76%
Anthony Lopez	100%	378,420	90,821	24%	76%
Mike Mattos[4]	100%	269,727	64,750	24%	76%
Mark Nicholls[3]	n/a	n/a	n/a	n/a	n/a
Scott Corriveau[5]	100%	293,550	70,452	24%	76%

1. The maximum opportunity represents half of the maximum opportunity available under the FY14 LTI grant. Where the actual SIP payment is less than the maximum potential, the difference is forfeited and does not become payable in subsequent years.
2. The 2016 SIP was determined in conjunction with the finalisation of the FY16 results. As discussed above, the $ value of the SIP Award is the gross value (prior to tax) made via restricted shares.
3. As indicated in Section 5, Mr Heper and Mr Nicholls were not participants in the FY14 LTI grant and therefore are not entitled to an award under the SIP.
4. Mike Mattos and Joe Kubicek joined the Group in January 2014 after the BSSI acquisition and are entitled to a pro-rata SIP award as a result of the link to the FY14 LTI. As Mr Mattos ceased his employment with the Group during FY16,a pro-rata reduction will be applied to Mr Mattos' SIP to reflect his tenure with the Group.
5. Mr Corriveau left the group on 30 September 2015, which has distorted his SIP as a percentage of his base salary for the year. His SIP Award based on his annualised base salary is 18%.

Section 8 – Executive Service Agreements

The remuneration and other terms of employment for Executives are covered in formal agreements or letters of offer.

Chief Executive Officer

The CEO, Magnus Nicolin, was recruited as a US based executive and his contract reflects this. He has subsequently relocated to Belgium and there has been no substantial change to the terms and conditions of his contract. He is engaged by the Group under an agreement which:

- does not specify a fixed term of engagement;
- provides that the Group may terminate the CEO's engagement upon giving 12 months' notice or payment in lieu, and may terminate immediately in the case of wilful misconduct;
- provides that in certain circumstances, such as a material diminution of responsibility or the CEO ceasing to be the most Senior Executive of Ansell, the CEO may be entitled to a payment equivalent to 12 months' base salary;
- requires the CEO to give the Group at least six months' notice of termination of services; and
- in order to protect the Group's business interests, prohibits the CEO from engaging in any activity that would compete with the Group for a period of 12 months following termination of his engagement for any reason.

The agreement entered into with the CEO has been drafted to comply with the *Corporations Act* regarding the payment of benefits on termination.

Other Executives

Neil Salmon was recruited as a US based executive and his contract reflects this. He has subsequently relocated to Belgium and there has been no substantial change to the terms and conditions of his contract. His services are engaged by the Group for an unlimited duration. He is entitled to a separation fee upon termination by the Group (other than for gross misconduct) equal to 12 months' base salary plus certain other contractual entitlements. He is required to give the Group six months' prior notice of termination of services.

Steve Genzer and Mark Nicholls, who are based in the United States, and Anthony Lopez, who is seconded to the Group's office in Brussels, are employed 'at will' and as such, their service agreement does not specify a fixed term of employment.

Peter Dobbelsteijn manages the sales and marketing operations of three major geographies being Europe, Middle East & Africa and Asia Pacific. His services are engaged by the Group for an unlimited duration. He is entitled to a separation fee upon termination by the Group (other than for gross misconduct) equal to 12 months' base salary plus STI and LTI awards pro-rated according to the applicable performance period and subject to final approval by the Board. He is required to give the Group three months' prior notice of resignation.

Jeyan Heper is a Belgium based executive who is employed by the Group for an unlimited duration. He is eligible for 10 week's severance benefits upon termination by the Group in accordance with applicable Belgian laws and regulations. He is required to give five weeks' notice to the Group if he wishes to resign.

Mike Mattos (resigned 31 January 2016) and Joe Kubicek were employed under agreements entered into at the time of Ansell's acquisition of the BarrierSafe Solutions International business in January 2014. These employment agreements have a fixed two-year term through 2 January 2016. As this period has now passed, employment continues on an 'at-will' basis.

Section 9 – Non-Executive Directors' fees

9.1 Policy and approach to setting fees

Overview of policy

Reflecting the Board's focus on long term strategic direction and corporate performance rather than short term results, remuneration for the Chairman and other Non-Executive Directors is structured with a fixed fee component only. Fees are not linked to the performance of Ansell so that independence and impartiality is maintained.

To reflect the global representation that exists in the composition of the current Board (which includes Australian, US and UK resident directors), Directors are paid in their local currency. This is done by converting their US dollar fees into their local currency using the applicable monthly spot exchange rates at the time of payment. The methodology was different during FY15, which used foreign exchange rates that were agreed by the Board at the beginning of the financial year and consistent with rates used by the business in the annual planning process.

Board and Committee fees are set by reference to a number of relevant considerations including:

- responsibilities and risks attaching to the role of Director;
- time commitment expected of Directors;
- fees paid by peer companies;
- independent advice received from external advisers;
- the global nature of our businesses (to ensure that the Directors' fee attracts and retains the best international Directors); and
- the requirement to travel internationally to familiarise oneself with international operations and for required meetings.

Aggregate fees approved by shareholders

The current aggregate fee pool for Non-Executive Directors of US$1,600,000 was approved by shareholders at the 2014 AGM. The fee pool in US$ reflects the fact that business operations are run from outside Australia.

Base fees for 2016

The Board periodically reviews its approach to Non-Executive Director remuneration to ensure it remains in line with general industry practice and best practice principles of corporate governance.

Fees for Non-Executive Directors during FY16 were as follows:

Base fees (Board)		
Non-Executive Chairman	US$320,000	
Non-Executive Director	US$116,500	
Committee fees	**Committee Chair**	**Committee Member**
Audit and Compliance Committee	US$30,000	US$12,000
HR Committee	US$24,000	US$12,000
Risk Committee	US$24,000	US$12,000

Directors are permitted to be paid additional fees for special duties, including fees paid for serving on ad hoc projects or transaction-focused committees.

In addition, Directors are also entitled to be reimbursed for all business related expenses, including travel expenses as may be incurred in the discharge of their duties.

A travel allowance of US$15,000 per annum is paid to each Non-Executive Director, which is in addition to the above fees.

Superannuation contributions are made on behalf of the Non-Executive Directors at a rate of 9.5 per cent as required by Australian law. For non-Australian based Directors, these payments are pro-rated for the period of time spent in Australia. The Directors fees above are inclusive of any Superannuation payments payable by law.

Section 10 – Key Management Personnel disclosure tables

10.1 Non-Executive Directors' statutory remuneration

Details of Non-Executive Directors' remuneration are set out in the following table:

Table 10.1 (a)

Non-Executive Directors	Year	Directors Fees[1,5] $	Superannuation[2] $	Total $
G L L Barnes (Chairman)	**2016**	**335,000**	**0**	**335,000**
	2015	323,622	0	323,622
R J S Bell	**2016**	**153,685**	**1,815**	**155,500**
	2015	154,293	2,125	156,418
J A Bevan	**2016**	**143,311**	**12,189**	**155,500**
	2015	144,150	12,269	156,419
L D Crandall	**2016**	**165,722**	**1,778**	**167,500**
	2015	165,007	2,325	167,332
W P Day	**2016**	**159,749**	**13,751**	**173,500**
	2015	159,100	13,689	172,789
L Desjardins[3]	**2016**	**90,708**	**0**	**90,708**
	2015	n/a	n/a	n/a
A H Lo[4]	**2016**	**64,054**	**738**	**64,792**
	2015	154,272	2,146	156,418
M T Peterson	**2016**	**165,722**	**1,778**	**167,500**
	2015	165,011	2,167	167,178
Total Non-Executive Directors' Remuneration	**2016**	**1,277,951**	**32,049**	**1,310,000**
	2015	1,265,455	34,721	1,300,176

1. Directors Fees include Base and Committee fees plus travel allowances less applicable Superannuation (see footnote (2) below). All fees are expressed in US$ and are unchanged from the prior year. The methodology of converting the Fees into the base currency of the Directors has changed such that the payments are converted using spot foreign exchange rates at the date of payment. During the prior year, the foreign exchange rates used to convert to the base currency of each Director were based on a fixed average exchange rate for the year (US$1: A$1.195 and US$1: GBP 0.6347), which resulted in non-US based Directors being paid less than their full US$ entitlement.
2. Superannuation contributions are made on behalf of the Non-Executive Directors at a rate of 9.5 per cent as required by Australian law. For non-Australian based Directors, these payments are pro-rated for the period of time spent in Australia.
3. Leslie Desjardins was appointed on 30 November 2015 and her Directors fees and associated entitlements reflect a part year entitlement from her appointment date. During FY16, Leslie Desjardins did not attend any meetings in Australia and was therefore not affected by footnote (2) above relating to Superannuation.
4. Annie Lo retired from the Board on 30 November 2015 and her Directors fees and associated entitlements reflect a part year entitlement up to her retirement date.
5. The composition of the Committees is summarised in the Directors Report.

Remuneration Report continued

10.2 Executive statutory remuneration

Table 10.2 (a)

		Short-term Employee Benefits		
	FY	Base Salary[1] $	STI Payment[2] $	Other Benefits[3] $
Executive Director				
Magnus R Nicolin[8]	**2016**	**1,030,000**	**600,000**	**95,156**
	2015	983,750	745,800	97,596
Other Executives				
Neil Salmon	**2016**	**490,738**	**196,682**	**108,450**
	2015	456,500	206,736	17,790
Peter Dobbelsteijn	**2016**	**385,114**	**124,141**	**458,240**
	2015	411,588	147,595	99,427
Steve Genzer	**2016**	**412,699**	**119,443**	**2,222**
	2015	399,950	106,041	0
Jeyan Heper	**2016**	**277,446**	**127,512**	**26,736**
	2015	145,759	40,674	8,267
Joe Kubicek	**2016**	**378,250**	**125,120**	**10,137**
	2015	340,000	133,008	8,720
Anthony Lopez	**2016**	**376,565**	**108,985**	**134,899**
	2015	365,750	133,041	86,211
Mike Mattos[9]	**2016**	**226,625**	**n/a**	**396**
	2015	373,854	139,312	0
Mark Nicholls	**2016**	**175,000**	**56,000**	**563**
	2015	n/a	n/a	n/a
Scott Corriveau[9]	**2016**	**97,850**	**31,312**	**0**
	2015	388,550	127,596	896,988
Peter Carroll[10]	**2016**	**n/a**	**n/a**	**n/a**
	2015	38,350	-	313
Total Executive Remuneration	**2016**	**3,850,287**	**1,489,195**	**836,799**
	2015	3,904,051	1,779,803	1,215,312

1. Base salary includes the base salary earned by the individual in FY16. The increases in base salary for Executives are based on external benchmarking of similar positions in the jurisdictions in which the executives are based. As a result, whilst the CEO increase was 4 per cent with effect from 1 October 2015, increases for Other Executives' pay were either lower or higher depending upon their benchmarking of similar positions as well as by reference to their prior year performance against their personal objectives in their respective role.
2. STI represents amounts payable under the 2016 Short Term Incentive Plan, which are significantly below the 2015 outcomes – refer section 7.2.
3. Other includes benefits such as motor vehicle, executive expatriation and relocation allowances, executive insurance, expat tax equalisation payments and other amounts. Significant year over year variations in other benefits are detailed in Section 5: Realised Remuneration.
4. Retirement Benefits includes retirement benefits earned by the individual in FY16.
5. Share based payment expenses includes amounts provided in respect of the Group's shared based LTI Plan. Primarily as a result of the cancellation of the FY14 grant, the Group reversed previously expensed amounts relating to these plans. As such, these reversals are being reflected in the negative amounts shown above in accordance with accounting requirements.
6. Cash based payment expenses includes amounts provided in respect of the Groups cash based LTI Plans. The negative amounts shown are due to the same factors as note 5 above (share based LTI plans).

Post-employment Benefits		Long-term Employee Benefits			Total
Retirement Plan Benefits[4] $	Termination Benefits $	Share based payment expense LTI[5] $	Cash LTI[6] $	Restricted Share Award SIP[7] $	Total $
367,842	**0**	**(1,042,559)**	**0**	**499,200**	**1,549,639**
369,385	0	941,896	0	n/a	3,138,427
76,718	**0**	**(154,445)**	**(132,987)**	**150,645**	**735,801**
107,645	0	345,123	62,327	n/a	1,196,121
38,456	**0**	**(56,182)**	**(55,725)**	**93,105**	**987,149**
55,858	0	94,630	104,065	n/a	913,163
74,818	**0**	**(105,021)**	**(110,609)**	**99,536**	**493,088**
89,137	0	82,150	108,104	n/a	785,382
27,500	**0**	**(24,611)**	**(24,341)**	**0**	**410,242**
0	0	24,611	24,341	n/a	243,652
66,475	**0**	**66,110**	**(63,890)**	**78,200**	**660,402**
56,016	0	293,162	48,162	n/a	879,068
70,693	**0**	**(101,208)**	**(106,360)**	**90,821**	**574,395**
81,679	0	78,860	104,688	n/a	850,229
54,858	**2,480**	**60,914**	**(69,527)**	**64,750**	**340,496**
62,030	0	296,970	52,411	n/a	924,577
34,221	**0**	**0**	**0**	**0**	**265,784**
n/a	n/a	n/a	n/a	n/a	n/a
35,199	**9,032**	**(109,066)**	**(114,782)**	**70,452**	**19,997**
79,690	0	84,758	112,278	n/a	1,689,860
n/a	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
9,168	648,628	14,555	14,555	n/a	725,569
846,780	**11,512**	**(1,466,068)**	**(678,221)**	**1,146,709**	**6,036,993**
910,608	648,628	2,256,715	630,931	n/a	11,346,048

7. SIP represents the value of the restricted shares awarded under the one-off Special Incentive Plan – please refer section 7.4
8. During FY15, the Board announced that the CEO Mr Magnus Nicolin, would relocate his primary place of residence from the USA to Belgium. Mr Nicolin would continue to spend the same or similar amounts of time in the USA as he did previously, but the move to Brussels makes it far easier for him to travel to the Asia Pacific region where the majority of our plants and supply chain activities are located. As part of this announcement, the Board advised that a maximum relocation cash cost of $300,000 would be incurred by Ansell and that this cost had previously been accrued for. These costs were paid in FY15 and FY16 and have not been included in the remuneration report above.
9. Mr Corriveau and Mr Mattos left the Group during FY16 on 30 September 2015 and 31 January 2016 respectively. Termination benefits paid related to unused leave entitlements accrued during the year. Other benefits payable to Mr Corriveau for FY15, included tax equalisation payments made as part of his tenure in Brussels.
10. Mr Carroll left the Group during FY15.

