

Ansell



Safer. Smarter. Stronger.

Annual Report 2019

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About Ansell

Safer.

Ansell is a global safety company and protection is at the heart of everything we do. Our products and services inspire confidence in people everywhere and enable businesses and workers to perform better.

Smarter.

Innovation is central to Ansell's market-leading position. We are uniquely focused on customer needs, which guide our innovation and allow Ansell to deliver practical, functional and revolutionary new products.

Stronger.

From the expansion of our proprietary INTERCEPT™ Cut Resistance Technology to increasingly higher ISO & ANSI cut levels, to our surgical products utilising our GLOVE-IN-GLOVE Double Gloving Technology, Ansell is constantly striving to provide our clients with unprecedented protection and comfort.

Ansell has evolved from an Australian rubber latex products manufacturer to one of the world's most advanced safety solutions providers. Every day millions of people around the world depend on Ansell. With Ansell products they always know they are protected and can perform better. Our category expertise, innovative products, trusted brands and advanced technologies give them peace of mind and confidence that no other company can deliver. By expanding the Company's global reach, category depth and robust innovation pipeline, we support our customers' expansion and provide solutions for new needs. This approach allows us to continue to deliver for our customers, employees and shareholders.

Our Values

Integrity – We value doing what is right and ethical.

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.

Passion – We value energy and excitement, commitment, drive and dedication.

Involvement – We value our team members' input, influence and initiative.

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

Statutory Results Ansell Group

-3%

Sales down

-72%

EBIT down

-77%

Profit Attributable down

-75%

EPS down

Statutory Results Continuing Operations

+1%

Sales up

0%

EBIT

-20%

Profit Attributable down

-14%

EPS down

Adjusted Results Continuing Operations

+1%

Sales up

+5%

EBIT up

+3%

Profit Attributable up

+9%

EPS up

Adjusted Results in Constant Currency

+3%

Sales up

+4%

EBIT up

+5%

Profit Attributable up

+11%

EPS up

Industrial GBU Results

0%

Organic constant
currency sales

+12%

Adjusted constant
currency EBIT up

Healthcare GBU Results

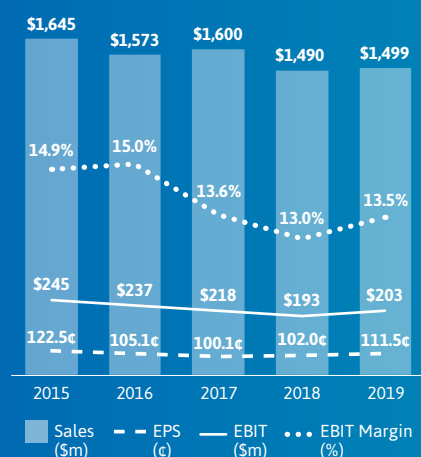
+4%

Organic constant
currency sales up

-2%

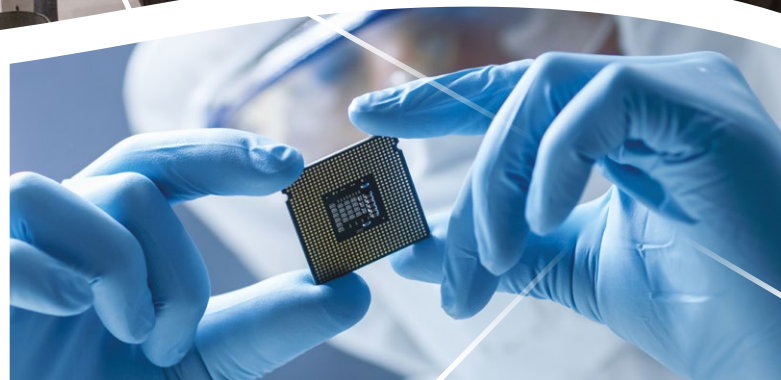
Adjusted constant
currency EBIT down

5 Year Performance



	Total Group Statutory Results before the Sale of the Sexual Wellness Business			Results from the Continuing Operations after the Sale of the Sexual Wellness Business	
	2015 US\$m	2016 US\$m	2017 US\$m	2018 Adjusted US\$m	2019 Adjusted US\$m
Sales	1,645.1	1,572.8	1,599.7	1,489.8	1,499.0
EBIT	245.3	236.7	217.8	193.1	202.8
Profit Attributable	187.5	159.1	147.7	146.7	150.9
Operating Cash Flow	116.4	144.8	146.0	104.5	164.7
Earnings Per Share (US cents)	122.5	105.1	100.1	102.0	111.5
Dividends Per Share (US cents)	43.0	43.5	44.0	45.5	46.75

* Refer to definition of Adjusted Results and Constant Currency on page 3.



Results Commentary

We have provided our results on both a Statutory and Adjusted basis for Continuing Operations. The Adjusted results have excluded the costs incurred during the year under the Transformation Program embarked upon following the sale of the Sexual Wellness (SW) business. As in prior years, we have also normalised the prior period for constant currency and foreign currency impacts. The adjusted results show solid revenue and profitability growth in what was another successful year.

Statutory Results

US\$m	Group		Continuing Operations		Adjusted	
	FY18	FY19	FY18	FY19	FY18	FY19
Sales	1,547.5	1,499.0	1,489.8	1,499.0	1,489.8	1,499.0
EBIT ¹	557.0	157.3	157.8	157.3	193.1	202.8
Profit Attributable	484.3	111.7	138.8	111.7	146.7	150.9
Operating Cash Flow ²	93.6	133.3	85.5	133.3	104.5	164.7
Earnings Per Share – US cents	336.8	82.6	96.5	82.6	102.0	111.5
Dividends Per Share – US cents	45.5	46.75				

1. EBIT defined as Earnings Before Interest and Tax.

2. Net cash provided by operating activities (after tax paid) per the Consolidated Statement of Cash Flows adjusted for Net Capex, interest received and paid (net interest). Adjusted Operating Cash Flow is the Operating Cashflow from Continuing Operations excluding Transformation Costs of \$31.4m for FY19 (FY18: \$19.0m).

Key Definitions

Currency Reporting – United States Dollar (US\$)

The US\$ is the predominant global currency of Ansell's business transactions and the currency in which the global operations are managed and reported. Non-US\$ values are included in this report where appropriate.

Constant Currency

The presentation of constant currency information is designed to facilitate comparability of reported earnings by restating the prior period's results at the exchange rates applied in determining the results for the current period. This is achieved by analysing and estimating, where necessary, revenue and cost transactions by underlying currencies of our controlled entities. These transactions are converted to US dollars at the average exchange rates applicable to the current period on a month by month basis.

In addition, the following adjustments are made to the current and prior year's results: the profit and loss impact of net foreign exchange gains/losses is excluded; and the foreign exchange impact on unrealised profit in stock is excluded.

The principles of constant currency reporting and its implementation are subject to oversight by the Audit and Compliance Committee of the Board. It is considered as supplemental non-IFRS financial information.

Adjusted Results

Adjusted results are Continuing Operations results after excluding the impact of the Transformation Costs and the FY18 change in accounting estimate for development costs.

Adjusted Constant Currency

Adjusted constant currency is Constant Currency (as described above) after excluding the impact of the Transformation Costs and the FY18 change in accounting estimate for development costs.

Organic Constant Currency

Organic constant currency is Constant Currency information (as described above) after excluding the impact of acquisitions, divestments and exited products.

Transformation Costs

Summarised in Note 2: Segment Reporting. They include Asset Impairment, Restructuring and costs of the Transformation Program totalling \$45.5m in FY19 (\$24.1m FY18).

Our Global Footprint

Every day, more than 12,000 people in 55 countries across four regions bring their passion and dedication to the design, manufacturing and marketing of our products on which millions of workers and healthcare professionals rely.

The Transformation Program and further significant investment in FY19 have seen us fundamentally reshape our core manufacturing business, with fewer, larger and more modern manufacturing facilities.



Map Key

- Corporate hubs
- Offices
- Manufacturing and distribution facilities
- Research and development facilities

Images

- Page 04 left: Chemical line in Kedah, Malaysia.
- Page 04 right: Knitting machines in Seeduwa, Sri Lanka.
- Page 05 left: Dipping line in Melaka, Malaysia.
- Page 05 right: Biomass boiler in Biyagama, Sri Lanka.