10.3 Equity instruments

The below table details the movement in the number of options, Performance Rights (PRs) and PSRs over ordinary shares of Ansell Limited by the CEO and Other Executives during FY16.

Table 10.3 (a)

	Held at 1 July or Date Appointed	PRs/PSRs Granted During the Year[2]	Options Exercised/PRs/PSRs Vested During the Year	Options/PRs/PSRs Lapsed/Forfeited During the Year	Held at 30 June
Options[1]					
Other Executives					
Peter Carroll					
2016	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
2015	6,368	0	(6,368)	0	0
Scott Corriveau					
2016	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
2015	5,000	0	(5,000)	0	0
PRs					
Executive Director					
Magnus R Nicolin					
2016	**104,357**	**0**	**(104,357)**	**0**	**0**
2015	129,730	0	(25,373)	0	104,357
(27,943)					
Neil Salmon					
2016	**15,213**	**0**	**(15,213)**	**0**	**0**
2015	30,130	0	(14,917)	0	15,213
Joe Kubicek					
2016	**26,981**	**0**	**(26,981)**	**0**	**0**
2015	26,981	0	0	0	26,981
Mike Mattos					
2016	**26,981**	**0**	**(26,981)**	**0**	**0**
2015	26,981	0	0	0	26,981
PSRs					
Executive Director					
Magnus R Nicolin					
2016	**701,136**	**209,244**	**(129,540)**	**(345,610)**	**435,230**
2015	475,150	225,986	0	0	701,136
Other Executives					
Neil Salmon					
2016	**67,830**	**36,532**	**0**	**(27,962)**	**76,400**
2015	27,962	39,868	0	0	67,830
Peter Dobbelsteijn					
2016	**64,624**	**19,942**	**(10,151)**	**(28,271)**	**46,144**
2015	38,422	26,202	0	0	64,624
Steve Genzer					
2016	**69,966**	**21,434**	**(12,702)**	**(34,310)**	**44,388**
2015	47,012	22,954	0	0	69,966

	Held at 1 July or Date Appointed	PRs/PSRs Granted During the Year[2]	Options Exercised/PRs/ PSRs Vested During the Year	Options/PRs/ PSRs Lapsed/ Forfeited During the Year	Held at 30 June
Other Executives					
Jeyan Heper					
2016	**18,424**	**13,104**	**0**	**0**	**31,528**
2015	0	18,424	0	0	18,424
Joe Kubicek					
2016	**38,495**	**17,924**	**0**	**(17,957)**	**38,462**
2015	17,957	20,538	0	0	38,495
Anthony Lopez					
2016	**68,544**	**19,558**	**(12,898)**	**(34,504)**	**40,700**
2015	47,402	21,142	0	0	68,544
Mark Nicholls					
2016	**6,644**	**6,394**	**0**	**0**	**13,038**
2015	n/a	n/a	n/a	n/a	n/a
Scott Corriveau					
2016	**73,509**	**0**	**(13,679)**	**(50,266)**	**9,564**
2015	50,555	22,954	0	0	73,509
Mike Mattos					
2016	**41,891**	**0**	**0**	**(30,095)**	**11,796**
2015	19,541	22,350	0	0	41,891
Peter Carroll					
2016	**34,386**	**0**	**(6,443)**	**(27,943)**	**0**
2015	34,386	0	0	0	34,386

1. Options awarded to former Executive KMP's Mr Carroll and Mr Corriveau, expired on 2nd November 2014. No further Options are in existence.
2. PSR's were granted during FY16 pursuant to the FY16 LTIP. The Fair Values and factors and assumptions used in determining the fair values of the PSRs applicable for FY16 are summarised in Table 10.3 (b) below. Awards that do not vest as at vesting date automatically lapse. Awards that do not vest as at Vesting date automatically lapse.

Table 10.3 (b) – PSR Fair Values at Grant Date

	Grant Date	Vesting Date	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
FY14 LTIp PSRs	Cancelled	Cancelled	Cancelled	Cancelled	Cancelled	Cancelled
FY15 LTIp PSRs	14/8/2014	30/6/2017	A$17.73	A$19.05	n/a	2.5%
FY16 LTIp PSRs	13/8/2015	30/6/2018	A$18.53	A$20.20	n/a	3.0%

11. Glossary

Beta means a beta which is calculated in Australian dollars against peer Australian-dollar denominated companies in the ASX/S&P 100.

Board means the Board of Directors of Ansell Limited.

Capex is an abbreviation for Capital Expenditure and means the Payments for property, plant, equipment (PP&E) and intangibles less the proceeds from sale of PP&E.

Constant Currency – Constant currency financial reporting is supplemental information. It is provided using the best estimate of the prior year results translated at the foreign currency exchange rates applicable to the current period and compared to the financial performance for the current year. As such, it is unaudited non-IFRS financial information and uses only a convenience translation. The Board believes that this provides greater insight into the financial performance of the business by the removal of year on year foreign exchange volatility. The principles of constant currency reporting and its implementation are subject to oversight by the Audit and Compliance Committee of the Board.

CAGR means Compound Average Growth Rate which as used in this document measures the average year-over-year growth rate of a financial metric over the specified time period.

Corporations Act means the Corporations Act 2001 (Cth).

EBIT means all profits of Ansell before taking into account interest payments and income taxes.

EBITDA means EBIT before Depreciation and Amortisation.

EMEA means Europe, Middle East and Africa.

EPS or **Earnings per Share** (including Basic Earnings per share) means the portion of Ansell's profit which is allocated to the average number of ordinary fully paid shares on issue for the year.

Executive or **Group Executive** in this report refers to the CEO and Other Executive KMP.

Free Cash flow for FY15 and FY16 means EBITDA less changes in working capital (excluding foreign currency impacts and net of acquisitions and disposals), Capex, Tax payments, Net interest adjusted for non-recurring items such as major restructuring outlays, sale of businesses or other major assets.

FY15 means the 2015 financial year commencing on 1 July 2014 and ended on 30 June 2015.

FY16 means the 2016 financial year commencing on 1 July 2015 and ended on 30 June 2016.

FY17 means the 2017 financial year commencing on 1 July 2016 and ended on 30 June 2017.

Group or **Ansell Group** means Ansell Ltd and its subsidiaries.

HRC means the Human Resources Committee of the Board.

KMP means the Key Management Personnel of Ansell, which comprises all Directors (executive and non-executive) and those executives who have authority and responsibility for planning, directing and controlling the activities of the Group.

Long Term Incentive (LTI) means the Ansell Long Term Incentive Plan which is subject to the rules of the Ansell Long Term Incentive Plan as periodically approved by the Board.

Net Operating Assets means the Net Assets as per the Consolidated Balance Sheet less Net Interest Bearing Debt.

Net Interest Bearing Debt as per Note 10 to the Financial Statements.

Operating Cash Flow as referred to in the Chairman's introductory letter to the Remuneration Report, means Net cash provided by operating activities per the Consolidated Statement of Cash Flows adjusted for Capex (see above), Interest received and paid (Net Interest).

Other Executives means the group of people who are KMP but are not Non-Executive Directors or the CEO.

PSRs means Performance Share Rights.

Profit Attributable means those profits of the Company which are available to the shareholders for distribution after deduction of tax and certain other provisions.

ROCE means Return on Capital Employed which is defined as EBIT divided by average Net Operating Assets.

ROE means Return on Equity which is the amount of net income returned as a percentage of average shareholders' equity.

Short Term Incentive Plan (STI) or **(STIP)** means the Ansell Short Term Incentive Plan which is subject to the rules of the Ansell Short Term Incentive Plan as periodically approved by the Board.

TSR means Total Shareholder Return which means the total financial return which an investor receives from holding shares in Ansell, assuming dividends paid are reinvested in Ansell shares.

TSR (A$) means Total Shareholder Return calculated in Australian dollars.

Working Capital is the balance as defined in Note 7 to the Financial Statements.

Underlying means, in connection with Underlying EPS and Underlying Profit Attributable, the respective EPS or Profit Attributable which is adjusted to exclude certain items (which might relate to one-off or extraordinary items). The exclusion of any items from the underlying result is approved by Ansell's Board. The underlying measure may also be used in connection with the calculation of the vesting of the LTI Plan.

WACC means the Weighted Average Cost of Capital which is a calculation of the average cost to Ansell of the debt and equity capital employed in the business.

Consolidated Income Statement

of Ansell Limited and Subsidiaries for the year ended 30 June 2016

	Note	2016 US$m	2015 US$m
Revenue			
Sales revenue		**1,572.8**	1,645.1
Expenses			
Cost of goods sold including restructuring and asset impairments	3(b)	**(926.5)**	(949.0)
Distribution		**(69.8)**	(73.9)
Selling, general and administration including restructuring and asset impairments	3(b)	**(339.8)**	(376.9)
Total expenses, excluding financing costs		**(1,336.1)**	(1,399.8)
Net financing costs	3(a)	**(22.2)**	(21.5)
Profit before income tax		**214.5**	223.8
Income tax expense	4(a)	**(52.6)**	(34.7)
Profit for the period		**161.9**	189.1
Profit for the period is attributable to:			
Ansell Limited shareholders		**159.1**	187.5
Non-controlling interests		**2.8**	1.6
Profit for the period		**161.9**	189.1

		2016 US cents	2015 US cents
Earnings Per Share is based on profit attributable to Ansell Limited shareholders:			
Basic Earnings Per Share	5	**105.1**	122.5
Diluted Earnings Per Share	5	**104.5**	121.4

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

of Ansell Limited and Subsidiaries for the year ended 30 June 2016

	2016 US$m	2015 US$m
Profit for the period	**161.9**	189.1
Other comprehensive income		
Items that will not be reclassified to the Income Statement:		
Retained earnings		
Remeasurement of defined benefit superannuation/post retirement health benefit plans	**(3.8)**	(3.0)
Fair value reserve		
Change in fair value of financial assets	**–**	7.6
Tax benefit (expense) on items that will not be reclassified to the Income Statement	**1.3**	(1.5)
Total items that will not be reclassified to the Income Statement	**(2.5)**	3.1
Items that may subsequently be reclassified to the Income Statement:		
Foreign currency translation reserve		
Net exchange differences on translation of foreign subsidiaries	**(30.9)**	(115.4)
Hedging reserve		
Net movement in effective hedges for year	**(6.4)**	5.3
Tax (expense)/benefit on items that may subsequently be reclassified to the Income Statement	**(0.5)**	0.2
Total items that may subsequently be reclassified to the Income Statement	**(37.8)**	(109.9)
Other comprehensive income for the period, net of tax	**(40.3)**	(106.8)
Total comprehensive income for the period	**121.6**	82.3
Attributable to:		
Ansell Limited shareholders	**119.7**	82.2
Non-controlling interests	**1.9**	0.1
Total comprehensive income for the period	**121.6**	82.3

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

of Ansell Limited and Subsidiaries for the year ended 30 June 2016

	Note	2016 US$m	2015 US$m
Current assets			
Cash and cash equivalents	6(a)	**272.7**	281.4
Trade and other receivables	7(a)	**223.5**	241.3
Derivative financial instruments	15(c)	**8.2**	18.6
Inventories	7(b)	**322.8**	339.6
Other current assets		**19.4**	16.6
Total current assets		**846.6**	897.5
Non-current assets			
Trade and other receivables		**2.6**	2.8
Derivative financial instruments	15(c)	**4.9**	3.1
Property, plant and equipment	8	**245.0**	231.2
Intangible assets	9	**1,077.3**	1,116.0
Deferred tax assets	4(b)	**90.6**	101.2
Other non-current assets		**23.6**	24.6
Total non-current assets		**1,444.0**	1,478.9
Total assets		**2,290.6**	2,376.4
Current liabilities			
Trade and other payables	7(c)	**235.2**	229.7
Derivative financial instruments	15(d)	**5.8**	13.8
Interest bearing liabilities	10	**5.0**	7.1
Provisions	11	**48.8**	62.8
Current tax liabilities		**19.9**	15.7
Total current liabilities		**314.7**	329.1
Non-current liabilities			
Trade and other payables		**4.1**	7.1
Derivative financial instruments	15(d)	**5.0**	2.1
Interest bearing liabilities	10	**686.6**	734.0
Provisions	11	**10.6**	14.7
Retirement benefit obligations	12	**23.1**	18.1
Deferred tax liabilities	4(c)	**89.5**	84.4
Other non-current liabilities		**20.3**	20.3
Total non-current liabilities		**839.2**	880.7
Total liabilities		**1,153.9**	1,209.8
Net assets		**1,136.7**	1,166.6
Equity			
Issued capital	13(a)	**1,146.9**	1,229.6
Reserves		**(88.3)**	(49.3)
Retained profits/(accumulated losses)		**62.4**	(28.5)
Total equity attributable to Ansell Limited shareholders		**1,121.0**	1,151.8
Non-controlling interests		**15.7**	14.8
Total equity		**1,136.7**	1,166.6

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

of Ansell Limited and Subsidiaries for the year ended 30 June 2016

	2016 US$m	2015 US$m
Total equity		
Balance at the beginning of the financial year	**1,166.6**	1,140.5
Total comprehensive income for the period attributable to:		
Ansell Limited shareholders	**119.7**	82.2
Non-controlling interests	**1.9**	0.1
Transactions with owners attributable to Ansell Limited shareholders:		
Shares issued under Dividend Reinvestment Plan	**5.4**	2.3
Conversion of Executive Share Plan shares to fully paid and exercise of options	**–**	0.5
Share buy-back	**(88.1)**	–
Share-based payments reserve	**(2.2)**	3.8
Dividends	**(65.6)**	(62.0)
Transactions with owners attributable to non-controlling interests:		
Dividends	**(1.0)**	(0.8)
Total equity at the end of the financial year	**1,136.7**	1,166.6
Share capital		
Balance at the beginning of the financial year	**1,229.6**	1,226.8
Transactions with owners as owners:		
Shares issued under Dividend Reinvestment Plan	**5.4**	2.3
Conversion of Executive Share Plan shares to fully paid and exercise of options	**–**	0.5
Share buy-back	**(88.1)**	–
Balance at the end of the financial year	**1,146.9**	1,229.6

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2016

	2016 US$m	2015 US$m
Reserves		
Share-based payments reserve		
Balance at the beginning of the financial year	**45.2**	41.4
Transactions with owners as owners:		
(Credit)/charge to the Income Statement	**(2.2)**	3.8
Balance at the end of the financial year	**43.0**	45.2
Hedging reserve		
Balance at the beginning of the financial year	**4.7**	(0.8)
Comprehensive income for the period:		
Net movement in effective hedges	**(6.9)**	5.5
Balance at the end of the financial year	**(2.2)**	4.7
General reserve		
Balance at the beginning of the financial year	**11.6**	10.8
Transfer from retained profits/(accumulated losses)	**0.1**	0.8
Balance at the end of the financial year	**11.7**	11.6
Foreign currency translation reserve		
Balance at the beginning of the financial year	**(102.5)**	11.4
Comprehensive income for the period:		
Net exchange differences on translation of financial statements of foreign subsidiaries	**(30.0)**	(113.9)
Balance at the end of the financial year	**(132.5)**	(102.5)
Transactions with non-controlling interests		
Balance at the beginning of the financial year	**(10.9)**	(10.9)
Transactions with owners as owners:		
Acquisition of non-controlling interests	**–**	–
Balance at the end of the financial year	**(10.9)**	(10.9)
Fair value reserve		
Balance at the beginning of the financial year	**2.6**	(2.5)
Comprehensive income for the period:		
Change in fair value of financial assets	**–**	5.1
Balance at the end of the financial year	**2.6**	2.6
Total reserves at the end of the financial year	**(88.3)**	(49.3)
Retained profits/(accumulated losses)		
Balance at the beginning of the financial year	**(28.5)**	(151.2)
Transfer to reserves	**(0.1)**	(0.8)
Comprehensive income for the period:		
Net profit attributable to Ansell Limited shareholders	**159.1**	187.5
Remeasurement of defined benefit superannuation/post retirement health benefit plans net of tax	**(2.5)**	(2.0)
Dividends paid	**(65.6)**	(62.0)
Balance at the end of the financial year	**62.4**	(28.5)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

of Ansell Limited and Subsidiaries for the year ended 30 June 2016

	Note	2016 US$m	2015 US$m
Cash flows related to operating activities			
Receipts from customers		1,583.4	1,685.4
Payments to suppliers and employees		(1,321.3)	(1,463.2)
Net receipts from operations		262.1	222.2
Income taxes paid		(29.8)	(22.7)
Net cash provided by operating activities	6(b)	232.3	199.5
Cash flows related to investing activities			
Payments for businesses, net of cash acquired		–	(107.2)
Payments for property, plant, equipment and intangible assets		(67.2)	(84.3)
Proceeds from the sale of a subsidiary		41.5	–
Proceeds from the sale of property, plant and equipment		2.0	22.5
Proceeds from the sale of other investments		–	11.6
Net cash used in investing activities		(23.7)	(157.4)
Cash flows related to financing activities			
Proceeds from borrowings		44.8	131.3
Repayments of borrowings		(81.0)	(92.8)
Net (repayments of)/ proceeds from borrowings		(36.2)	38.5
Proceeds from issues of shares		–	0.5
Payments for share buy-back		(88.1)	–
Dividends paid – Ansell Limited shareholders		(60.2)	(59.7)
Dividends paid – non-controlling interests		(1.0)	(0.8)
Interest received	3(a)	4.1	5.2
Interest and financing costs paid		(26.4)	(26.5)
Net cash used in financing activities		(207.8)	(42.8)
Net increase/decrease in cash and cash equivalents		0.8	(0.7)
Cash and cash equivalents at the beginning of the financial year		281.4	324.2
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies at the beginning of the financial year		(9.5)	(42.1)
Cash and cash equivalents at the end of the financial year	6(a)	272.7	281.4

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

General

Ansell Limited ('the Company') is a Company domiciled in Australia. The Company and its subsidiaries (together referred to as the 'Group') is a global leader in protection solutions. The Group is a for-profit entity and designs, develops and manufactures a wide range of hand and arm protection solutions, clothing and condoms and is organised around four Global Business Units ('GBUs'):

- **Industrial GBU:** multi-use hand, foot and body protection solutions for industrial worker environments and specialty applications.
- **Medical GBU:** surgical and examination gloves, healthcare safety devices and active infection prevention products for healthcare professionals and patients.
- **Single Use GBU:** single-use industrial application gloves.
- **Sexual Wellness GBU:** condoms, lubricants and devices.

Statement of compliance

The Financial Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Financial Report of the Group also complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Board of Directors on 15 August 2016.

Basis of accounting

The Financial Report is presented in United States dollars and on the historical cost basis except that assets and liabilities in respect of derivative financial instruments and available-for-sale financial assets are stated at their fair value.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 31 March 2016 and in accordance with the Instrument, amounts in the Financial Report and Directors' Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

A summary of the significant accounting policies of the Group are disclosed below. The accounting policies have been applied consistently by all entities in the Group.

There has been no changes to the Group's accounting policies during the financial year.

New accounting standards issued but not yet applied

IFRS 15/AASB 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18/AASB 118 Revenue, IAS 11/AASB 111 Construction contracts, and IFRIC 13/Australian Interpretations 13 Customer Loyalty Programmes. IFRS 15/AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15/AASB 15.

IFRS 16/AASB 16 Leases removes the classification of leases as either operating leases or finance leases. IFRS 16/AASB 16 introduces a single lessee accounting model and requires a lessee to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. IFRS 16/AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16/AASB 16.

Principles of consolidation

The financial statements of the Group include the Company being the parent entity, and its subsidiaries.

The financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at balance date and the results of all subsidiaries for the year then ended. Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Results of subsidiaries are included in the Income Statement from the date on which control commences and continue to be included until the date control ceases to exist.

The effects of all transactions between entities in the Group are eliminated in full. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Income Statement and Balance Sheet respectively.

Notes to the Financial Statements continued

1. Summary of Significant Accounting Policies continued

Foreign currency

Transactions

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of each transaction. At balance date, amounts payable and receivable in foreign currencies are converted at the rates of exchange ruling at that date with any resultant gain or loss recognised in the Income Statement except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation

The financial statements of overseas subsidiaries are maintained in their functional currencies and are converted to the Group's presentation currency as follows:

- assets and liabilities are translated at the rate of exchange as at balance date;
- income statements are translated at average exchange rates for the reporting period which approximate the rates ruling at the dates of the transactions; and
- all resultant exchange differences are recorded in the foreign currency translation reserve.

On consolidation, exchange differences arising from borrowings and any other currency instruments designated as hedges of investments in overseas subsidiaries, are transferred to the foreign currency translation reserve on a net of tax basis where applicable. When an overseas subsidiary is sold the cumulative amount recognised in the foreign currency translation reserve relating to the subsidiary is recognised in the Income Statement as part of the gain or loss on sale.

Recoverable amount of non-current assets valued on the cost basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. An impairment loss is recognised whenever the carrying amount of a non-current asset exceeds its recoverable amount. The impairment loss is recognised as an expense in the Income Statement in the reporting period in which it occurs.

The recoverable amount of a non-current asset is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Impairment losses, other than those in respect of goodwill, are reversed through the Income Statement when there is an indication that the impairment loss may no longer exist.

Accounting estimates and judgements

The preparation of consolidated financial statements in conformity with Australian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Actual results could differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions that may have a significant impact on the financial statements are as follows:

Business combinations

A business acquisition requires judgement with respect to the determination of the fair value of purchase consideration given and the fair value of identifiable assets and liabilities acquired. Many of these assets and liabilities either given up or acquired are not normally traded in active markets, and thus management judgement is required in determining their fair values. Management judgement is also required in ascertaining the assets and liabilities, which should be recognised, in particular with respect to intangible assets such as brand names, customer relationships, patents and trademarks and contingent liabilities.

Current asset provisions

In the course of normal trading activities, management uses its judgement in establishing the net realisable value of various elements of working capital – principally inventory and accounts receivable. Provisions are established for obsolete or slow moving inventories and bad or doubtful receivables. The actual level of obsolete or slow moving inventories and bad or doubtful receivables in future periods may be different from the provisions established and any such differences would affect future earnings of the Group.

Property, plant and equipment and definite life intangible assets

The Group's property, plant and equipment and intangible assets, other than indefinite life intangible assets, are depreciated/amortised on a straight-line basis over their useful economic lives. Management reviews the appropriateness of useful economic lives of assets at least annually and any changes to useful economic lives may affect prospective depreciation rates and asset carrying values.

Impairment of goodwill and brand names

The Group tests whether goodwill and brand names are impaired at least annually, or more frequently if events or changes in circumstances indicate that their carrying values may be impaired, in accordance with the accounting policy on intangible assets. The policy requires the use of assumptions in assessing the carrying values of CGUs. These assumptions are detailed in Note 9.

Income tax

The reviews undertaken to determine whether a deferred tax asset should be recognised in jurisdictions where unbooked tax losses exist and in assessing the recoverability of booked tax losses, involve the use of judgement and estimates in assessing the projected future trading performances of relevant operations. These judgements and estimates are subject to risk and uncertainty hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of the deferred tax asset in respect of tax losses recognised on the Balance Sheet. In such circumstances the carrying amount of this asset may require adjustment resulting in a corresponding credit or charge to the Income Statement.

Defined benefit superannuation plans

Various actuarial assumptions are utilised in the determination of the Group's defined benefit superannuation plan obligations. These assumptions are detailed in Note 12.

Other accounting policies

Other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

2. Segment Information

The Group comprises the following main operating segments:

Industrial GBU: multi-use hand, foot and body protection solutions for industrial worker environments and specialty applications.

Medical GBU: surgical and examination gloves, healthcare safety devices and active infection prevention products for healthcare professionals and patients.

Single Use GBU: single use industrial application gloves.

Sexual Wellness GBU: condoms, lubricants and devices.

	Operating Segments						
2016	**Industrial US$m**	**Medical US$m**	**Single Use US$m**	**Sexual Wellness US$m**	**Total Segments US$m**	**Corporate US$m**	**Total Group US$m**
Sales revenue	654.8	396.3	301.7	220.0	1,572.8	–	1,572.8
Profit/(loss) before restructuring and asset impairments, net financing costs and income tax expense	89.0	52.3	64.6	31.0	236.9	(8.3)	228.6
Gain on sale of a subsidiary	–	–	–	–	–	8.1	8.1
Net financing costs						(22.2)	(22.2)
Profit before income tax expense	89.0	52.3	64.6	31.0	236.9	(22.4)	214.5
Income tax expense							(52.6)
Profit after income tax							161.9
Non-controlling interests							(2.8)
Net profit attributable to Ansell Limited shareholders							159.1
Segment assets	704.8	468.7	474.8	200.6	1,848.9	441.7	2,290.6
Segment liabilities	107.6	78.7	28.0	45.8	260.1	893.8	1,153.9
Segment depreciation and amortisation	16.1	8.9	4.2	3.9	33.1	4.9	38.0
Segment capital expenditure	25.2	22.5	3.5	8.8	60.0	7.2	67.2

	Operating Segments						
2015	**Industrial US$m**	**Medical US$m**	**Single Use US$m**	**Sexual Wellness US$m**	**Total Segments US$m**	**Corporate US$m**	**Total Group US$m**
Sales revenue	668.5	447.2	312.4	217.0	1,645.1	–	1,645.1
Profit/(loss) before restructuring and asset impairments, net financing costs and income tax expense	92.7	70.6	59.7	26.1	249.1	(5.8)	243.3
Restructuring and asset impairments	(7.9)	(0.4)	(0.1)	(4.8)	(13.2)	15.2	2.0
Net financing costs						(21.5)	(21.5)
Profit before income tax expense	84.8	70.2	59.6	21.3	235.9	(12.1)	223.8
Income tax expense							(34.7)
Profit after income tax							189.1
Non-controlling interests							(1.6)
Net profit attributable to Ansell Limited shareholders							187.5
Segment assets	772.0	466.2	475.0	199.8	1,913.0	463.4	2,376.4
Segment liabilities	106.4	98.2	26.3	45.0	275.9	933.9	1,209.8
Segment depreciation and amortisation	14.5	8.6	4.8	3.9	31.8	3.6	35.4
Segment capital expenditure	30.7	20.9	6.9	12.8	71.3	13.0	84.3

Regional information

The allocation of operating revenue and operating results reflect the geographical Regions in which the products are sold to external customers. Assets employed (excluding goodwill, brand names and other intangibles per Note 9 and Corporate Segment Assets) are allocated to the geographical Regions in which the assets are located.

Asia Pacific: manufacturing facilities in Malaysia, Thailand, India, Sri Lanka, South Korea, China and Vietnam and sales activity.

Europe, the Middle East and Africa: manufacturing facilities in Lithuania and Portugal and sales activity.

Latin America and Caribbean: manufacturing facilities in Brazil and sales activity.

North America: manufacturing facilities in the USA and Mexico and sales activity.

	Sales Revenue		Regional Assets	
	2016 US$m	**2015 US$m**	**2016 US$m**	**2015 US$m**
Regions				
Asia Pacific	**284.4**	273.8	**376.4**	343.7
Europe, the Middle East and Africa	**524.6**	557.9	**187.8**	222.9
Latin America and Caribbean	**92.0**	104.5	**49.4**	51.2
North America	**671.8**	708.9	**213.2**	232.0
Total Regions	**1,572.8**	1,645.1	**826.8**	849.8

Country of domicile

The Company's country of domicile is Australia. The operating revenue and assets employed for the Australian trading operations (reported within the Asia Pacific Region) are as follows:

	2016 US$m	**2015 US$m**
Operating revenue	**110.6**	114.1
Assets employed	**47.6**	46.6

3. Profit Before Income Tax

	2016 US$m	**2015 US$m**
(a) Profit before income tax has been arrived at after charging/(crediting) the following items:		
Interest expense	**23.7**	24.1
Other financing costs	**2.6**	2.6
Interest income	**(4.1)**	(5.2)
Net financing costs	**22.2**	21.5
Research and development costs expensed as incurred	**11.5**	11.7
Previously capitalised development costs written off	**0.9**	0.4
Research and development costs	**12.4**	12.1
Bad debts written off	**0.1**	0.3
Provision for impairment of trade debtors – recognised (excluding amount included in 3(b))	**0.4**	–
Net bad debts expense and provision for impairment of trade debtors	**0.5**	0.3
Wages and salaries	**230.0**	236.0
Increase in provision for employee entitlements	**14.4**	14.8
Defined contribution superannuation plan expense	**14.9**	11.9
Defined benefit superannuation plan expense	**2.8**	2.3
Equity settled share-based payments expense	**(2.2)**	3.8
Employee benefits expense	**259.9**	268.8

Notes to the Financial Statements continued

3. Profit Before Income Tax continued

	2016 US$m	2015 US$m
Net foreign exchange gain	(0.7)	(19.6)
(Profit)/loss on the sale of property, plant and equipment (excluding amount included in 3(b) below)	(1.1)	0.2
Gain on the sale of a subsidiary	(8.1)	–
Operating lease rentals	26.0	27.2
Write-down in value of inventories	6.1	4.0

(b) Restructuring and asset impairments

	2016 US$m	2015 US$m
Cost of goods sold		
Restructuring	–	1.2
Asset impairment – property, plant and equipment	–	4.0
Total restructuring and asset impairments in cost of goods sold	–	5.2
Selling, general and administration		
Restructuring	–	10.0
Gain on the sale of property, plant and equipment	–	(17.8)
Asset impairment – other	–	0.5
Asset impairment – property, plant and equipment	–	0.1
Total restructuring and asset impairments in selling, general and administration	–	(7.2)
Total restructuring and asset impairments	–	(2.0)

(c) Recognition and measurement

Sales revenue

Sales revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and allowances. External sales are recognised when the significant risks and rewards of the ownership of the goods have been transferred to the buyer and it can be measured reliably.