Chairman's Review



Our core manufacturing base is now consolidated, scaled for globally leading performance and closely connected to our R&D centres.

Dear Fellow Shareholders,

Global markets in 2019 were frequently volatile, uneven and unpredictable, and Ansell and its customers were not immune to this instability. I am pleased to say that your Company met these challenges with strength and resilience, maintaining organic growth while at the same time completing the core elements of our ambitious Transformation Program.

Our core manufacturing base is now consolidated, scaled for globally leading performance and closely connected to our R&D centres. We have fewer plants, producing more output, utilising better technology. The final phase of our Transformation Program, which will see our global logistics systems streamlined and modernised for faster and more comprehensive delivery to customers, is also well underway. Management is also making sound progress in the planning, testing and implementation of elements of the Company's digital transformation to take advantage of the opportunities offered by the latest potential networking advances in smart production, logistics and distribution so profound that analysts have christened them collectively as the Industrial Revolution 4.0.

This year we made significant steps to prepare for the CEO succession in 2021. The Senior Executive Team was strengthened with a number of executive appointments. Selected internal candidates for the CEO role have been given new opportunities to gain broader experience and the Board is taking a keen interest in their progress.

As well, Board renewal has continued apace. Christine Yan, a highly experienced US and China-based manufacturing executive, joined the Board this year. This brings a 44/56 gender balance to the Board, which will increase to 50/50 upon my retirement later in the year – a target we committed to as a priority some years ago.

Ansell takes its social responsibility commitments seriously. I urge shareholders to read closely the Corporate Social Responsibility (CSR) and Sustainability section of this Annual Report, as well as our FY19 CSR and Sustainability Report, which will be released later this year. I welcome the impact of CSR reporting. It has given clear standing to issues such as working conditions, gender equality and protection of the environment, and where we fall short we can measure how much we need to improve and do better.

This year a number of labour standards issues in our industry came to the attention of global observers. We committed to a comprehensive global review of labour standards in the Ansell supply chain, with a focus on safe working hours and sensible utilisation of rest days. The review covered both third-party suppliers and Ansell's own facilities. Our foremost responsibilities are to provide a safe working environment and to meet the legally required standards of the countries in which we operate. We also assessed the appropriateness of guidelines of the International Labour Organization (ILO) and other recognised organisations. This review is now complete and we have delineated the appropriate standards to ensure the health and safety of our people. Further details regarding our labour standards can be found in this Annual Report and in our 2019 CSR & Sustainability Report.



In closing I would like to reflect for a moment on Ansell Limited and its journey over the recent years of my association with the Company.

Ansell Limited is part of a very select group of companies that have managed to survive for over 125 years. Upon reflection, I think the major factors that have contributed to this are a clear sense of purpose, quality products and sound professional values.

In saying this, I do not wish to ignore the fact that the Company has been through its share of challenges, both externally and internally generated. However, it is the way the Company and its people have addressed the challenges, and continually sought better ways of serving our customers and end users, that has underpinned our ability to sustain and grow the enterprise.





Since joining the Ansell Board in 2005, I have seen the Company rebuild its balance sheet, renew its management team and re-cast the strategies to underpin future success. The journey has been a long and challenging one, as the Company had been through a prolonged period of under-investment in people and their capabilities, modern processes and equipment, and R&D. In contrast to the relatively quick turnarounds that dot-com or financial services companies can achieve, fundamentally remediating a multi-faceted manufacturing company takes considerable time, effort and focus.

Modern business finds itself today in one of the most dynamic periods of economic history, with geopolitical, technological, demographic, climatic, social and economic challenges all intensifying. This makes planning and running a global company extremely complex and demanding. Our management bench is both resourceful and resilient and continues to develop in capability as it steps up to face the demands of today's and tomorrow's environment. The Ansell Board continues to review the required capabilities of its members as well as those for the senior management of the Group – and seeks to build and import capability as required.

It has been my privilege to be involved with Ansell over the past 14 years. I would like to thank the customers, shareholders and staff of the past and present for their role in making this possible. In particular, I would like to thank my Board colleagues over the years for creating a challenging environment where

the 'appropriate' outcome was always the objective, and professionalism and a sense of humour were maintained in the face of all situations. Finally, I would like to thank Magnus Nicolin for his insightful, courageous and energetic leadership of Ansell through one of the biggest transformations in the Company's history.

In summary, Ansell Limited is well placed to face the future with a clear purpose and strategy. It has a capable Board to be led by John Bevan, and management team being led by Magnus Nicolin. My thanks to all associated with the Company and I wish you well.

Glenn L L Barnes
Chairman

Chief Executive Officer's Review



As a result of the great work by all the Ansell team, our financial results for the year met or exceeded guidance. We enjoyed a good year overall, with results improving in the second half.

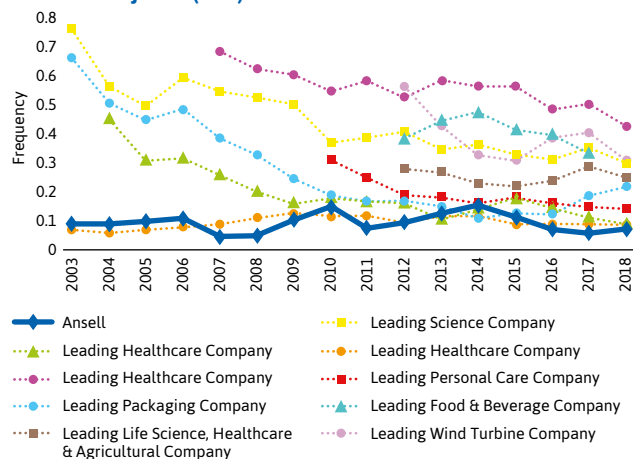
Dear Shareholders,

I want to start this year by reporting progress in a field that is critical to Ansell – not just in the way we work, but in all we do: safety.

Safety

Ansell is a safety company and safety in our own workplace is fundamental to everything we do. This year we delivered our lowest injury rates on record and very strong results against key safety metrics. I congratulate our staff on this excellent outcome. It is important for Ansell to demonstrate that safety is not just core to the products we sell, but that it is central to how we conduct our own business.

Lost Time Injuries (LTIs)



Performance in 2018/19

As a result of the great work by all the Ansell team, our financial results for the year met or exceeded guidance. We enjoyed a good year overall, with results improving in the second half. We saw sales up 1%, EBIT for Continuing Operations up 5%, Earnings Per Share (EPS) up 9% and Profit Attributable up 3% (on an adjusted results Continuing Operations basis). This result was delivered in an increasingly uncertain global economic environment with slowing economies in Europe and increasing trade tensions worldwide.

These results deliver on our promises and further enhance the position of Ansell.

Adjusted Results Continuing Operations



Adjusted Results in Constant Currency



Delivering on Our Promises

We told the market on October 2017 that we would deliver:

3–5% Organic sales growth p.a.	Delivered 3.2% on constant currency basis but 1.9% organic growth for FY19 after adjusting for acquisitions
5–10% EBIT growth	Delivered 5% in FY19 ✓
5–10% EPS growth	Delivered 11% on constant currency basis in FY19 ✓
Increase 250bps to reach 14–15% ROCE by 2021	Delivered 30bps improvement to reach 13.2% in FY19 ✓

From the proceeds of the Sexual Wellness sale, we promised to invest our cash effectively and profitably, and during FY18/19 we deployed:

\$90m in accelerated profitable and transformative investments	Delivered ✓
\$80m in acquisitions	Delivered ✓
\$265m Share Buyback Program	Delivered ✓
\$125m dividends increasing our dividend for the 16th year in a row	Delivered ✓



HyFlex 11-542
Cut resistant level 7 glove



Focused on Executing our Strategy

We have adopted four key strategies to make Ansell stronger: through parallel focus on innovation, emerging market development, leveraging our already industry-leading and trusted brands, and through close partnerships with leading distributors. We made solid progress in all these strategies during the year.