4. Income Tax

	2016 US$m	2015 US$m
(a) Income tax expense		
Prima facie **income tax calculated at 30% (2015: 30%) on profit before income tax**	**64.4**	67.1
Reduced taxation arising from:		
Prior year over provision	–	(1.6)
Gain on sale of property, plant and equipment	–	(4.4)
Investment and export incentive allowances	**(3.5)**	(2.6)
Net lower overseas tax rates	**(0.5)**	(4.8)
Utilisation/recognition of previously unbooked tax losses	**(7.3)**	(15.5)
Other permanent differences	**(0.5)**	(3.5)
Income tax expense attributable to profit before income tax	**52.6**	34.7
Income tax expense attributable to profit before income tax is made up of:		
Current year income tax	**36.8**	19.2
Deferred income tax attributable to:		
Increase in deferred tax liability	**4.5**	6.6
Decrease in deferred tax asset	**11.3**	8.9
	52.6	34.7
Income tax benefit/(expense) recognised in other comprehensive income		
Actuarial gain/loss on defined benefit superannuation/post retirement health benefit plans	**1.3**	1.0
Change in fair value of available for sale financial assets	–	(2.5)
Movement in effective hedges for year	**(0.5)**	0.2
	0.8	(1.3)

Notes to the Financial Statements continued

4. Income Tax continued

	2016 US$m	2015 US$m
(b) Deferred tax assets		
Deferred tax assets arising from:		
Deductible temporary differences	**45.2**	43.0
Accumulated tax losses	**45.4**	58.2
	90.6	101.2
Deferred tax assets are attributable to the following:		
Trading stock tax adjustments	**6.4**	7.3
Provisions	**19.9**	23.9
Accruals	**6.0**	2.2
Depreciation of plant and equipment and capital allowances	**–**	0.9
Amortisation of intangible assets	**12.9**	8.7
Accumulated tax losses	**45.4**	58.2
Total deferred tax assets	**90.6**	101.2
Details of the movement in the balance of deferred tax assets are as follows:		
Balance at the beginning of the financial year	**101.2**	122.7
Over provision of prior year balance	**1.6**	–
Amount charged to the Income Statement	**(11.3)**	(8.9)
Amount charged/(credited) to other comprehensive income	**0.8**	(1.7)
Net exchange differences on translation of foreign subsidiaries	**(1.7)**	(10.9)
Balance at the end of the financial year	**90.6**	101.2

	2016 US$m	2015 US$m
(c) Deferred tax liabilities		
The tax effect of temporary differences that give rise to significant portions of the provision for deferred income tax are presented below:		
Depreciation on plant and equipment	**3.8**	5.1
Amortisation of intangible assets	**85.2**	78.2
Other	**0.5**	1.1
Total deferred tax liabilities	**89.5**	84.4
Details of the movement in the balance of deferred tax liabilities are as follows:		
Balance at the beginning of the financial year	**84.4**	75.5
Over provision of prior year balance	**1.0**	0.8
Entities acquired	**–**	2.2
Amount charged to the Income Statement	**4.5**	6.6
Net exchange differences on translation of foreign subsidiaries	**(0.4)**	(0.7)
Balance at the end of the financial year	**89.5**	84.4

(d) Recognition and measurement

Current tax

Income tax on the profit or loss for the financial year comprises current and deferred tax and is recognised in the Income Statement. Current tax is the expected tax payable or receivable on taxable income for the financial year, using tax rates enacted or substantively enacted at reporting date, and any adjustments to tax payable or receivable in respect of previous years.

Deferred tax

Deferred tax balances are determined using the Balance Sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the Balance Sheet and their associated tax bases. The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date. In jurisdictions where unbooked tax losses exist, regular reviews are undertaken of the past trading history and projected future trading performance of the operations in these jurisdictions as part of the determination of the value of any deferred tax asset that should be reflected in the accounts in respect of such losses. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realised.

The Group has not recognised the tax value of deferred tax assets in respect of trading tax losses of $14.3 million (2015: $21.0 million) and $113.4 million of capital losses (2015: $118.4 million). Deferred tax assets in respect of these losses have not been recognised as it is not probable that future taxable profits will be available against which these losses can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income. In this case, the associated tax is also recognised in other comprehensive income.

5. Earnings Per Share

	2016 US$m	2015 US$m
Earnings reconciliation		
Profit for the period	**161.9**	189.1
Less profit for the period attributable to non-controlling interests	**(2.8)**	(1.6)
Basic earnings	**159.1**	187.5
Diluted earnings	**159.1**	187.5

	Number of Shares (Millions)	
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic Earnings Per Share	**151.4**	153.1
Effect of partly paid Executive Plan shares, Performance Rights (PRs) and Performance Share Rights (PSRs)	**0.8**	1.3
Number of ordinary shares for diluted Earnings Per Share	**152.2**	154.4

Partly paid Executive Plan shares, PSRs and PRs have been included in diluted Earnings Per Share in accordance with accounting standards.

	US Cents	US Cents
Earnings Per Share		
Basic Earnings Per Share	**105.1**	122.5
Diluted Earnings Per Share	**104.5**	121.4

6. Cash and Cash Equivalents

	2016 US$m	2015 US$m
(a) Cash and cash equivalents		
Cash on hand	**0.2**	0.2
Cash at bank	**87.2**	85.9
Short-term deposits	**182.4**	192.3
	269.8	278.4
Restricted deposits	**2.9**	3.0
Total cash and cash equivalents	**272.7**	281.4

(b) Reconciliation of net profit after tax to net cash flows from operations

	2016 US$m	2015 US$m
Profit for the period	**161.9**	189.1
Add/(less) non-cash items:		
Depreciation	**29.0**	28.3
Amortisation	**9.0**	7.1
Impairment – trade receivables	**0.4**	0.5
Share-based payments expense	**(2.2)**	3.8
Restructuring costs	**–**	11.2
Asset impairments	**–**	4.1
Add/(less) items classified as investing/financing activities:		
Interest received	**(4.1)**	(5.2)
Interest and financing costs paid	**26.4**	26.5
Gain/loss on the sale of property, plant and equipment	**(1.1)**	(17.6)
Gain on the sale of a subsidiary	**(8.1)**	–
Net cash provided by operating activities before change in assets and liabilities	**211.2**	247.8
Change in assets and liabilities net of effect from acquisitions and disposals of businesses and subsidiaries:		
Decrease in trade and other receivables	**14.3**	29.0
Decrease/(increase) in inventories	**0.7**	(46.9)
Increase in other assets	**(2.4)**	(5.1)
Decrease in trade and other payables	**–**	(17.8)
Decrease in provisions/other liabilities	**(15.8)**	(26.6)
Increase/(decrease) in retirement benefit obligations	**1.4**	(1.1)
Increase in provision for deferred income tax	**6.6**	7.5
Decrease in deferred tax assets	**10.3**	12.3
Increase/(decrease) in provision for income tax	**5.5**	(13.2)
Other non-cash items (including foreign currency impact)	**0.5**	13.6
Net cash provided by operating activities	**232.3**	199.5

(c) Recognition and measurement

Cash at bank and on deposit

Cash and cash equivalents includes cash on hand and at banks and investments in money market instruments, net of outstanding bank overdrafts.

Restricted deposits

Restricted deposits represent cash set aside (under Court orders) to cover the provisions established to address any remaining liability of members of the Group for claims arising with respect to the Accufix Pacing Lead (refer Note 11 Provisions – Other Provisions).

7. Working Capital

	2016 US$m	2015 US$m
Working capital comprises:		
Net trade receivables	**219.0**	230.9
Inventories	**322.8**	339.6
Trade payables	**(199.9)**	(196.4)
Total working capital	**341.9**	374.1

(a) Current trade and other receivables

	2016 US$m	2015 US$m
Trade receivables	**263.1**	273.8
Allowance for impairment	**(8.2)**	(8.6)
Provision for rebates and allowances	**(35.9)**	(34.3)
Net trade receivables	**219.0**	230.9
Other amounts receivable	**4.5**	10.4
Total current trade and other receivables	**223.5**	241.3
Movements in the allowance for impairment of trade receivables:		
Balance at the beginning of the financial year	**8.6**	11.1
Amounts charged to the Income Statement	**0.4**	0.5
Amounts utilised for intended purposes	**(0.4)**	(2.1)
Net exchange differences on translation of foreign subsidiaries	**(0.4)**	(0.9)
Balance at the end of the financial year	**8.2**	8.6

	Gross Trade Receivables		Allowance For Impairment	
	2016 US$m	2015 US$m	2016 US$m	2015 US$m
Ageing of trade receivables:				
Within agreed terms	**213.3**	238.0	**–**	–
Past due 0 – 60 days	**33.8**	23.5	**1.9**	0.4
Past due 61 – 90 days	**1.7**	2.3	**0.3**	0.3
Past due 91 days or more	**14.3**	10.0	**6.0**	7.9
Total	**263.1**	273.8	**8.2**	8.6

	2016 US$m	2015 US$m
(b) Inventories		
Raw materials	**40.1**	46.1
Work in progress	**19.0**	20.7
Finished goods	**263.7**	272.8
Total inventories	**322.8**	339.6
Inventories recognised as an expense	**883.8**	935.2

7. Working Capital continued

(c) Current trade and other payables

	2016 US$m	2015 US$m
Current		
Trade payables	**199.9**	196.4
Other payables	**35.3**	33.3
Total current trade and other payables	**235.2**	229.7

(d) Recognition and measurement

Trade receivables

Trade receivables are carried at amounts due. Receivables that are not past due and not impaired are considered recoverable. Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amount considered recoverable. Customer trading terms are generally between 30 – 60 days.

Allowance for impairment of trade receivables

The collectability of trade receivables is assessed continuously and at balance date specific allowances are made for any doubtful trade receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified. The following basis have been used to assess the allowance for doubtful trade receivables:

- individual account by account assessment based on past credit history;
- prior knowledge of debtor insolvency;
- high risk customers' assessments based on continuous analysis of customers' payment trends and monitoring of the political and economic climates particularly for those customers who are located in emerging market countries; and
- customer accounts which have been referred to a collection agency.

Inventories

Inventories are valued at the lower of cost and net realisable value. The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to sell. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of the production overheads as applicable.

Allowances are established for obsolete or slow moving inventories taking into consideration the ageing or seasonal profile of inventories, the nature of inventories, discontinued lines, sell through history and forecast sales.

Trade and other payables

Trade payables are normally settled within 30 days from invoice date or within the agreed payment terms with the supplier.

8. Property, Plant and Equipment

Year ended 30 June 2016	Freehold Land US$m	Freehold Buildings US$m	Leasehold Land and Buildings US$m	Plant and Equipment US$m	Buildings and Plant Under Construction US$m	Total US$m
Cost	9.3	53.6	64.2	451.2	28.2	606.5
Accumulated depreciation	–	(32.4)	(18.1)	(311.0)	–	(361.5)
	9.3	21.2	46.1	140.2	28.2	245.0
Movement						
Balance at the beginning of the financial year	10.2	22.9	34.4	136.8	26.9	231.2
Additions	–	0.2	–	6.4	48.6	55.2
Disposal of entities	–	–	(0.2)	(1.5)	(0.3)	(2.0)
Disposals/scrappings	(0.5)	(0.5)	(0.3)	(0.2)	–	(1.5)
Transfer from buildings and plant under construction	–	1.4	14.1	29.6	(45.1)	–
Depreciation	–	(2.2)	(1.8)	(25.0)	–	(29.0)
Net exchange differences on translation of foreign subsidiaries	(0.4)	(0.6)	(0.1)	(5.9)	(1.9)	(8.9)
Balance at the end of the financial year	**9.3**	**21.2**	**46.1**	**140.2**	**28.2**	**245.0**

Year ended 30 June 2015	Freehold Land US$m	Freehold Buildings US$m	Leasehold Land and Buildings US$m	Plant and Equipment US$m	Buildings and Plant Under Construction US$m	Total US$m
Cost	10.2	54.3	49.9	444.6	26.9	585.9
Accumulated depreciation	–	(31.4)	(15.5)	(307.8)	–	(354.7)
	10.2	22.9	34.4	136.8	26.9	231.2
Movement						
Balance at the beginning of the financial year	11.2	28.0	35.2	115.3	16.4	206.1
Additions	–	0.7	1.8	18.0	45.9	66.4
Additions through businesses/entities acquired	–	–	–	12.5	–	12.5
Disposals/scrappings	(0.2)	(0.5)	(3.2)	(0.8)	–	(4.7)
Impairment charge to the Income Statement	–	(2.5)	–	(1.6)	–	(4.1)
Transfer from buildings and plant under construction	–	1.1	5.3	26.7	(33.1)	–
Depreciation	–	(1.6)	(1.7)	(25.0)	–	(28.3)
Net exchange differences on translation of foreign subsidiaries	(0.8)	(2.3)	(3.0)	(8.3)	(2.3)	(16.7)
Balance at the end of the financial year	10.2	22.9	34.4	136.8	26.9	231.2

Notes to the Financial Statements continued

***8. Property, Plant and Equipment** continued*

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and that the cost of the item can be measured reliably.

Depreciation

Depreciation is generally calculated on a straight-line basis so as to write off the net cost of each item of property, plant and equipment, excluding land, over its estimated useful life.

The expected useful lives in the current and prior years are as follows:

Freehold buildings	20 – 40 years
Leasehold buildings	The lesser of 50 years or life of lease
Plant and equipment	3 – 20 years

Depreciation and amortisation rates and methods are reviewed annually for appropriateness.