Through investment in **innovation**, new product sales in our Industrial business held up at roughly 13% of all sales. Although this was slightly below last year's level, it was a good achievement given the number of important product lines that were no longer categorised as 'new' this year. New product sales in our Healthcare business rose from 14% to 15%, reflecting a greater focus on innovation. Examples of key innovations include our proprietary GLOVE-IN-GLOVE Double Gloving Technology and the new thin cut-resistant level 7 product made with a unique proprietary combination of materials to provide high cut level protection.

We expanded our sales coverage in **emerging markets** such as Mexico, Latin America, China, South-East Asia, India and Africa. Emerging market sales grew 5% during the year, with particularly strong growth (7%) in the second half. Emerging market sales in the first half were impacted by slower economic conditions triggered by international concerns about trade barriers. As those concerns dissipated, both emerging and developed markets improved.

Our **core brands** continued to grow in absolute terms and as a percentage of total Ansell sales. HyFlex® flexible mechanical protection products grew 1.8% to approach \$300m as our largest brand and AlphaTec® chemical protection products, our newest mega brand, grew 8.3% to surpass \$120m.

HyFlex® MICR⊕FLEX® GAMMEX® AlphaTec®

Chief Executive Officer's Review continued

Our **distributor partnerships** worldwide enjoyed strong momentum with existing partners and were augmented by the number of new distribution arrangements growing year on year.

With this focus, we are also able to enhance our lead in the industry and to seek further avenues to differentiate Ansell from our competitors. See our Eight Dimensions of Differentiation diagram on page 12.

Ansell Transformed

I am pleased to report that the Transformation Program we embarked upon following the sale of our Sexual Wellness business is largely complete.

Transformation has seen us fundamentally reshape our core manufacturing business. We have fewer and larger manufacturing facilities, our plants are modern and appropriately scaled and nearly all are located in low-cost jurisdictions with a good balance of sovereign risk.

The sale enabled Ansell to invest in the simplification of the corporate structure of our business: we reduced spending on SG&A, closed three plants – two in Mexico and one in South Korea – while also making significant financial investments in existing

facilities in Vietnam, Malaysia, Sri Lanka and Bangkok. These investments are yielding the returns anticipated and add to the strengths of the Company.

We have invested \$95m of cash on the Transformation Program, with plans to deliver \$35m in savings in FY20. So far, the program has delivered 15% more than the original savings targets. Some supply chain reforms are ongoing, but we expect to see a significant further improvement in on time/in full (OTIF) service levels by the end of FY20, resulting also in lower inventory holdings and additional savings.

The modern Ansell is unique in structure and capability. We develop our own materials, design, engineer and manufacture the products that we market and distribute, and we advise and mentor our customers in safety processes and outcomes along the way. This uniquely integrated capability is the foundation of our leadership because it enables us to focus on customer needs, target our innovation and bring new products to market quickly.

The Ringers acquisition this year was a clear demonstration of an acquisition in line with our strategy. By acquiring Ringers, Ansell has complemented our already world-leading positions in mechanical, chemical, single use and surgical gloves with the number one market share position now in the impact protection and oil and gas segments, and is further set to benefit from Ringers' highly creative design capability.



Digital, AI and Automation

Ansell made significant progress in digital marketing, in re-tooling to leverage artificial intelligence (AI) and in enhancing the scope and strategic use of automation and robotics during the year.

Over 20% of Ansell's total sales are now sourced through a variety of digital channels – distributors' digital channels and digital distributors, linking directly to specialist safety product sites and selling directly through ansell.com.

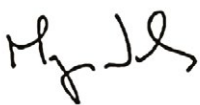
During the year we launched a new global website that is cleaner and simpler to use and promotes online engagement with customers. In parallel, we have renewed our back-office systems to support digital partner sites directly, with minimal processing and handling.

The exciting new challenge is to deploy artificial intelligence systems to analyse the huge volume of data produced in our manufacturing operations and more broadly as we engage with our customers' safety needs across many industries. We believe artificial intelligence systems will enable us to present highly valuable safety insights from our unique databases on plant operations in multiple industries, and specifically in the complex chemical industry where millions of chemical combinations need to be understood and managed.

To enhance automation, we have deployed a number of new and more automated manufacturing lines during FY19, specifically in packaging systems, in-line printing, load/unload and with smarter semi-automated lines which reduce the time to on-board new workers and improve their productivity more quickly.

Once again, I want to thank Ansell's committed employees who have continued to demonstrate their ability to drive our business forward in a year of widespread change, building a stronger and improved company for the future.

Finally, it has been a great pleasure to work with Glenn Barnes during my period as CEO. We have created and sustained an extremely productive and complementary partnership over the years. I wish him all the best and I welcome John Bevan as our new Chairman of the Board from November onwards.



Magnus Nicolin
Managing Director and Chief Executive Officer



Strategy

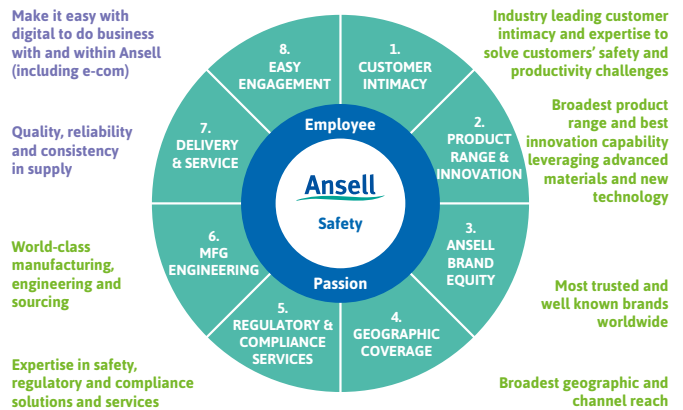
Ansell has global market-leading positions in single and multi-use hand protection products for industrial and surgical applications. We also have fast-growing positions in industrial body protection products, safety solutions for surgical operating theatres and clean room laboratory environments. Overall, our product range is well balanced between products that are driven by cyclical economic demands and those that are considered more counter cyclical.

Regulatory and societal pressures that seek to improve safety outcomes for workers around the globe are continuing to outpace general economic activity. This provides a robust platform for growth in demand for our products. Whether in healthcare or industrial environments, regulatory requirements and improving standards globally continue to help drive demand for safety solutions.

Ansell's continued ability to build and maintain its leading positions in these attractive markets arises from a number of strengths.

- Foremost, there is 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 satisfy protection needs with a product that is comfortable to use and improves worker productivity. Many of these capabilities are patent protected. For example, some products maximise protection while also reducing the risk of skin irritation and allergic reaction. Our commitment to maintaining optimum comfort and dexterity means that many products are unique in their field in having ergonomic certification. We also lead our industry in providing high cut protection from light-weight yarns.
- We have invested over many years in our patented AnsellGUARDIAN® 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 globally.
- 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, which we are demonstrating we can grow rapidly on a global basis.

Eight Dimensions of Differentiation



By leveraging the unique and well defined strengths of Ansell, we deliver better solutions to customers

Key:
■ Demonstrated competitive advantage
■ Aspirational competency

Ansell's sources of competitive advantage can be summarised under eight dimensions of differentiation. At Ansell, we believe that our differentiation across all eight dimensions is unique in our industry and sets us apart from all competitors. We have continued to build upon and strengthen our eight dimensions of differentiation.

Business Priorities

Our business priorities for advancing our strategic goals in FY19 were oriented around the following main objectives:

- Implementing the multi-year Transformation Program to realise significant efficiencies in our manufacturing and supply chain functions.
- New product development.
- Growing our emerging market footprint.
- Strengthening brand performance by expanding existing growth brands such as HyFlex® as well as recently acquired product ranges such as MICROFLEX® and MICROGARD® globally.
- Building stronger and deeper partnerships with our key distribution partners.
- Working to resume growth of our leading synthetic surgical range.
- Reduce wastage levels in our key manufacturing plants.
- Improving service and quality metrics to ensure Ansell is the leading company globally on these criteria as well as in product performance.
- Ongoing productivity savings stemming from our capex investments and our sharper focus Transformation Program.
- Strategic and disciplined acquisition evaluation.