9. Intangible Assets

Year ended 30 June 2016	Goodwill US$m	Brand Names US$m	Development Costs US$m	Software Costs US$m	Other Intangibles US$m	Total US$m
Cost						
Balance at the beginning of the financial year	999.0	245.6	22.5	63.6	25.7	1,356.4
Additions	–	–	4.0	8.0	–	12.0
Additions through entities acquired/completion of provisional accounting	(10.4)	11.3	–	–	–	0.9
Amounts related to businesses disposed of	(13.3)	(8.4)	–	–	(1.7)	(23.4)
Previously capitalised costs charged to the Income Statement	–	–	(0.9)	–	–	(0.9)
Net exchange differences on translation of foreign subsidiaries	(16.4)	(5.2)	(0.6)	(1.7)	–	(23.9)
Balance at the end of the financial year	**958.9**	**243.3**	**25.0**	**69.9**	**24.0**	**1,321.1**
Provision for amortisation and impairment						
Balance at the beginning of the financial year	140.1	64.5	8.3	25.0	2.5	240.4
Amortisation	–	0.1	4.2	3.2	1.5	9.0
Amounts related to businesses disposed of	–	–	–	–	(0.2)	(0.2)
Net exchange differences on translation of foreign subsidiaries	(0.6)	(3.8)	(0.2)	(0.8)	–	(5.4)
Balance at the end of the financial year	**139.5**	**60.8**	**12.3**	**27.4**	**3.8**	**243.8**
Written down value at the end of the financial year	**819.4**	**182.5**	**12.7**	**42.5**	**20.2**	**1,077.3**

Year ended 30 June 2015	Goodwill US$m	Brand Names US$m	Development Costs US$m	Software Costs US$m	Other Intangibles US$m	Total US$m
Cost						
Balance at the beginning of the financial year	940.6	262.8	22.1	62.6	25.9	1,314.0
Additions	–	–	5.6	12.3	–	17.9
Additions through entities acquired/completion of provisional accounting	95.1	–	–	–	0.2	95.3
Previously capitalised costs charged to the Income Statement	–	–	(0.4)	–	–	(0.4)
Net exchange differences on translation of foreign subsidiaries	(36.7)	(17.2)	(4.8)	(11.3)	(0.4)	(70.4)
Balance at the end of the financial year	999.0	245.6	22.5	63.6	25.7	1,356.4
Provision for amortisation and impairment						
Balance at the beginning of the financial year	140.2	70.0	6.9	28.1	1.1	246.3
Amortisation	–	0.1	3.3	2.2	1.5	7.1
Net exchange differences on translation of foreign subsidiaries	(0.1)	(5.6)	(1.9)	(5.3)	(0.1)	(13.0)
Balance at the end of the financial year	140.1	64.5	8.3	25.0	2.5	240.4
Written down value at the end of the financial year	858.9	181.1	14.2	38.6	23.2	1,116.0

	2016 US$m	2015 US$m
Carrying amount of goodwill and brand names allocated to each of the CGUs:		
Industrial	**314.1**	348.9
Medical	**256.3**	257.3
Sexual Wellness	**67.7**	69.9
Single Use	**363.8**	363.9
	1,001.9	1,040.0

Recognition and measurement

Goodwill and brand names

Goodwill on acquisition is measured at cost being the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is not amortised. Brand names are initially recorded at cost based on independent valuation at acquisition date, which equates to fair value. Based on the nature of the major brand names acquired by the Group, which are international brands that benefit from competitive advantages due to technology, innovation and product development, it is not possible to make an arbitrary assessment that these brand names have a finite useful life, quantifiable in terms of years except where such brands are subject to licensing agreements covering a finite period or where management intends to phase out the use of a brand. Brand names subject to a licensing arrangement are amortised over the life of the arrangement. Brand names that are intended to be phased out are amortised over the period management anticipated that this process will take. The amortisation of brand names, development and software costs and other intangibles are recognised in selling, general and administration costs in the Income Statement. No amortisation is provided against the carrying value of those brand names not subject to a licensing arrangement or phase out process as the Group believe that the lives of such assets are indefinite at this point.

***9. Intangible Assets** continued*

Development and software costs

Capitalised development and software costs are amortised over a three to 10 year period.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are initially recorded at cost based on independent valuation at acquisition date, which equates to fair value. These assets include patents which are amortised on a straight-line basis over the legal life of the patent and customer and distributor relationships, which are amortised on a straight-line basis over their estimated useful lives, which range from 6 to 20 years.

Impairment

Goodwill and indefinite life intangible assets are tested for impairment at least annually. The carrying amount of other non-current assets, excluding any defined benefit fund assets, deferred tax assets and financial assets are reviewed at each reporting date to determine whether there are any indicators of impairment. If such indicators exist, the asset is tested for impairment by comparing its recoverable amount to its carrying amount. The recoverable amount of an asset is determined as the higher of fair value less costs of disposal and value in use.

The recoverable amount is estimated for each individual asset or where it is not possible to estimate for individual assets, it is estimated for the CGU to which the asset belongs. A CGU is the smallest identifiable group of assets that generate cash inflows largely independent of the cash inflows of other assets or group of assets with each CGU being no larger than a reportable segment.

The recoverable amount of the CGUs has been determined based on a value in use calculation utilising five-year cash flow projections. The base for each CGU is the budget for the 2017 financial year as approved by the Board. Specific growth and after tax WACC rates have been used for each CGU for forecasts for financial years ending June 2018 to 2021 and for the terminal year. Factors such as country risk, forecasting risk and country specific growth and tax rates have been taken into consideration in arriving at these rates.

Cash flows used for value in use calculations are estimated for the asset in its present condition and therefore do not include cash inflows or outflows that improve or enhance the asset's performance or that may arise from future restructuring.

The post-tax discount rate used for a value in use calculation is derived based on an independent external assessment of the Group's post-tax WACC in conjunction with risk specific factors to the countries in which the CGU operates.

The average annual sales revenue growth rates applied in the discounted cash flow models range between 2 per cent and 4 per cent (2015: 2 per cent and 7 per cent) while the growth in the terminal year was between 2 per cent and 3 per cent (2015: between 2 per cent and 3 per cent). The post-tax discount rates applied range between 8 per cent and 9 per cent (2015: 8 per cent and 9 per cent).

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the Income Statement as part of cost of goods sold and selling, general and administration expenses. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit.

An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss in respect of goodwill or other indefinite life intangible assets is not reversed. An impairment loss in other circumstances is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

10. Interest Bearing Liabilities

	2016 US$m	2015 US$m
Current		
Loans repayable in:		
Canadian dollars	**3.9**	4.0
Indian rupees	**1.1**	2.2
United States dollars	**–**	0.9
Total current	**5.0**	7.1
Non-current		
Loans repayable in:		
Euros	**149.7**	162.2
United States dollars	**474.0**	482.0
United Kingdom pounds	**62.9**	89.8
Total non-current	**686.6**	734.0
Total interest bearing liabilities	**691.6**	741.1

The Group has a syndicated borrowing facility of US$500 million (US$204 million and GBP£46.8 million drawn down at 30 June 2016) maturing in June 2019, a Euro €50 million revolving credit facility (Euro €33 million drawn down at 30 June 2016) maturing in June 2018 and Senior Notes to the equivalent of US$383 million. The Senior Notes of US$270 million and Euro €101.5 million mature between June 2020 and April 2026. These facilities can be accessed by certain Australian, United States, United Kingdom and European subsidiaries.

There are a number of financial covenants attaching to the bank and note facilities including restrictions on the level of borrowings of non-guarantor subsidiaries and ensuring certain financial ratios are maintained. If any breaches of these covenants occur all monies outstanding under the facility become immediately due and payable. The Company is in compliance with all covenants. The interest rates for these facilities are determined based on market rates at the time amounts are drawn down.

	2016 US$m	2015 US$m
Net interest bearing debt		
Current interest bearing liabilities	**5.0**	7.1
Non-current interest bearing liabilities	**686.6**	734.0
Cash at bank and short-term deposits	**(269.6)**	(278.2)
Net interest bearing debt	**422.0**	462.9

Recognition and measurement

Interest bearing liabilities are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition interest bearing liabilities are stated at amortised cost. Any difference between the cost and redemption value is recognised in the Income Statement over the period of the liability using the effective interest method.

10. Interest Bearing Liabilities continued

The following table sets out details in respect of interest bearing liabilities at 30 June.

Nature and Currency of Borrowing		Effective Interest Rate % p.a.	Financial Year of Debt Maturity	2016 US$m
Bank loans	Canadian dollars	2.19	2017	**3.9**
	Euros	1.08	2018	**3.3**
	Euros	1.11	2018	**5.6**
	Euros	1.20	2018	**27.8**
	Indian rupees	9.90	2017	**1.1**
	United Kingdom pounds	1.96	2019	**62.9**
	United States dollars	2.01	2019	**15.0**
	United States dollars	2.83	2019	**20.0**
	United States dollars	2.91	2019	**15.0**
	United States dollars	3.83	2019	**10.0**
	United States dollars	3.43	2019	**10.0**
	United States dollars	3.21	2019	**20.0**
	United States dollars	3.87	2019	**35.0**
	United States dollars	2.26	2019	**30.0**
	United States dollars	1.91	2019	**35.0**
	United States dollars	2.01	2019	**6.0**
	United States dollars	1.82	2019	**8.0**
Other loans	Euros	3.37	2020	**33.4**
	Euros	3.52	2022	**39.8**
	Euros	1.74	2023	**39.8**
	United States dollars	2.62	2020	**20.0**
	United States dollars	3.91	2021	**50.0**
	United States dollars	4.70	2024	**100.0**
	United States dollars	4.05	2025	**50.0**
	United States dollars	4.68	2026	**50.0**
Total interest bearing liabilities				**691.6**

Nature and Currency of Borrowing		Effective Interest Rate % p.a.	Financial Year of Debt Maturity	2015 US$m
Bank loans	Canadian dollars	2.34	2016	4.0
	Euros	1.24	2018	4.5
	Euros	1.19	2018	10.1
	Euros	2.15	2018	33.7
	Indian rupees	11.33	2016	2.2
	United Kingdom pounds	1.82	2019	89.8
	United States dollars	1.95	2019	20.0
	United States dollars	2.04	2019	30.0
	United States dollars	3.71	2019	10.0
	United States dollars	4.12	2019	10.0
	United States dollars	3.95	2019	20.0
	United States dollars	3.75	2019	35.0
	United States dollars	1.74	2019	20.0
	United States dollars	2.14	2019	30.0
	United States dollars	1.44	2019	12.0
	United States dollars	1.53	2019	25.0
Other loans	Euros	3.37	2020	33.7
	Euros	3.52	2021	40.1
	Euros	1.96	2022	40.1
	United States dollars	0.29	2016	0.9
	United States dollars	2.22	2020	20.0
	United States dollars	3.91	2021	50.0
	United States dollars	4.70	2024	100.0
	United States dollars	4.05	2025	50.0
	United States dollars	4.68	2026	50.0
Total interest bearing liabilities				741.1

Notes to the Financial Statements continued

11. Provisions

	2016 US$m	2015 US$m
Current		
Provision for employee entitlements	**38.0**	42.5
Provision for rationalisation and restructuring costs	**6.9**	16.1
Other provisions	**3.9**	4.2
Total current	**48.8**	62.8
Non-current		
Provision for employee entitlements	**10.6**	14.7
Total non-current	**10.6**	14.7
Total provisions	**59.4**	77.5

Reconciliations of the carrying amount of each class of provision, except for employee entitlements, are set out below:

Provision for rationalisation and restructuring		
Balance at the beginning of the financial year	**16.1**	22.9
Amounts (credited)/charged to the Income Statement	**(2.4)**	11.2
Payments made	**(6.4)**	(17.6)
Net exchange differences on translation of foreign subsidiaries	**(0.4)**	(0.4)
Balance at the end of the financial year	**6.9**	16.1
Other provisions		
Balance at the beginning of the financial year	**4.2**	4.9
Amounts utilised for intended purposes	**(0.2)**	(0.1)
Net exchange differences on translation of foreign subsidiaries	**(0.1)**	(0.6)
Balance at the end of the financial year	**3.9**	4.2

Recognition and measurement

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

A provision is determined by discounting the expected future cash flows required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Employee entitlements

Wages, salaries and annual leave

Liabilities for employee entitlements to wages, salaries and annual leave represent the amount which members of the Group have a present obligation to pay resulting from employees' services provided up to the balance date calculated at undiscounted amounts based on expected wage and salary rates that will be paid when the obligation is settled and include related on-costs.

Long service leave and post-retirement health benefits

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the Group resulting from employees' services provided in the current and prior periods. Post retirement health benefits are subject to annual actuarial reviews.

The liability is calculated using estimated future increases in wage and salary rates including related on-costs, expected settlement dates based on turnover history and medical cost trends and is discounted using corporate bond rates, which most closely match the terms of maturity of the related liabilities.

Provision for rationalisation and restructuring costs

Provisions for rationalisation and restructuring are only recognised when a detailed plan has been approved and the restructuring has either commenced or been publicly announced, or firm contracts related to the restructuring have been entered into. Costs related to ongoing activities are not provided for.

Other provisions

Other provisions are recognised to cover specifically identified or obligated costs relating to Accufix Pacing Lead and insurance claims. The Accufix Pacing Lead related expenses include costs of patients associated with the monitoring and (where appropriate) explantation of the leads and for legal costs in defence of claims made in respect of the Accufix Pacing Lead. This provision is covered by cash required to be set aside by the Courts (refer to Note 6 – Cash and Cash Equivalents – Restricted deposits).

12. Retirement Benefit Obligations

Certain members of the Group contribute to defined benefit and defined contribution superannuation plans maintained to provide superannuation benefits for employees. They are obliged to contribute to the various superannuation plans as a consequence of legislation or Trust Deeds. Legal enforceability is dependent on the terms of the legislation or the Trust Deeds.

(a) Defined benefit superannuation plans

Funding for post-employment benefits is carried out in accordance with the requirements of the Trust Deed for the Fund and the advice of the Fund's actuarial adviser. Plan assets are held in trusts, which are subject to supervision by prudential regulators. Responsibility for governance of the plan, including investment decisions and plan rules, rests solely with the Board of trustees of the plan.

The amounts recognised in the Balance Sheet are determined as follows:

	2016 US$m	2015 US$m
Present value of accumulated defined benefit obligations	**62.6**	63.9
Fair value of defined benefit plan assets	**(39.5)**	(45.8)
Net defined benefit liability recognised in the Balance Sheet	**23.1**	18.1

The principal actuarial assumptions used (expressed as a weighted average) to calculate the net defined benefit liability were as follows:

	2016	2015
Discount rate	**2.5%**	3.3%
Future salary increases	**2.3%**	2.6%

The movements in the net defined liability during the year are outlined below:

	2016 US$m	2015 US$m
Balance at the beginning of the financial year	**18.1**	16.2
Actuarial losses[1]	**3.8**	3.0
Current service cost[2]	**2.5**	2.0
Net interest cost[2]	**0.3**	0.3
Employer contributions[3]	**(1.4)**	(1.6)
Net exchange differences on translation of foreign subsidiaries	**(0.2)**	(1.8)
Balance at the end of the financial year	**23.1**	18.1

1. Actuarial losses are recorded in other comprehensive income.
2. Current service cost and interest cost are recorded in the Consolidated Income Statement as part of selling, general and administration expenses.
3. Employer contributions are a cash payment and are recorded as part of payments to suppliers and employees in the Consolidated Statement of Cash Flows.