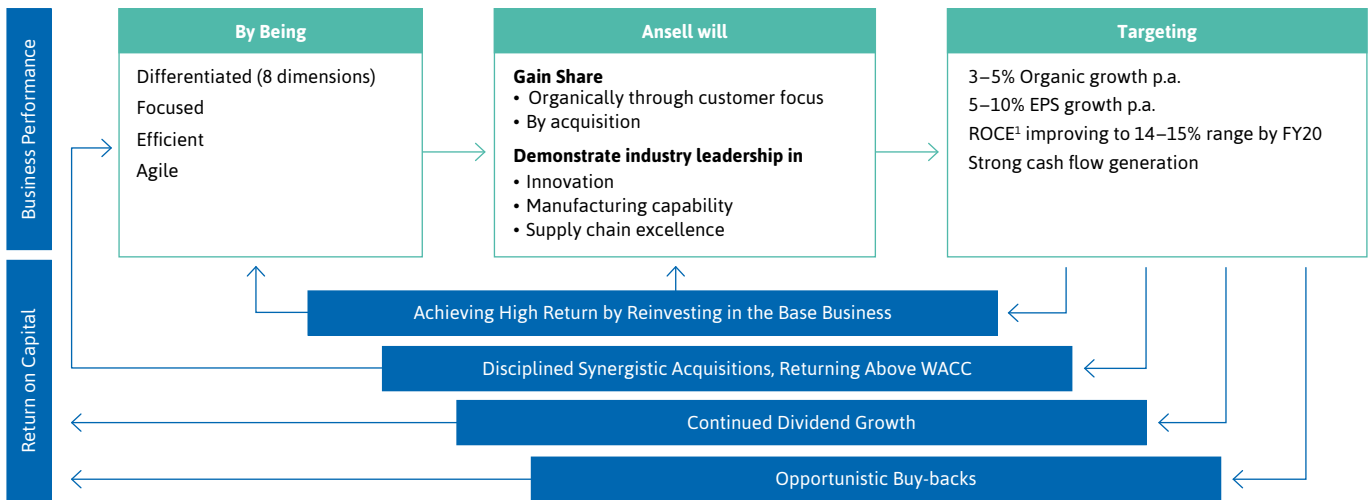
Our progress on these goals are detailed on pages 15 to 21.

Outlook

Shareholder Value Creation Model

At Ansell, we strive to be focused, efficient and agile in executing our differentiated business proposition. By consistently delivering on our promises, we aim to gain market share and grow profitability, which in turn will improve shareholder value.

Our shareholder value creation model is summarised below.



1. Excluding impact of the Transformation Program and phasing the impact of recent acquisition costs in the funds employed over a three year period.

Priorities for Shareholder Value Creation

Ansell ranks its strategic priorities according to the most important drivers for long-term shareholder value, these being organic revenue growth, profitability growth and strong cash flow generation and successful deployment of capital.

Organic Growth

With slow or slowing economic conditions observed for FY19 in our key geographies of the Eurozone and the US, a higher degree of economic uncertainty is pervading global markets for FY20. We continue to see growth opportunities in some regions with the Industrial Global Business Unit (IGBU) set to benefit from new product sales initiatives, emerging market growth and ongoing benefits from the Transformation Program. This view assumes no major disruptions will impact the business as a result of any new tariff and Brexit-related economic shocks. We believe that organic growth within our targeted 3% to 5% range is still achievable, subject to the caveats above.

We continue to see growth opportunities in some regions with the IGBU business set to benefit from new product sales initiatives, emerging market growth and ongoing benefits from the Transformation Program.

Profitability and Cash Flow

Profitability

Having achieved meaningful manufacturing and supply chain productivity improvements in FY19, our aim is to grow the business and maintain or improve our EBIT margins. If this can be achieved, then EPS growth of 5–10% p.a. is considered realistic by the Board.

Cash Flow

With elevated inventory levels at June 2019, we believe that ongoing improvements to our supply chain processes will lead to meaningful improvements in our stock turnover ratios. We are aiming to do this while improving our 'on time/in full' (OTIF) customer metrics and this in turn is expected to result in higher sales via improved customer focus.



Capital Deployment – ROCE Improvements

Our priority for capital deployment continues to be:

- investment in core business to drive growth and productivity; and
- acquisitions that meet our strategic and financial criteria.

Our Transformation Program is a clear example of investment in our core business. We are also investing in other areas of our business, which include the ongoing ERP roll-outs which are now planned for our manufacturing facilities and Asia Pacific sales and marketing centres. We are also planning further investments in e-commerce and Customer Relationship Management (CRM) planning tools to augment our customer focus initiatives.

On the acquisition front, we continue to assess businesses with a strong strategic fit and we hope to announce further acquisitions in the near future.

Ansell also expects to be able to continue its balanced capital deployment approach through continuing to buy back shares as previously announced and retaining a focus on dividends as an important part of the cash return to shareholders.

The Board, management and staff are genuinely excited by the future prospects of the business and we look forward to delivering on our promises.

Our Performance

Financial Reporting Presentation

Impact of Sexual Wellness Divestiture and Other One-off Items

Ansell divested its Sexual Wellness Global Business Unit during FY18, the results of which are reported under Discontinued Operations in Table A below.

In addition, three other items were announced during FY18:

- Multi-year Transformation Program;
- Deferred tax asset revaluation gains from the US corporate tax rate changes; and
- Change in estimated useful life of development costs.

Table B below is provided to summarise the financial impact of these items, while Table C summarises the Group's FY18 and FY19 income statements after these adjustments.

To ensure that the financial results of the Group are meaningfully understood, the commentary on the FY19 financial statements will be provided on the financial results adjusted for these items ('Adjusted Results').

Foreign Exchange Impacts and Organic Growth

Ansell is a US\$ reporting entity with a majority of its commercial operations transacting in US\$. However, Ansell also has substantial non-US\$ transactions across a diverse multinational footprint. While the Group maintains a foreign exchange hedging program, it is not immune to foreign exchange impacts on its results, particularly via foreign exchange translation effects. As a result, the Group also provides constant currency financial information so that foreign exchange translation impacts are excluded.

In determining the rate of organic growth, the Group reports its year over year growth after normalising results for constant currency impacts and also the effect of acquisitions and divestitures.

Table A – Financial Summary

US\$m	FY18			FY19		
	Continuing	Discontinued	Group	Continuing	Discontinued	Group
Sales	1,489.8	57.7	1,547.5	1,499.0	–	1,499.0
EBIT	157.8	399.2	557.0	157.3	–	157.3
Profit Attributable	138.8	345.5	484.3	111.7	–	111.7
EPS (US¢)	96.5	240.3	336.8	82.6	–	82.6
Dividend (US¢)	45.5	–	45.5	46.75	–	46.75

Table B – Summary of Adjustments to the Statutory Income Statement

US\$m	FY18				FY19			
	Sales	EBIT	Profit Attributable	EPS (cents)	Sales	EBIT	Profit Attributable	EPS (cents)
Consolidated Group	1,547.5	557.0	484.3	336.8¢	1,499.0	157.3	111.7	82.6¢
Less – Gain on sale of Sexual Wellness GBU*	–	(398.2)	(344.8)	(239.8)¢	–	–	–	–
Less – Sexual Wellness trading income	(57.7)	(1.0)	(0.7)	(0.5)¢	–	–	–	–
Continuing Operations	1,489.8	157.8	138.8	96.5¢	1,499.0	157.3	111.7	82.6¢
Add back – Transformation Costs	–	24.1	18.7	13.0¢	–	45.5	39.2	28.9¢
Exclude – Major non-cash, non-recurring Items:								
Estimated useful life change of development costs	–	11.2	7.9	5.5¢	–	–	–	–
Deferred tax revaluation	–	–	(18.7)	(13.0)¢	–	–	–	–
Adjusted income	1,489.8	193.1	146.7	102.0¢	1,499.0	202.8	150.9	111.5¢

* Sale completed September 2017.

Our Performance continued

Table C – FY18 and FY19 Income Statement Excluding Adjustments

US\$m	FY18 Adjusted	FY19 Adjusted
Sales	1,489.8	1,499.0
GPADE	517.7	514.1
SG&A	(324.6)	(311.3)
EBIT	193.1	202.8
Net interest	(12.5)	(13.6)
Taxes	(32.1)	(36.9)
Minority interests	(1.8)	(1.4)
Profit Attributable	146.7	150.9

Group Sales Commentary¹

Sales growth momentum slowed during the year, with sales up 1.9%. While the Healthcare GBU (HGBU) business growth of 4.0% was within our target range of 3% to 5% per annum, the Industrial GBU (IGBU) business declined 0.4% in soft market conditions in the Eurozone and elsewhere.