***12. Retirement Benefit Obligations** continued*

The Group expects $1.5 million in contributions to be paid to its defined benefit plans during the year ending 30 June 2017.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2016	2015
Equity securities	**29%**	38%
Fixed interest securities	**63%**	51%
Property	**3%**	2%
Other	**5%**	9%

(b) Defined contribution superannuation plans

	2016 US$m	2015 US$m
Contributions to defined contribution plans during the year	**14.9**	11.9

13. Issued Capital and Reserves

(a) Issued capital

	2016 US$m	2015 US$m
Issued capital		
147,660,815 (2015: 153,154,841) ordinary shares, fully paid	**1,146.9**	1,229.6
58,900 (2015: 58,900) Executive Share Plan shares, paid to A 5 cents	**–**	–
Total issued capital	**1,146.9**	1,229.6

	Number of Shares	
	2016	2015
Movement in shares on issue		
Ordinary shares		
Balance at the beginning of the financial year	**153,154,841**	152,937,881
Issue of new shares under Dividend Reinvestment Plan	**383,322**	133,952
Conversion of PSRs, PRs and exercise of options	**488,735**	79,008
Conversion of Executive Share Plan shares to fully paid	**–**	4,000
Buy-back/cancellation of shares	**(6,366,083)**	–
Balance at the end of the financial year	**147,660,815**	153,154,841
Executive Share Plan shares		
Balance at the beginning of the financial year	**58,900**	62,900
Conversion of Executive Share Plan shares to fully paid	**–**	(4,000)
Balance at the end of the financial year	**58,900**	58,900

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax where applicable, from the proceeds. When shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity.

Ordinary shares are fully paid and do not have authorised capital or par value. They carry one vote per share and the right to dividends as declared from time to time. In the event of winding up of the Company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan which is open to all shareholders. Under this plan 383,322 were issued at 30 June 2016 (2015: 133,952).

Executive Share Plan

During the financial year, nil Executive Plan shares were paid (2015: 4,000). Shares allotted under the Pacific Dunlop Executive Share Plan (which was discontinued in 1996) have been paid to A$0.05 per share. Refer to Note 21 Ownership-based Remuneration Schemes for details of the price payable for shares issued under this plan.

Options

As at the date of this Report, there are nil (2015: nil) unissued shares in the Company remain under option.

Share-based payments

The fair value of PRs granted to the Managing Director and Chief Executive Officer (CEO), Chief Financial Officer (CFO) and other Senior Executives on their appointments and PSRs granted to the CEO, CFO and other Senior Executives under the Long Term Incentive Plans is recognised as an employee benefit expense with a corresponding increase in equity over the vesting period.

(b) Nature and purpose of reserves

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to employees as part of their remuneration under various Long Term Incentive Plans. Refer to Note 21 Ownership-based Remuneration Schemes for further details of these plans.

Hedging reserve

This reserve records the portion of the unrealised gains or losses on cash flow hedges that are deemed to be effective.

General reserve

In certain jurisdictions regulatory requirements result in appropriations being made to a general reserve. The amount in the general reserve is available for release to retained profits/(accumulated losses).

Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign subsidiaries where their functional currency is different to the presentation currency of the Group, as well as the translation of borrowings or any other currency instruments that hedge the Company's net investment in foreign subsidiaries. Refer to Note 1 Summary of Significant Accounting Policies.

Transactions with non-controlling interests

Represents the excess paid over the fair value of assets acquired as a result of the purchase of additional equity in non-wholly-owned subsidiaries.

Fair value reserve

This reserve records the cumulative net change in the fair value of financial assets.

14. Dividends Paid or Declared

	2016 US$m	2015 US$m
Dividends paid		
A final dividend of US 23.0 cents per share unfranked for the year ended 30 June 2015 (June 2014: US 22.0 cents unfranked) was paid on 10 September 2015 (2014: 24 September 2014)	**34.0**	31.6
An interim dividend of US 20.0 cents per share unfranked for the year ended 30 June 2016 (June 2015: US 20.0 cents unfranked) was paid on 10 March 2016 (2015: 11 March 2015)	**31.6**	30.4
	65.6	62.0

Dividends declared

Since the end of the financial year the Directors have declared a final dividend of US 23.5 cents per share unfranked, to be paid on 8 September 2016. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2016 and will be recognised in subsequent financial reports.

Dividend franking account

The balance of the dividend franking account as at 30 June 2016 was nil (2015: nil).

15. Financial Risk Management

Ansell has a range of financial policies designed to mitigate any potential negative impact financial risks may have on the Group's results. The Group's risk management is carried out by a central treasury department under polices approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's business units. The Board reviews and approves the Group's policies for managing each of these risks which are summarised below:

- Note 15(a) Foreign Exchange Risk;
- Note 15(b) Interest Rate Risk;
- Note 15(c) Credit Risk;
- Note 15(d) Liquidity Risk; and
- Note 15(e) Commodity Price Risk.

These risks affect the fair value measurements applied by the Group, which is discussed in Note 15(f).

(a) Foreign exchange risk

The Group is exposed to a number of foreign currencies, however, the predominant operating currency is the US dollar (US$). As such, the Group has determined it appropriate to manage its foreign currency exposure against the US$. On this basis the Company manages its transactional exposures as follows:

- Major revenue and cost currency net cash flow exposures are predominantly hedged back to US$ on a 12 to 18-month rolling basis so as to reduce any significant adverse impact of exchange rate fluctuations on the Earnings Per Share guidance provided by the Company to the market.
- The Group hedges up to 90 per cent of its estimated foreign currency exposure in respect of forecast purchases and sales.

The Group undertakes a range of derivative financial instruments, which can be defined in the following broad categories:

(i) Forward/future contracts

These transactions enable the Group to buy or sell specific amounts of foreign exchange or financial instruments at an agreed rate/price at a specified future date. Maturities of these contracts are predominantly up to one year.

(ii) Foreign exchange options

This is a contract between two parties, which gives the buyer of the put or call option the right, but not the obligation, to transact at a specified exchange rate. The Group typically uses a combination of bought and sold options, generally for zero cost, to hedge foreign currency receivable and payable cash flows predominantly out to one year.

As at 30 June the exposure to foreign currency risk from the Group's primary trading currency (US$) is:

	Net Receivable/(Payable)	
	2016 US$m	2015 US$m
Net receivable/(payable) in non-US$ reporting entities	28.2	(5.2)

The following table demonstrates the estimated sensitivity in the valuation of outstanding forward contracts and foreign exchange options to a 10 per cent increase/decrease in the US$ exchange rate, with all other variables held constant, on profit for the period and equity.

	Profit for the Period		Equity	
	2016 US$m	2015 US$m	2016 US$m	2015 US$m
With all other variables held constant:				
10% increase in US$ exchange rate	–	–	3.9	2.0
10% decrease in US$ exchange rate	–	–	1.4	1.2

(b) Interest rate risk

The Group has a broad aim of managing interest rate risk on its debt by setting a minimum level of interest rate risk days (the weighted average term of all interest rates in the portfolio) and a minimum fixed/floating interest rate ratio. The Group enters into interest rate swaps that enables parties to swap interest rates (from or to a fixed or floating basis) for a defined period of time. Maturities of the contracts are principally between one and 10 years.

Prior to the beginning of each year, the Group calculates its financial budget for the upcoming year using an updated set of financial assumptions and management's view of the marketplace in the coming financial year. The Group forecasts interest rates for all debt repricing and new financing.

In this context interest rate risk is the risk that the Group will, as a result of adverse movements in interest rates, experience:

- unacceptable variations to the cost of debt in the review period for which the financial budget has been finalised; and
- unacceptable variations in interest expense from year to year.

It is recognised that movements in interest rates may be beneficial to the Group. Within the context of the Group's operations, interest rate exposure occurs from the amount of debt repricing that occurs in any one year.

The exposure to interest rate risk and the effective weighted average interest rate for interest bearing financial liabilities are set out below:

			Fixed Interest Repricing in				
	Weighted Average Effective Interest Rate %	Floating US$m	1 Year or Less US$m	1 to 2 Years US$m	2 to 5 Years US$m	> 5 Years US$m	Total US$m
2016							
Bank and other loans	3.1	307.5	1.1	–	103.4	279.6	691.6
Effect of interest rate swaps[1]	0.1	(108.0)	–	37.8	110.0	(39.8)	–
		199.5	1.1	37.8	213.4	239.8	691.6
2015							
Bank and other loans	2.9	354.2	3.0	–	53.7	330.2	741.1
Effect of interest rate swaps[1]	0.2	(148.6)	73.7	30.0	85.0	(40.1)	–
		205.6	76.7	30.0	138.7	290.1	741.1

1. Represents notional amount of interest rate swaps.

A separate analysis of debt by currency can be found at Note 10 Interest Bearing Liabilities.

***15. Financial Risk Management** continued*

The table below shows the effect on profit for the period and equity, if interest rates had been 10 per cent higher or lower with all other variables held constant, taking into account all underlying exposures and related hedges. A sensitivity of 10 per cent has been selected as this is considered reasonable given the current level of both short-term and long-term US$ interest rates.

	Profit for the Period		Equity	
	2016 US$m	2015 US$m	2016 US$m	2015 US$m
With all other variables held constant:				
If interest rates were 10% higher	–	–	0.4	0.6
If interest rates were 10% lower	–	–	(0.4)	(0.6)

(c) Credit risk

The credit risk on financial assets (excluding investments) of the Group, is the carrying amount, net of any provision for impairment, which has been recognised on the Balance Sheet. The Group is exposed to credit risk from its operating activities, primarily from customer receivables and from its financing activities, including deposits with financial institutions, foreign exchange transactions and other financial instruments.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group does not hold any collateral over any of the receivables.

(i) Credit risk – cash and cash equivalents

The Group held cash and cash equivalents of $272.7 million at 30 June 2016 (2015: $281.4 million). The material cash and cash equivalents are held with bank and financial institution counter parties, which are noted A3 or above by Moody's Investors Service.

(ii) Credit risk trade receivables

Customer credit risk is managed by each Region subject to established policies, procedures and controls relating to customer credit risk management. The Group trades with recognised, creditworthy third parties, and also minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties in various countries. Customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. In addition receivable balances are monitored on an ongoing basis. The Group is not materially exposed to any individual customer. An ageing of trade receivables past due is included in Note 7.

The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	2016 US$m	2015 US$m
Net trade receivables	219.0	230.9

Individual trade receivables which are known to be uncollectible are written off by reducing the carrying amount directly. Other trade receivables are assessed where there is objective evidence that an impairment has been incurred but not yet recognised. For these receivables, the estimated impairment losses are recognised as an allowance for impairment. Receivables for which an impairment provision was recognised are written off against the provision where there is no expectation of recovering additional cash. Allowances for impairment are recognised in the Income Statement. Subsequent recoveries of amounts previously written off are credited to the Income Statement. Movements in the allowance for impairment and the ageing of trade receivables are included in Note 7.

(iii) Credit risk by maturity

Based on the policy of not having material overnight exposures to an entity rated lower than A3 by Moody's Investors Service, the risk to the Group of counterparty default loss is not considered material. The following table indicates the value of amounts owing by counterparties by maturity.

	Foreign Exchange Related Contracts		Interest Rate Contracts		Foreign Exchange Options		Total	
	2016 US$m	2015 US$m	2016 US$m	2015 US$m	2016 US$m	2015 US$m	2016 US$m	2015 US$m
Term:								
0–6 months	**1.3**	7.8	**–**	–	**3.1**	5.1	**4.4**	12.9
6–12 months	**0.4**	1.5	**–**	–	**3.4**	4.2	**3.8**	5.7
1–2 years	**–**	–	**–**	–	**–**	–	**–**	–
2–5 years	**–**	–	**0.7**	0.5	**–**	–	**0.7**	0.5
> 5 years	**–**	–	**4.2**	2.6	**–**	–	**4.2**	2.6
Total	**1.7**	9.3	**4.9**	3.1	**6.5**	9.3	**13.1**	21.7

(d) Liquidity risk

Liquidity risk is the risk of an unforeseen event or miscalculation in the required liquidity level that may result in the Group foregoing investment opportunities or not being able to meet its obligations in an orderly manner, and therefore give rise to poor investment income or to excessive borrowing costs.

The Group seeks to reduce the risk of:

(a) being forced to exit derivative financial instrument positions at below their real worth, or

(b) finding it cannot exit the position at all, due to lack of liquidity in the market by:

(i) dealing only in liquid contracts dealt by many counterparties;

(ii) dealing only in large, highly liquid and stable international markets; and

(iii) ensuring maturity risk days (the weighted average term of all maturity dates in the portfolio) remain within a specified range.

The following table sets out the contractual maturities of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows comprising principal and interest repayments.

	Carrying Amount	Total Contractual Cash Flows	Contractual Maturity (Years)			
	US$m	US$m	0–1 US$m	1–2 US$m	2–5 US$m	> 5 US$m
2016						
Trade and other payables	239.3	239.3	235.2	4.1	–	–
Bank and other loans	691.6	819.0	27.4	59.1	419.8	312.7
Derivative financial instruments	10.8	10.8	5.8	1.9	3.1	–
Total	941.7	1,069.1	268.4	65.1	422.9	312.7
2015						
Trade and other payables	236.8	236.8	229.7	7.1	–	–
Bank and other loans	741.1	912.5	52.6	22.8	463.0	374.1
Derivative financial instruments	15.9	15.9	13.8	0.1	2.0	–
Total	993.8	1,165.2	296.1	30.0	465.0	374.1

15. Financial Risk Management continued

(e) Commodity price risk

Ansell is a significant buyer of natural rubber latex and a range of synthetic latex products. It purchases these products in a number of countries in Asia, predominately Malaysia, Thailand and Sri Lanka. The Group is not active in hedging its purchases on rubber exchanges but may, from time to time, buy from suppliers or brokers at a fixed price for up to several months into the future. To the extent that any increases in these costs cannot be passed through to customers in a timely manner, the Group's profit after income tax and shareholder's equity could be impacted adversely.

(f) Fair value

The Group considers that the carrying amount of recognised financial assets and financial liabilities approximates their net fair value. Derivative financial instruments are carried at their fair value.

The following table displays:

(i) Nominal/face value

This is the contract's value upon which a market rate is applied to produce a gain or loss which becomes the settlement value of the derivative financial instrument.