The HGBU business saw growth in both emerging and mature markets with significant growth coming from synthetic surgicals, clean room products and the exam glove range.

The IGBU business was significantly impacted by declining demand in the European automotive sector as regulatory changes impacted car manufacturers. Furthermore, there is early evidence of a slowdown in the US economy stemming from the trade sanctions being implemented between the US and China.

Overall we continue to see the benefits of our channel partnerships (up 4.2%), emerging markets (up 4.9%) and new product sales with our HyFlex[®] INTERCEPT[™], MICROFLEX[®] global expansion and the triple-layer Chem3[™] initiatives all delivering pleasing results. Ultimately, these positives were offset by macro-economic conditions affecting our IGBU business, which are discussed in greater detail later in the Report.

Group EBIT Commentary

While sales growth was subdued by the issues affecting the IGBU business, we saw a strong increase in EBIT (up 5% and up 4.4% on a constant currency basis).

GPADE² margins of 34.3% were just below the prior year of 34.7%. While suppressed during the first half of FY19 due to raw material pricing, margins improved by 280 basis points in the second half due to a combination of price increases, some easing of raw material cost pressures and Transformation benefits flowing through our manufacturing facilities.



Overall we continue to see the benefits of our channel partnerships (up 4.2%), emerging markets (up 4.9%) and new product sales with our HyFlex[®] INTERCEPT[™], MICROFLEX[®] global expansion and the triple-layer Chem3[™] initiatives all delivering pleasing results.

Discretionary expenditures were well controlled during the second half and with Transformation benefits also flowing through, our SG&A expenses were well below the prior year, which combined with the higher sales to deliver a strong EBIT result.

Transformation Program

During FY18, the Group announced a multi-year Transformation Program to more sharply focus on ongoing business activities following the Sexual Wellness divestiture. With an estimated cost of between \$60m to \$80m of expenses and a further \$38m of capital expenditure, the Group expected significant savings to flow through to the results via SG&A cost reductions and also from manufacturing and supply chain efficiencies.

Following the expenditure of \$24.1m in FY18, the Group incurred a further \$45.5m of costs during FY19 to bring the cumulative expenses to \$69.6m. The major component of the expenditure during FY19 related to the closure of our factories in Mexico and South Korea and a further \$38m capital expenditure on ensuring expansion in Vietnam, Sri Lanka and Thailand.

CEO succession was also included within the Transformation category as the Board undertook a rigorous process of evaluating the internal CEO candidates, resulting in a number of executive level changes being implemented – see the Remuneration Report for further details.

1. All growth rates are based on organic growth, which is year over year growth on a constant currency basis and excluding acquisitions and divestitures.
2. GPADE means Gross Profit after distribution expenses. Gross Profit means sales less cost of goods sold.

Borrowing Costs and Taxes

Net interest costs were up 9% to \$13.6m due mainly to higher year on year debt levels. While cash flow generation was again very strong, the Group's net debt position increased due to the significant outlays for the share buy-back (\$176m up 91%) and the Transformation Program (\$31m cash costs up 65%). Furthermore, the Group also spent \$75m in acquisition expenditures in the second half.

Taxation expense of \$36.9m reflected an effective tax rate of 19.5%, which was above the prior year rate of 17.8%. The increase in the effective tax rate was due partly to the recognition of a deferred tax asset relating to German taxation losses in FY18.

Cash Flow Commentary

Net Cash Flow From Operating Activities

The Group generated \$188.9m of net cash inflow from its operating activities, which was up significantly on the \$153.6m the previous year. However, in keeping with previous commentary, the cash flow needs to be normalised for the Sexual Wellness business trading activities (FY18) and cash Transformation costs across the two years as per the table below:

	FY18	FY19	% Change
Net cash inflow from operating activities	153.6	188.9	23.0%
Less – Sexual Wellness business	(8.8)		
Add – Transformation cash costs	19.0	31.4	
Net cash inflow from operating activities excluding Sexual Wellness and Transformation impacts	163.8	220.3	34.5%

1. Working capital is summarised in Note 7 of the financial statements.

The year on year improvement of \$56.5m is due mainly to a combination of working capital management and lower tax payments in FY19.

Working Capital¹

Although working capital balances at June 2019 are higher than those at June 2018, after excluding the business acquisition effects of \$11m and other non-cash impacts, the underlying working capital levels fell – contributing \$9.6m to operating cash flow.

The June 2019 stock balance has been temporarily built up due to the Transformation Program. Management was incentivised to reduce inventory significantly this year after the plant closures had occurred, but were unable to achieve this target as sales momentum slowed.

Net Cash Provided By/(Used In) Investing Activities

Ansell invested \$123.7m cash in FY19 as compared to \$476.8m cash generated from its investing activities in FY18, which resulted primarily from the sale of the Sexual Wellness business last year. Approximately \$80m of the FY19 spend relates to acquisition and disposal initiatives, with \$69.1m relating to the the Ringers Gloves acquisition. Capital expenditure was \$43.6m, which mainly related to outlays in our Sri Lanka, Malaysia, Thailand and Vietnam manufacturing facilities. These initiatives included new dipping lines, site expansion initiatives and biomass boilers intended to support our growth targets.

Cash Used In Financing Activities

After excluding the impact of the \$170.9m repayment of borrowings, the net cash used in financing activities increased by \$83.7m due mainly to the higher payments for Ansell's ongoing share buy-back (up \$88.8m). During the year Ansell spent \$176.0m in acquiring 10.1m Ansell Limited shares under the Group's share buy-back program. A further \$5.1m was spent to acquire shares to settle the Performance Share Rights that vested pursuant to the FY16 LTI Plan.



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, oil & gas and first responders.

Sales from Growth Brands now account for 70% of IGBU sales



HyFlex®

#1 Global Brand
Approaching \$300m



AlphaTec®

8.3% Growth
Surpassed \$120m Sales



EDGE®

28.5% Growth
Achieved in FY19

Financial Summary

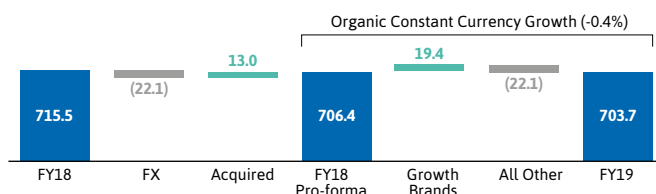
US\$m	FY18	FY19	% Change	CC% ¹
Sales	\$715.5m	\$703.7m	(1.6)%	+1.5%
EBIT ²	\$86.9m	\$98.7m	+13.6%	+12.3%
% EBIT/sales	12.1%	14.0%		

1. CC refers to adjusted constant currency as described on page 3 of this Report.

2. EBIT excludes the impact of restructuring and transformation costs (FY18: \$11.6m, FY19: \$34.1m) and the change in accounting treatment for development costs of \$7.3m in FY18.

Sales Performance

Sales were up 1.5% on a constant currency basis, but declined slightly (down 0.4%) after normalising for acquisitions. Our two largest markets either declined (EMEA) or slowed (North America), while our smaller Asia Pacific and Latin America regions grew strongly. Emerging markets growth was 3.7%, with pleasing second half results in Russia and Brazil.



Portfolio Highlights

- The flagship HyFlex® brand continues to bring best-in-class, innovative solutions to users in need of protection against mechanical risks, including high-performance cut resistant gloves with INTERCEPT™ Technology. Unfortunately, demand for HyFlex® was impacted by a challenging environment in the European automotive sector and growth was a modest 1.8%.
- EDGE®, which is targeted towards emerging markets, grew very strongly (up 28.5%), while our INTERCEPT™ and FORTIX™ technology platforms continue to expand via our new product development initiatives.
- Our AlphaTec® range grew 8.3% and our clothing range grew 3.1%; however, our chemical range fell 1% overall. Two significant drivers of this decline included the temporary customer destocking on retail household gloves, and volume reductions in low-end chemical gloves.