(ii) Credit risk (derivative financial instruments)

This is the maximum exposure to the Group in the event that all counterparties who have amounts outstanding to the Group under derivative financial instruments, fail to honor their side of the contracts. The Group's exposure is almost entirely to banks. Amounts owed by the Group under derivative financial instruments are not included.

(iii) Net fair value

This is the amount at which the instrument could be realised between willing parties in a normal market in other than a liquidation or forced sale environment. The net amount owing to financial institutions under all derivative financial instruments would have been $2.3 million (2015: $5.8 million) if all contracts were closed out on 30 June 2016.

	Nominal/Face Value		Credit Risk		Net Fair Value	
	2016 US$m	2015 US$m	2016 US$m	2015 US$m	2016 US$m	2015 US$m
Foreign exchange contracts						
Purchase/sale contracts						
– United States dollars	**50.5**	115.9	**0.6**	8.9	**0.5**	8.6
– Australian dollars	**13.7**	13.9	**0.1**	–	**–**	(0.1)
– Malaysian ringgits	**6.3**	21.4	**–**	–	**(0.2)**	(3.0)
– Thai baht	**5.7**	2.9	**–**	–	**–**	(0.1)
– Sri Lankan rupees	**33.3**	23.4	**0.1**	0.1	**(0.2)**	–
– Euros	**21.2**	15.7	**0.4**	–	**0.3**	(0.1)
– Other currencies	**27.1**	21.9	**0.5**	0.3	**0.3**	0.2
Foreign exchange options						
– Euros/United States dollars	**123.1**	92.3	**2.3**	7.2	**0.4**	5.8
– Australian dollars/United States dollars	**4.6**	11.1	**–**	0.3	**–**	0.1
– Canadian dollars/United States dollars	**15.1**	5.9	**0.1**	0.2	**(0.2)**	0.2
– United Kingdom pounds/United States dollars	**5.2**	8.6	**0.5**	0.1	**0.5**	(0.1)
– United States dollars/Mexican peso	**15.5**	19.1	**0.2**	0.2	**(0.5)**	(1.0)
– United States dollars/Malaysian ringgits	**51.7**	73.7	**2.5**	0.8	**1.8**	(4.3)
– United States dollars/Thai baht	**51.8**	56.6	**0.8**	0.3	**0.5**	(0.6)
– United States dollars/Sri Lankan rupees	**–**	8.3	**–**	0.1	**–**	(0.1)
– Other currencies	**15.8**	5.6	**0.1**	0.1	**(0.8)**	–
Interest rate contracts						
Interest rate swaps						
– Euros	**67.6**	73.8	**4.2**	2.6	**4.0**	2.3
– United States dollars	**235.0**	270.0	**0.7**	0.5	**(4.1)**	(2.0)
Total	**743.2**	840.1	**13.1**	21.7	**2.3**	5.8

(iv) Fair value hierarchy

The table below analyses financial assets and financial liabilities carried at fair value, including their levels in the fair value hierarchy as well as the valuation method. It does not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The different valuation methods have been defined as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group currently holds only Level 2 derivative financial instruments. In order to determine the fair value of the financial instruments, management used valuation techniques in which all significant inputs were based on observable market data.

	Level 2	
	2016 US$m	**2015 US$m**
Derivative financial assets	**13.1**	21.7
Derivative financial liabilities	**10.8**	15.9

(g) Recognition and measurement

Derivatives

The Group uses derivative financial instruments, principally foreign exchange and interest rate related, to reduce the exposure to foreign exchange rate and interest rate movements.

The Group has adopted certain principles in relation to derivative financial instruments:

- derivatives may be used to hedge underlying business exposures of the Group. Trading in derivatives is not undertaken;
- derivatives acquired must be able to be recorded in the Group's treasury management systems, which contain extensive internal controls; and
- the Group predominantly does not deal with counterparties rated lower than A3 by Moody's Investors Service.

The Group follows the same credit policies, legal processes, monitoring of market and operational risks in the area of derivative financial instruments, as it does in relation to other financial assets and liabilities on the Balance Sheet.

On a continuing basis, the Group monitors its future exposures and on some occasions hedges all or part of these exposures. The transactions which may be covered are future net cash flows of overseas subsidiaries, future foreign exchange requirements and interest rate positions.

These exposures are then monitored and may be modified from time to time. The foreign exchange hedge instruments are predominantly up to 12 months' duration and are used to hedge operational transactions the Group expects to occur in this time frame. From time to time minor mismatches occur in the forward book, however, these mismatches are managed under guidelines, limits and internal controls. Interest rate derivative instruments can be for periods up to 10 years as the critical terms of the instruments are matched to the underlying borrowings.

Derivative financial instruments are recognised initially at fair value and subsequently remeasured to their fair value at each reporting date. The fair value of forward exchange contracts, foreign exchange options and interest rate swap contracts is determined by reference to current market rates for these instruments.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and continues to satisfy the conditions for hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities (fair value hedges); or (2) hedges of highly probable forecast transactions (cash flow hedges).

15. Financial Risk Management continued

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

Gains or losses that are recognised in the hedging reserve are transferred to the Income Statement in the periods when the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains or losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer meets the conditions for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the forecasted transaction is ultimately recognised in the Income Statement. When a hedged transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Income Statement.

Hedge Effectiveness

The Group determines its economic exposure to unexpected movements in foreign currency rates and interest rates and ensures the hedging instruments entered into satisfactorily mitigate these risks. The Group ensures the changes in the fair value of the hedging instruments are highly correlated to the change in the fair value of the underlying hedged item and are therefore effective.

Potential sources of ineffectiveness include but are not limited to:

- the Group no longer having the economic exposure rendering the hedge instrument ineffective;
- hedging instrument expires or is sold, terminated or exercised; and
- changes in counterparty credit status.

16. Expenditure Commitments

	2016 US$m	2015 US$m
(a) Capital expenditure commitments		
Contracted but not provided for in the financial statements:		
Plant and equipment	**7.9**	4.3
	7.9	4.3
Payable within one year	**7.9**	4.3
(b) Operating lease commitments		
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	**8.7**	6.7
One year or later and no later than five years	**20.2**	18.5
Later than five years	**2.2**	6.0
	31.1	31.2

The Group leases property under operating leases expiring from one to 15 years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated. Operating lease commitments refer to future undiscounted minimum rentals payable under non-cancellable operating leases not included within this Financial Report. Operating lease payments are recognised as an expense in the Income Statement on a straight-line basis over the lease term.

17. Particulars Relating to Subsidiaries

	Country of Incorporation	Beneficial Interest 2016 %	2015 %
Ansell Limited	Australia		
Ansell Healthcare Japan Co. Ltd.	Japan*	**100**	100
BNG Battery Technologies Pty. Ltd.	Australia	**100**	100
Corrvas Insurance Pty. Ltd.	Australia	**100**	100
Dunlop Olympic Manufacturing Pty. Ltd.	Australia	**100**	100
FGDP Pty. Ltd.	Australia	**100**	100
Nucleus Ltd.	Australia	**100**	100
Lifetec Project Pty. Ltd.	Australia	**100**	100
Medical TPLC Pty. Ltd.	Australia	**100**	100
N&T Pty. Ltd.	Australia	**100**	100
Nucleus Trading Pte. Ltd.	Singapore*	**100**	100
THLD Ltd.	Australia	**100**	100
TNC Holdings Pte. Ltd.	Singapore*	**100**	100
TPLC Pty. Ltd.	Australia	**100**	100
Societe de Management Financier S.A.	France*	**100**	100
Olympic General Products Pty. Ltd.	Australia	**100**	100
Pacific Dunlop Finance Pty. Ltd.	Australia	**100**	100
Pacific Dunlop Holdings (China) Co. Ltd.	China*	**100**	100
Ansell (Shanghai) Commercial and Trading Co. Ltd.	China*	**100**	100
P.D. Holdings Pty. Ltd.	Australia	**100**	100
P.D. International Pty. Ltd.	Australia	**100**	100
Ansell Canada Inc.	Canada*	**100**	100
Ansell Commercial Mexico S.A. de C.V.	Mexico*	**100**	100
Ansell Global Trading Center (Malaysia) Sdn. Bhd.	Malaysia*	**100**	100
Ansell Lanka (Pvt.) Ltd.	Sri Lanka*	**100**	100
Ansell (Middle East) DMCC	United Arab Emirates*	**100**	100
Ansell Perry de Mexico S.A. de C.V.	Mexico*	**100**	100
Ansell Protective Solutions Singapore Pte. Ltd.	Singapore*	**100**	100
Ansell Services (Asia) Sdn. Bhd.	Malaysia*	**100**	100
Ansell Ambi Sdn. Bhd.	Malaysia*	**100**	100
Ansell (Kedah) Sdn. Bhd.	Malaysia*	**100**	100
Ansell (Kulim) Sdn. Bhd.	Malaysia*	**100**	100
Ansell N.P. Sdn. Bhd.	Malaysia*	**75**	75
Ansell Malaysia Sdn. Bhd.	Malaysia*	**75**	75
Ansell Shah Alam Sdn. Bhd.	Malaysia*	**100**	100
Hércules Equipamentos de Protecao Ltda.	Brazil	**100**	100
Ansell Textiles Lanka (Pvt.) Ltd.	Sri Lanka*	**100**	100
Ansell (Thailand) Ltd.	Thailand*	**100**	100
Ansell US Group Holdings Pty. Ltd.	Australia	**100**	100
Ansell US Group Holdings (USA) LLC	United States*	**100**	100
Ansell (USA) Inc.	United States*	**100**	100
Ansell Brazil LTDA	Brazil*	**100**	100

17. Particulars Relating to Subsidiaries continued

	Country of Incorporation	Beneficial Interest 2016 %	Beneficial Interest 2015 %
Ansell Edmont Industrial de Mexico S.A. de C.V.	Mexico*	**100**	100
Pacific Dunlop Holdings (USA) LLC.	United States*	**100**	100
Barriersafe Solutions International Inc.	United States*	**100**	100
Microflex Corporation	United States*	**100**	100
Ansell Healthcare Products LLC.	United States*	**100**	100
Ansell Sandel Medical Solutions LLC.	United States*	**100**	100
Ansell Hawkeye Inc.	United States*	**100**	100
Pacific Chloride Inc.	United States*	**100**	100
Pacific Dunlop Holdings Inc.	United States*	**100**	100
TPLC Holdings Inc.	United States*	**100**	100
Accufix Research Institute Inc.	United States*	**100**	100
Cotac Corporation	United States*	**100**	100
Pacific Dunlop Finance Company Inc.	United States*	**100**	100
Comercializadora Ansell Chile Limitada	Chile*	**100**	100
Corrvas Insurance (Singapore) Pte. Ltd.	Singapore*	**100**	100
Fabrica de Artefatos de Latex Blowtex Ltda.	Brazil*	**100**	100
Medical Telectronics N.V.	Netherlands Antilles*	**100**	100
Pacific Dunlop Holdings (Europe) Ltd.	United Kingdom*	**100**	100
Ansell Healthcare Europe N.V.	Belgium*	**100**	100
Ansell GmbH	Germany*	**100**	100
Ansell Germany GmbH	Germany*	**100**	100
Ansell Italy Srl	Italy*	**100**	100
Ansell Medikal Urunler Ithalat Ihracat Uretim ve Ticaret A.S.	Turkey*	**100**	100
Ansell Norway AS	Norway*	**100**	100
Ansell Protective Solutions AB	Sweden*	**100**	100
Ansell Protective Solutions Lithuania UAB	Lithuania*	**100**	100
Ansell Rus LLC	Russia*	**100**	100
Ansell S.A.	France*	**100**	100
Ansell SW Europe SAS	France*	**100**	100
Ansell Spain SL (Sociedad de Responsabilidad Limitada)	Spain*	**100**	100
Comasec SAS	France*	**100**	100
Ampelos International Malaysia	Malaysia*	**100**	100
Ansell Industrial and Specialty Gloves Malaysia Sdn. Bhd.	Malaysia*	**100**	100
Comasec Holdings Ltd.	United Kingdom*	**100**	100
Marigold Industrial Ltd.	United Kingdom*	**100**	100
Ansell Portugal – Industrial Gloves, Sociedade Unipessoal, Lda	Portugal*	**100**	100
Unimil Sp. z o.o.	Poland*	**100**	100
Ansell UK Limited	United Kingdom*	**100**	100
Ansell Korea Co. Ltd.	South Korea*	**100**	100
Ansell Vina Corporation	Vietnam*	**100**	100
Ansell Microgard Ltd	United Kingdom*	**100**	100
Ansell Xiamen Limited	China*	**100**	100

	Country of Incorporation	Beneficial Interest 2016 %	2015 %
Ansell Microgard Xiamen Limited	China*	**100**	100
Pacific Dunlop Holdings (Singapore) Pte. Ltd.	Singapore*	**100**	100
JK Ansell Ltd.	India*	**50**	50
Ansell (Hong Kong) Limited.	Hong Kong*	**100**	100
PDOCB Pty. Ltd.	Australia	**100**	100
Ansell Medical Products Pvt. Ltd.	India*	**100**	100
Suretex Ltd.	Thailand*	**100**	100
Latex Investments Ltd.	Mauritius*	**100**	100
Suretex Prophylactics (India) Ltd.	India*	**100**	100
STX Prophylactics S.A. (Pty.) Ltd.	South Africa*	**100**	100
Wuhan Jissbon Sanitary Products Company Ltd.	China*	**90**[(a)]	90[(a)]
Guangzhou Kangwei Trading Co Ltd	China*	**100**	100
Shanghai Feidun Trading Company Ltd.	China*	**100**	100
Shenyang Yipeng Trading Company Ltd.	China*	**100**	100
PD Licensing Pty. Ltd.	Australia	**100**	100
Siteprints Pty. Ltd.	Australia	**100**	100
S.T.P. (Hong Kong) Ltd.	Hong Kong*	**100**	100
Pacific Dunlop Holdings N.V.	Netherlands Antilles*	**100**	100
Pacific Dunlop (Netherlands) B.V.	Netherlands*	**100**	100
The Distribution Group Holdings Pty. Ltd.	Australia	**100**	100
The Distribution Group Pty. Ltd.	Australia	**100**[(b)]	100[(b)]
The Distribution Trust	Australia	**100**	100
Xelo Pty. Ltd.	Australia	**100**	100
Xelo Sacof Pty. Ltd.	Australia	**100**	100

* Subsidiaries incorporated outside Australia carry on business in those countries.

(a) Owned 49.2 per cent by P.D. International Pty. Ltd. and 40.8 per cent by Pacific Dunlop Holdings (China) Co. Ltd.

(b) The trustee of The Distribution Trust is The Distribution Group Pty. Ltd. The beneficiary of the trust is Ansell Limited.

The following subsidiaries were liquidated or merged with another subsidiary during the year:

- Ativ Pac Pty Ltd
- Cliburn Investments Pty Ltd
- Dexboy International Pty Ltd
- PSL Industries Pty Ltd
- Pacific Dunlop Linings Pty Ltd
- Ansell Medical Sdn Bhd
- Ansell Specialty Markets Participacoes Ltda
- Ansell Protective Products LLC
- Marigold Industrial GmbH
- Micoguard Deutschland GmbH
- PD Shared Services Pty Ltd
- PD Shared Services Holdings Pty Ltd
- Union Knitting Mills Pty Ltd

18. Acquisition of and Disposal Subsidiaries and Businesses

18(a) Acquisitions

Hands International

The acquisition accounting for Hands International, acquired effective 1 November 2014, was completed and resulted in an increase of $0.2 million to previously reported goodwill.

Microgard Ltd

The acquisition accounting for Microgard Ltd, acquired effective 1 May 2015 was completed and resulted in a reduction of previously reported goodwill of $10.7 million principally due to the recognition of brand names totaling $11.3 million.

18(b) Disposals

Onguard Industries Inc

Effective 29 April 2016 the Group disposed of its interest in Onguard Industries Inc for $42.1 million.

Recognition and measurement

Business combinations

The Group accounts for business combinations using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at fair value. Any excess of the cost of acquisition over the fair values of the net identifiable assets acquired is recognised as goodwill. Transaction costs are expensed as incurred unless related to the issue of debt or equity securities.

19. Parent Entity Disclosures

As at the end of and throughout the financial year ending 30 June 2016, the parent company of the Group was Ansell Limited.

	2016 US$m	2015 US$m
Result of the parent entity		
Profit for the period	68.3	108.7
Other comprehensive income	(5.9)	9.1
Total comprehensive income for the period	62.4	117.8
Financial position of the parent entity at year end		
Current assets	653.1	664.0
Total assets	2,245.1	2,304.3
Current liabilities	1,024.5	956.0
Total liabilities	1,027.8	954.4
Total equity of the parent entity comprising:		
Issued capital	1,146.9	1,229.6
Reserves	(289.7)	(237.2)
Retained profits	360.1	357.5
Total equity	1,217.3	1,349.9

The Group has a net current asset position of $528.8 million (2015: $568.4 million) which the parent company controls. As at 30 June 2016, the parent company has a net current liability position of $371.4 million (2015: $292.0 million). The Directors will ensure that the parent company has, at all times, sufficient funds available from the Group to meet its commitments.

Parent entity guarantee

The parent entity guarantees the debts of certain subsidiaries that are guarantors under the Group's revolving credit bank facility.

20. Related Party Disclosures

(a) Subsidiaries

Ansell Limited is the parent entity of all entities detailed in Note 17 Particulars Relating to Subsidiaries and from time to time has dealings on normal commercial terms and conditions with those entities, the effects of which are eliminated in these consolidated financial statements.

(b) Transactions with Key Management Personnel

(i) Key Management Personnel remuneration

	2016 US$	2015 US$
Short-term benefits	**7,454,232**	8,059,621
Post-employment benefits	**878,829**	945,329
Share-based payments	**(1,466,068)**	2,256,715
Long term cash-based incentives	**(678,221)**	630,931
Restricted share awards	**1,146,709**	–
Termination benefits	**11,512**	648,628
	7,346,993	12,541,224

(ii) Service agreements with Key Management Personnel

The Company has no service agreements with the Non-Executive Directors. Refer to Section 8 of the Remuneration Report for details of service agreements with the Managing Director and other Key Management Personnel.

21. Ownership-based Remuneration Schemes

Long Term Incentive Plans

The above plans involve the granting of Performance Share Rights (PSRs) to the Managing Director, other members of the Executive Leadership Team and other members of senior management.

In accordance with the disclosure requirements of Australian Accounting Standards remuneration includes a proportion of the fair value of PSRs granted or outstanding during the year. The fair value is determined as at grant date and is progressively allocated over the vesting period for these securities.

The fair value of PSRs is calculated at grant date. The fair values and the factors and assumptions used in determining the fair values of the PSRs applicable for the 2016 financial year are as follows:

	Grant Date	Vesting Date	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
Instrument						
PSRs	14/8/2014	30/6/2017	A$17.73	A$19.05	n/a	2.50%
PSRs	13/8/2015	30/6/2018	A$18.53	A$20.20	n/a	3.00%

The PSRs are subject to a gateway condition and a performance condition as outlined in the Remuneration Report. As the hurdles within these conditions are all non-market based performance hurdles the valuation excludes the impact of performance hurdles. During the year the Company cancelled the FY14 Long Term Incentive Plan which had a vesting date of 30 June 2016.

Options

As at the date of this Report, there is no unissued ordinary shares in the Company that remain under option.

Executive Share Plan

The number of Executive Plan Shares (ordinary plan shares paid to five cents) as at balance date are shown in Note 13 Issued Capital and Reserves.

22. Auditors' Remuneration

	2016 US$	2015 US$
Audit and review of the financial reports:		
Auditors of Ansell Limited and Australian entities – KPMG	**1,282,622**	1,277,154
Other member firms of KPMG[1]	**1,135,575**	1,006,876
	2,418,197	2,284,030
Other services[2]:		
Other audit and assurance services		
Other member firms of KPMG	**4,646**	228,320
Taxation and other services		
Other member firms of KPMG	**28,101**	3,052
Total other services	**32,747**	231,372
Total auditors' remuneration	**2,450,944**	2,515,402

1. Includes fees paid or payable for overseas subsidiaries' local statutory lodgment purposes, Group reporting, and other regulatory compliance requirements.
2. Other services primarily include assurance based engagements undertaken for compliance and internal governance purposes, tax and IT compliance. Other services provided by KPMG to the Group are subject to appropriate corporate governance procedures encompassing the selection of service providers and the setting of their remuneration.

Directors' Declaration

1. In the opinion of the Directors of Ansell Limited ('the Company'):

   (a) the consolidated financial statements and notes, set out on pages 85 to 126, and the Remuneration Report contained in the Directors' Report, set out on pages 52 to 84, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance, for the year ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

   (b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2016.

Signed in accordance with a resolution of the Directors:

G L L Barnes
Director

M R Nicolin
Director

Dated in Melbourne this 15th day of August 2016.

Independent Audit Report

to the members of Ansell Limited

Report on the financial report

We have audited the accompanying financial report of Ansell Limited ("the Company"), which comprises the consolidated balance sheet as at 30 June 2016, and consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 22 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Ansell Limited for the year ended 30 June 2016, complies with Section 300A of the *Corporations Act 2001*.

Report on non-IFRS financial information

We have audited the non-IFRS financial information comprising the non-statutory remuneration disclosure set out in the remuneration report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the non-IFRS financial information report in accordance with the basis of preparation set out in section 5 of the remuneration report for the year ended 30 June 2016.

Our responsibility is to express an opinion on the non-IFRS financial information, based on our audit conducted in accordance with auditing standards.

KPMG

Auditor's opinion

In our opinion, the non-IFRS financial information comprising the non-statutory remuneration disclosures within the remuneration report for the year ended 30 June 2016, is prepared, in all material respects, in accordance with the basis of the basis of preparation set out in section 5 of the remuneration report for the year ended 30 June 2016.

KPMG

Gordon Sangster
Partner

Suzanne Bell
Partner

Melbourne
15 August 2016

Shareholders

Details of quoted shares held in Ansell Limited as at 18 August 2016.

Distribution of Ordinary Shareholders and Shareholdings

Size of Holding	Number of Shareholders	Number of Shares	Percentage of Total
1 – 1,000	30,935	11,297,252	7.67%
1,001 – 5,000	7,939	15,271,548	10.37%
5,001 – 10,000	567	3,896,730	2.65%
10,001 – 100,000	219	4,844,506	3.29%
100,001 and over	44	112,004,779	76.02%
Total	39,704	147,314,815	100%

* Including 618 shareholders holding a parcel of shares of less than A$500 in value (4,749 shares), based on market price of $23.15 per unit.

Percentage of the total holdings of the 20 largest shareholders = 73.42 per cent.

In addition to the foregoing, there were 21 members of the Executive Share Plan, whose shares are paid to 5 cents each, holding 54,900 Plan shares.

Voting rights as governed by the Constitution of the Company provide that each ordinary share holder present in person or by proxy at a meeting shall have:

(a) on a show of hands, one vote only;

(b) on a poll, one vote for every fully paid ordinary share held.

Twenty Largest Shareholders

Rank	Registered Holder	Number of Fully Paid Shares	Percentage of Issued Capital
1	HSBC Custody Nominees (Australia) Limited	40,382,282	27.41%
2	National Nominees Limited	21,620,043	14.68%
3	J P Morgan Nominees Australia Limited	19,258,134	13.07%
4	Citicorp Nominees Pty Limited	9,003,603	6.11%
5	BNP Paribas Noms Pty Ltd <DRP>	5,432,383	3.69%
6	RBC Investor Services Australia Nominees Pty Limited <Bkcust A/C>	3,957,835	2.69%
7	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	2,216,520	1.50%
8	Australian Foundation Investment Company Limited	1,283,865	0.87%
9	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	882,695	0.60%
10	Argo Investments Limited	786,972	0.53%
11	IOOF Investment Management Limited <IPS Super A/C>	460,822	0.31%
12	RBC Investor Services Australia Pty Limited <VFA A/C>	399,253	0.27%
13	RBC Investor Services Australia Nominees Pty Limited <MBA A/C>	360,550	0.24%
14	National Nominees Limited <DB A/C>	351,597	0.24%
15	Warbont Nominees Pty Ltd <Accumulation Entrepot A/C>	329,163	0.22%
16	Sandhurst Trustees Ltd <SISF A/C>	310,000	0.21%
17	Australian Executor Trustees Limited <No 1 Account>	296,374	0.20%
18	Bnp Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	290,700	0.20%
19	Neweconomy Com Au Nominees Pty Limited <900 Account>	281,441	0.19%
20	HSBC Custody Nominees (Australia) Limited – A/C 2	255,770	0.17%
Top 20 Holders of Issued Capital Classes		108,160,002	73.42%
Total Remaining Holder Balance		39,154,813	26.58%

Shareholder Information

Register of Substantial Shareholders

The names of substantial shareholders in the Company and the number of fully paid ordinary shares in which each has an interest, as disclosed in substantial shareholder notices to the Company on the respective dates shown, are as follows:

Substantial Date	Name of Shareholder	Number of Shares	Percentage of Issued Shares
3 December 2015	BlackRock, Inc.	11,850,765	8.04%
11 January 2016	Goldman Sachs Group	7,853,387	5.33%
22 April 2013	FMR LLC	7,510,395	5.10%
9 March 2011	Prudential plc	7,507,321	5.10%

Annual Report

Ansell's Annual Report 2016 provides shareholders with a summary of the Group's operations and contains the full financial statement for FY16. The Annual Report 2016 provides a summary of the Group's financial performance, financial position, and financing and investing activities. There is currently an on-market buy-back.

Ansell Limited has opted to deliver its Annual Reports by making them available on our company website, www.ansell.com. Shareholders are entitled to receive a printed copy of the Annual Report, but the Company will only send a printed copy to shareholders who elect to receive one.

Shareholders can also access other information pertaining to the Company and its activities from its website at www.ansell.com.

Change of Address

Shareholders should notify the Company in writing immediately there is a change to their registered address. For added protection, shareholders should quote their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

Dividend

A final dividend of US23.5 cents per share will be a paid on 8 September 2016 to shareholders registered on 22 August 2016.

The dividend will be unfranked.

Australian shareholders must elect to have cash dividends paid directly into any bank, building society or credit union account in Australia. Shareholders with a registered address in Canada can receive their dividends in US dollars.

Company Directory

The Annual Report and the Company's internet site are the main sources of information for investors. Shareholders who wish to contact the Company on any matter relating to its activities are invited to contact the most convenient office listed below, or contact the Company via its website at www.ansell.com.

Investor Relations Contact

Australia – Registered Company Office

Mr David Graham
Ansell Limited
Level 3
678 Victoria Street
Richmond, VIC, 3121
Telephone: +61 3 9270 7270
Facsimile: +61 3 9270 7300
Email: shareholderenquiries@ap.ansell.com

Europe

Mr Neil Salmon
Ansell Limited
Boulevard International 55,
1070 Anderlecht, Belgium
Telephone: +32 2 528 7559
Facsimile: + 32 2 528 74 01
Email: neil.salmon@ansell.com

Company Secretary

Australia – Registered Company Office

Mr Alistair Grant
Ansell Limited
Level 3
678 Victoria Street
Richmond VIC 3121
Telephone: +61 3 9270 7270
Facsimile: +61 3 9270 7300
Email: alistair.grant@ansell.com

United States

Mr Bill Reilly
Ansell Limited
Suite 210
111 Wood Avenue, South
Iselin NJ 08830
Telephone: +1 732 345 3598
Facsimile: +1 732 219 5130
Email: bill.reilly@ansell.com

Enquiries

Shareholders requiring information about their shareholdings should contact the Company's registry at:

Computershare Investor Services Pty Ltd

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
or
GPO Box 2975
Melbourne VIC 3001
Australia
Telephone: +61 3 9415 4000
Facsimile: +61 3 9473 2500

Shareholder Enquiries: 1300 850 505 (Australian residents only) Email: web.queries@computershare.com.au or visit Computershare's Investor Centre online at www.investorcentre.com where shareholder information can be accessed. You will need to have your SRN or HIN along with your postcode.

Listings

Ansell Limited shares (Ticker Symbol ANN) are listed on the Australian Stock Exchange.

Financial Calendar – 2017

13 February 2017

Announcement of result for half-year ending 31 December 2016

14 August 2017

Announcement of result for year ending 30 June 2017

20 October 2017

Annual General Meeting

Refer to Ansell's website for Shareholder Calendar dates.

Registered Office

Company Secretary: Alistair Grant
Level 3
678 Victoria Street
Richmond VIC 3121
Australia

Americas Commercial Hub

Commercial contact: Mark Nicholls
Suite 210, 111 Wood Avenue South
Iselin, New Jersey, 08830
United States of America

EMEA/APAC Commercial Hub

Commercial contact: Peter Dobblesteijn
Boulevard International 55
1070 Anderlecht
Belgium

Cyberjaya Commercial Hub

Commercial contact: Darryl Nazareth
Prima 6, Prima Avenue
Block 3512, Jalan Teknokrat 6
63000 Cyberjaya
Malaysia

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