EBIT Performance

While sales performance was slightly down, EBIT growth was very strong primarily driven by the Transformation Program, which saw production shift from Mexico and Korea into lower-cost locations. Gross profit margins improved by 190 basis points during the year as a result. Furthermore, discretionary expenditures were curtailed in the second half of the year when it became apparent that sales momentum was not as strong as targeted levels. Management is looking forward to growing sales more strongly while maintaining or improving EBIT margins.

Brands

HyFlex®

AlphaTec®

ACTIVARMR

EDGE®



Our Industrial GBU

Safer.

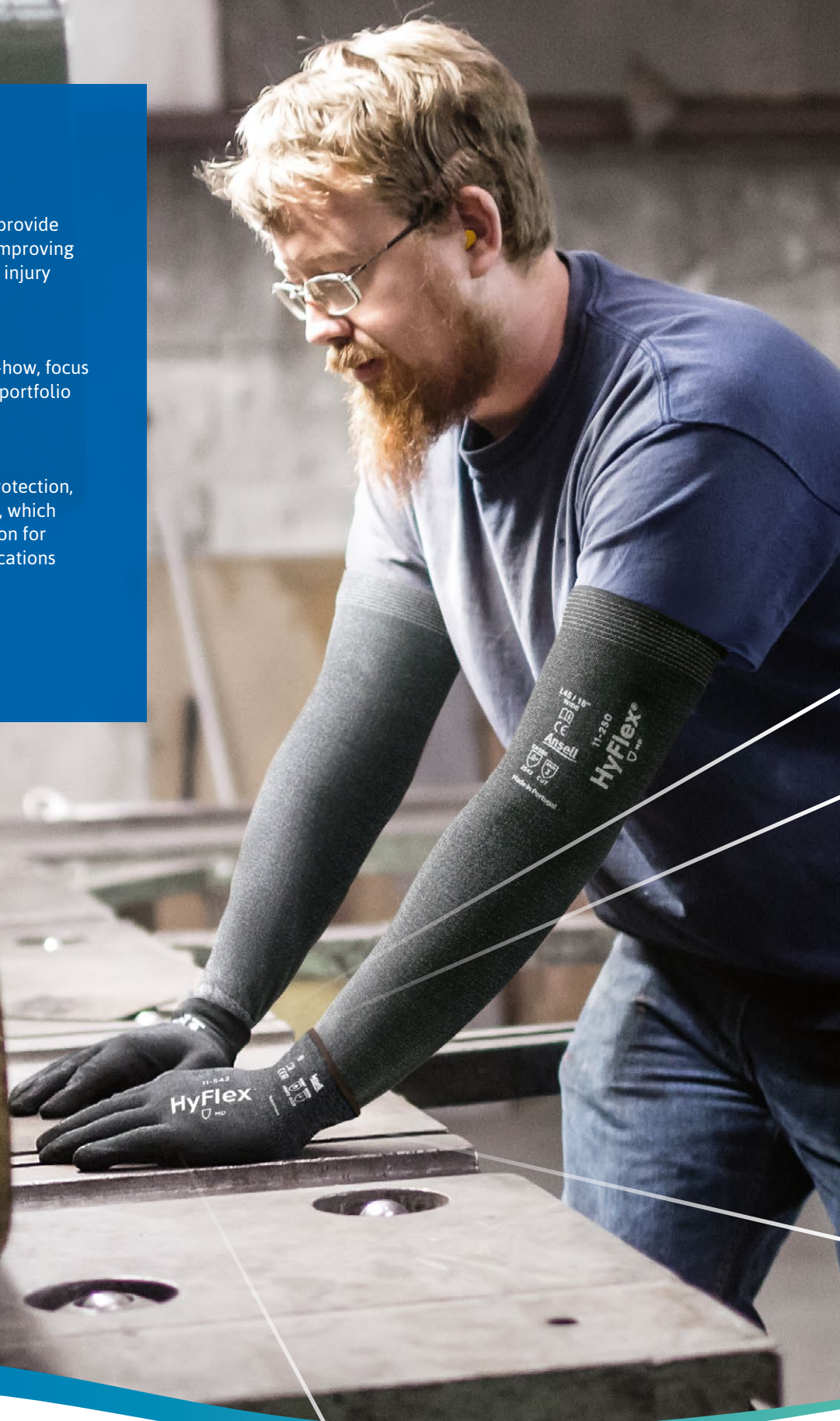
Our industrial solutions and services provide a safer workplace for our customer, improving performance and reducing the risk of injury in multi-risk environments.

Smarter.

Our market-leading regulatory know-how, focus on innovation and extensive product portfolio keep us ahead of the competition.

Stronger.

Safety solutions providing superior protection, such as our INTERCEPT™ Technology, which delivers highest levels of cut protection for laceration risks across multiple applications and risk environments.



Healthcare Global Business Unit

The Healthcare GBU manufactures and markets innovative solutions for a wide range of customers, including hospitals, surgical centres, dental offices, veterinary clinics, first responders, manufacturers, auto repair shops, chemical plants, laboratories, and pharmaceutical companies.

The portfolio includes surgical gloves, single use and examination gloves, clean and sterile gloves and garments, and consumables used by healthcare, life sciences and industrial workers.

Sales from Growth Brands now account for 78% of HGBU sales



TouchNTuff®

7.0% Growth



GAMMEX®

Surgical synthetic products

16.9% Growth



BioClean®

Life Sciences

11.1% Growth

Financial Summary

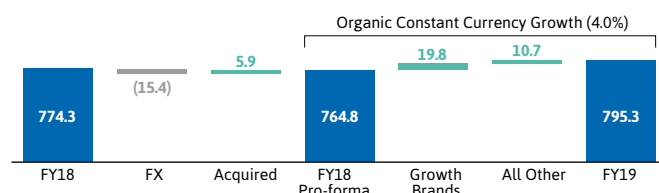
US\$m	FY18	FY19	% Change	CC% ¹
Sales	\$774.3m	\$795.3m	+2.7%	+4.8%
EBIT ²	\$120.1m	\$115.3m	(4.0)%	(2.4)%
% EBIT/sales	15.5%	14.5%		

1. CC refers to adjusted constant currency as described on page 3 of this Report.

2. EBIT excludes the impact of transformation costs (FY18: \$5.4m and FY19: \$3.1m) and the change in accounting treatment for development costs of \$3.9m in FY18.

Sales Performance

Organic sales growth³ of 4.0% was driven by strong growth in emerging markets such as Mexico, India, Korea, China and Russia, while higher new product sales also assisted growth in mature markets.



3. Organic sales growth refers to constant currency sales growth after adjusting for acquisitions and divestitures.

Portfolio Highlights

- Surgical and Healthcare safety solutions grew 3.4% with strong sales growth coming from Surgical synthetic products (up 16.9%).
- Life Sciences products continued to grow strongly (up 11.1%) on the back of recent acquisitions of Nitritex and gammaSUPPLIES. The BioClean™ brand was up 12%.
- Sales of single use and exam products grew 3.4%, driven by solid growth in sales for industrial applications of 5.2% and growth in emerging markets.

EBIT Performance

Trading margins fell during the first half due to raw material cost increases. While price increases were implemented during the year, not all increases were able to be passed on. However, margins improved in the second half of the year due to a combination of price increases, improved sales mix and some easing of raw material costs. Discretionary expenditure was well controlled during the year.

Brands

GAMMEX®

MICROFLEX®

TouchNTuff®

SANDEL®

ENCORE®

BioClean®

EDGE®



Our Healthcare GBU

Safer.

For more than 125 years, we have been developing new products and technologies to keep healthcare professionals, patients, scientists and clean room and general workers safe.

Smarter.










Our market leading regulatory know-how, our clinical, technical and R&D experts and our focus on innovation and customer needs ensure we deliver high quality, functional and revolutionary products to the industry.

Stronger.

We provide solutions and services for today and tomorrow. Combining innovation, advanced technologies and best in class manufacturing and quality assurance practices, we are able to offer a broad portfolio to meet constantly evolving needs of our customers.

Corporate Social Responsibility and Sustainability

A Responsible and Responsive Strategy

Better Society	 Employees and wider workforce	 Community	 Business ethics	<ul style="list-style-type: none"> • We care about our people and safety is our top priority • We support our communities • We play fair and conduct business ethically
Better Environment	 Water	 Energy and carbon	 Materials and waste	<ul style="list-style-type: none"> • We use natural resources with care • We work to continually lower our GHG emissions • We respect the local environment
Better Business	 Customers	 Suppliers	 Investors	<ul style="list-style-type: none"> • We provide our customers with safety and productivity solutions • We choose like-minded partners • We reward investors

Ansell is committed to leading the Personal Protective Equipment (PPE) industry in responsible human rights, environmental and governance practices and acknowledges that sustainability is vital to our business success.

Below provides a summary of some of the key sustainability topics for FY19. Please refer to our standalone CSR & Sustainability Report to be released in November 2019.

Employees and Wider Workforce

For 125 years, Ansell has delivered advanced protection solutions to millions of people around the world. We are proud of our track record in creating a safe working environment at Ansell and we strive to promote and respect the rights and well-being of all workers. As announced earlier this year, given the increased scrutiny of labour practices in our industry, Ansell committed to a comprehensive review of labour standards in our facilities and those in our supply chain. This review is now complete, and we have concluded that we now have standards appropriate to ensure the health and safety of our people and for those working in our supply chain.

As a responsible business with high standards for business ethics and values, Ansell is committed to operating in accordance with all applicable national laws as a minimum and will apply more stringent working conditions in circumstances where national standards do not meet the company's health and safety standards. Ansell aligns with the UN Guiding Principles on Business and Human Rights (as well as the ILO core conventions) and respects human rights as set out in the Universal Declaration of Human Rights. Ansell's commitment to respecting human rights extends to its supply chains and we seek to engage with suppliers and contractors who aspire to do the same.

Ansell has a unique geographic manufacturing footprint, with major activities in many countries with different workforce standards and cultures, each with different approaches and methods for regulation. We have reviewed our practices against several highly detailed universal standards proposed by public interest groups and have concluded that a one size fits all approach is neither desirable nor practical when taking into account the various issues and stakeholder views that require consideration. Ansell will evaluate, on an ongoing and case-by-case basis, whether implementing any additional requirements on work practices would be prudent in light of concerns for worker safety.

During our review we came to a new appreciation of just how difficult and complex the process of managing working hours can be at some of our manufacturing sites. Despite the best intentions

and having clear policies and guidelines in place, many variables and complications – ranging from changing shift patterns and the deployment of temporary workers, to absenteeism and employee turnover – make it very challenging for our plant management and supervisors to manage the more than 60,000 work-hour events which occur (on average) each week across our production sites. The outcome of the review is that we have re-affirmed a clear standard of full compliance with applicable local national laws and standards.

Many of Ansell's production workers expect to receive high levels of overtime, looking to maximise their work hours as much as possible over short periods – and in the case of migrant workers, to maximise earnings during their time spent away from home. Adherence to rest day requirements and overtime limitations often cause employees to look instead for work at other local companies who will offer them additional overtime (without rest days) despite the existing but sometimes unenforced regulations. Also, some of Ansell's production sites are in geographies where labour markets are booming and competition for workers is high.

In response to these challenges, Ansell offers competitive compensation and an attractive work environment to retain employees and to recruit and attract a dependable workforce. We have already hired several hundred additional workers across key sites (including in Sri Lanka and Vietnam) – to preemptively ensure compliance with requirements and limitations as we have increased production loads at expansion locations in line with our planned Transformation Program. We have implemented tracking tools to monitor compliance (including the use of card, finger or face scanning to capture worker attendance and automated time-clock systems in most sites). Also, we have instituted manager and supervisor training, with a further view towards developing and implementing additional tools and technologies to enable improved 'real-time' shift and personnel planning and decision-making to minimise and prevent mistakes.

Our learnings from the highly publicised audit failures of key suppliers in the glove manufacturing industry have led us to mandate third party independent audits of our suppliers within this challenged industry segment. Where such audits have identified non-compliance with law, we have amplified pressure for corrective action and will continue to audit suppliers in our supply chain until compliance is achieved and at regular intervals thereafter.

We believe we have made and are making further progress and are facing up to our responsibility to ensure that human rights are preserved and enhanced through sustainable and ethical business practices.

Environment

As a leader in its industry, Ansell recognises the obligation to operate more efficiently, protecting resources and communities through strategic environmental management. We understand that companies that fail to adequately manage environmental risk issues – from climate change and energy, to fresh water management, pollution and waste – may face increasing pressure on not only their social licence to operate, but their ability to continue to generate strong financial returns.

We understand that the bar of leading practice in environmental sustainability management in general – and climate change risk management and disclosure in particular – continues to rise. We will continue to work to raise our own ambition accordingly, and to ensure our ambition for business growth goes hand in hand with improvement in environmental performance.

In FY18, Ansell set environmental commitments and targets to advance its sustainability vision. These goals are:

Goals:

GHG Emissions



25% of Scope 1 (direct) and Scope 2 (indirect) emissions, in tonnes of CO₂-equivalent/\$M production value, below FY16 baseline by end of FY25.

Energy



Continuous improvement and reduction of energy usage.

Water



15% reduction in water usage, measured in m³/\$M production value, below the FY16 baseline by the end of FY25.

Waste



Zero waste to landfill by the end of FY23.

Refer to our 2019 CSR & Sustainability Report, to be released in November 2019, for details of our progress in FY19 against these goals.

Climate Risk

In FY19, we commenced our journey to assess and disclose our material climate change-related financial risks in accordance with the Recommendations of the Taskforce on Climate-Related Disclosures (TCFD). We formalised this commitment by joining the growing list of leading companies to register their support of the Recommendations with the TCFD in Q4.

We are pleased to provide our inaugural disclosure with regard to the Recommendations of the TCFD in this Annual Report.

Our approach to climate change is overseen at board level, by the board's CSR & Risk Committee. The Committee is supported by our executive CSR & Sustainability Council (whose members include the CEO, CFO, General Counsel, CHRO and Head of Operations), who have responsibility for the development and operational implementation of Ansell's strategic approach to climate-related risks and opportunities.

We understand that climate change may have both physical and economic transition impacts which, if left unaddressed, may present both financial risks and missed opportunities. In responding to these challenges, we have prioritised initiatives

including country-level physical risk assessments in 27 key countries in which we operate, and the building of economic resilience via quantified targets to reduce our own scope 1 and 2 emissions footprint. We have continued to progress and refine our strategic approach to the identification, management and disclosure of climate-related risks in FY19, including:

- commencing our TCFD reporting journey, and formally registering Ansell as a supporter of the Recommendations of the TCFD;
- participating in the CDP (formerly Carbon Disclosure Project) climate and water environmental stewardship assessment process (our second year).

These initiatives are not at the limits of our ambition. We understand that our climate change strategy and risk management must be dynamic, and continually improve. In future, we intend to reflect upon the insights from our initiatives to date to review and strengthen our approach to both physical and economic transition risk analysis and management. The outputs of that review will be consolidated and formalised within a dedicated Climate Change Policy, to provide a framework guide for our climate risk strategy and risk management into the future.

Board of Directors



Glenn L L Barnes Chairman

B Ag Sc (Melb), CPM, FAMI, FAICD, SF Fin, FRSA
Based in Sydney, Australia

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

Chair of the Governance Committee and member of the Human Resources Committee and the M&A Sub-Committee.

Current Directorships:
Non-executive Director of Stronghold Pty Ltd, and Barnes Investments Pty Ltd.

Mr Barnes has over 20 years of governance experience in banking and financial services, business information, healthcare, consumer goods and the not-for-profit sector. He was involved in the packaged goods, banking and financial services sectors for over 30 years, as an executive, business leader and Director in Australia, New Zealand, the UK, the US, the 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 (Stockholm), MBA (Wharton)
Based in Brussels, Belgium

Appointed Managing Director and Chief Executive Officer in March 2010.

Current Directorships:
Non-executive Director of 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.

As an Executive Director, Magnus Nicolin is not an independent Director.



John A Bevan Deputy Chairman

BCom (UNSW)
Based in Sydney, Australia

Appointed Non-executive Director in August 2012 and Deputy Chairman in February 2017.

Member of the Human Resources Committee and Governance Committee and Chair of the M&A Sub-Committee.

Current Directorships:
Chairman of BlueScope Steel Limited (2014 to present), Non-executive Director of Humpty Dumpty Foundation (2017 to present) and Alumina Limited (2018 to present).

Former Directorships:
Non-executive Director of Nuplex Industries Limited (2015 – 2016), Executive Director of Alumina Limited (2008 – 2014).

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, 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 UK.

The Board considers John Bevan to be an independent Director.



Marissa T Peterson Non-executive Director

BSc (MECH), MBA (Harvard), Hon Doctorate (MGMT)
Based in California, USA

Appointed Non-executive Director in August 2006.

Chair of the Human Resources Committee and member of the Audit & Compliance Committee.

Current Directorships:
Director of Humana Inc. (2008 to present).

Former Directorships:
Chair of Oclaro Inc. (2011 to 2018).

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 with an unprecedented legacy of concurrently leading some of Sun's largest and most effective organisations: as Executive Vice President of Services, Executive Vice President of Worldwide Operations, and as Chief Customer Advocate. She has extensive experience in supply chain management, manufacturing and quality, logistics, information technologies, customer advocacy and leadership development. Among her awards are Women Inc's Most Influential Corporate Director, Silicon Valley Tribute to Women in Industry, National Association of Corporate Directors Leadership Fellow, *Filipinas Magazine* Corporate Leader of the Year, National Co-op Hall of Fame, and the Excellence in Science and Engineering Award from the Philippine Development Forum.

The Board considers Marissa Peterson to be an independent Director.



Leslie A Desjardins Non-executive Director

B. Industrial Admin, Finance (Kettering), MS. Management (MIT)
Based in South Carolina, USA

Appointed Non-executive Director in November 2015.

Chair of the Audit and Compliance Committee and member of the CSR & Risk Committee and the M&A Sub-Committee.

Current Directorships:
Director and Audit Committee Chair of Terry Fox Cancer Foundation (2018 to present).

Former Directorships:
Director of Aptar Group (2012-2015).

Mrs Desjardins is a former international finance executive with experience in business performance and growth. Mrs Desjardins was formerly the Chief Financial Officer of Amcor Limited. Prior to Amcor, she held executive roles at General Motors Corporation, in Canada, the US and Australia, including Chief Financial Officer GM Holden, Controller for GM North America, and Finance Director for GM's manufacturing facilities in North America. Mrs Desjardins has extensive experience in finance, M&A, strategy, government relations and global operations.

The Board considers Leslie Desjardins to be an independent Director.



W Peter Day
Non-executive Director

LLB (Hons), MBA (Monash),
FCPA, FCA, FAICD
Based in Melbourne, Australia

Appointed Non-executive Director in August 2007.

Chair of the CSR & Risk Committee and member of the Audit and Compliance Committee and the Governance Committee.

Current Directorships:
Chairman of Alumina Limited (2018 to present, Director since 2014), and Chairman of Australian Unity Investment Real Estate Limited (2015 to present).

Former Directorships:
Boart Longyear Limited (2014 – 2017), SAI Global Limited (2008 – 2016), Orbital Corporation Limited (2007 – 2014), Centro Retail and Federation Centres (2009 – 2014).

Mr Day was formerly 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 and Investments Commission (Deputy Chair), Rio Tinto, CRA and Comalco. He is also involved with 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.



Christina M Stercken
Non-executive Director

BEcon & MEcon (Univ. of Bonn), EMBA (Duke)
Based in Munich, Germany

Appointed Non-executive Director in October 2017.

Member of the Audit & Compliance Committee, the CSR & Risk Committee and the M&A Sub-Committee.

Current Directorships:
Ascom Holding AG, Landis & Gyr Group AG, Myanmar Foundation (Vice Chairman).

Mrs Stercken was a partner at Euro Asia Consulting PartG (EAC) until the end of 2017. In this function, Mrs Stercken helped customers in machinery, automotive, chemical, healthcare and infrastructure industries in strategy, M&A and operational excellence in growth markets. Before joining EAC, Mrs Stercken served as Managing Director Corporate Finance M&A of Siemens AG. Among other management positions within Siemens AG, she was responsible for the Siemens Task Force China and Head of Public Sector Business Unit at Siemens Business Services. Mrs Stercken started her career in Marketing at BMW Pty. Ltd, South Africa. Mrs Stercken brings a broad range of competencies relevant to Ansell's strategies, including M&A, broad industry background and business building in developing markets. In her function as Vice Chairman of Myanmar Foundation, Munich, Mrs Stercken supports social projects in Myanmar.

The Board considers Christina Stercken to be an independent Director.



William G Reilly
Non-executive Director

BA (Fairfield), J.D (Seton Hall)
Based in New Jersey, USA

Appointed Non-executive Director in October 2017.

Member of the CSR & Risk Committee, the Human Resources Committee and the Governance Committee.

Mr Reilly has over 35 years' experience as an in-house lawyer. Mr Reilly was appointed as General Counsel of Ansell Healthcare in 2000 when it was a division of Pacific Dunlop Limited, subsequently becoming General Counsel of Ansell Limited in 2002. Mr Reilly has served with three Chief Executive Officers and has played pivotal roles leading many of Ansell's corporate strategic and legal initiatives, including M&A, litigation and the successful intellectual property strategy. He has also overseen the Global Compliance and Risk functions, acted as interim head of Human Resources, leader of the Regulatory function and joint Company Secretary. Prior to joining Ansell, Mr Reilly held senior legal positions at C. R. Bard, Inc., The Hertz Corporation and McKesson Corporation. In 2016, Mr Reilly was named on the *Financial Times* first ever Global GC 30 List.

As a recently retired executive, William Reilly is not an independent Director.



Christine Y Yan
Non-executive Director

BS (Mech. Eng) (Shandong),
MSc, (Mech. Eng) (Wayne State), MBA (Michigan)
Based in Connecticut, USA

Appointed Non-executive Director in April 2019.

Member of the Audit & Compliance Committee and the Human Resources Committee.

Current Directorships:
Non-executive Director of Cabot Corporation (2019 to present), Non-executive Director of ON Semiconductor Corporation (2018 to present), Non-executive Director of Modline Manufacturing Company Inc. (2014 to present).

Ms Yan is an experienced executive who has had a distinguished career at Stanley Black & Decker. Ms Yan has held senior management positions in both the US and China, including Vice President of Sales and Marketing for North America Automotive, President of the Global Automotive Division, President of Americas for the Engineered Fastening division, President of Stanley Storage and Workspace Systems and more recently, President of Asia and Vice President of Integration. Ms Yan brings a broad range of general management experience across different geographies, as well as experience in innovation, business development, sales, digital transformation and marketing in the business-to-business industry.

The Board considers Christine Yan to be an independent Director.

Executive Leadership Team



Magnus Nicolin

Managing Director and
Chief Executive Officer
BA, MBA
Based in Brussels, Belgium



Zubair Javeed

Chief Financial Officer
BA (Hons), ACMA, AMCT
Based in Brussels, Belgium



Neil Salmon

President, IGBU
BA, ACMA
Based in Brussels, Belgium



Darryl Nazareth

President, HGBU
BS, MS, MBA
Based in New Jersey, USA



Francois le Jeune

Senior Vice President –
Business Development,
Transformation and
Corporate Marketing
BS, MS, MBA
Based in Brussels, Belgium



Renae Leary

Chief Commercial Officer –
Americas
BA, MCom
Based in New Jersey, USA



Rikard Froberg

Chief Commercial Officer –
EMEA & APAC
MS, MA
Based in Brussels, Belgium



Michael Gilleece

Corporate General Counsel
BA, JD
Based in New Jersey, USA



Amanda Manzoni

Chief Human Resources
Officer
BS
Based in Brussels, Belgium



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Senior Vice President –
Global Supply Chain
BMkt
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John Marsden

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Angie Phillips

SBU Vice President & GM,
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Report by the Directors

This Report by the Directors of Ansell Limited ('the Company') is made for the year ended 30 June 2019. The information set out below is to be read in conjunction with:

- Operating Financial Review appearing on pages 12 to 21;
- Remuneration Report appearing on pages 39 to 64; and
- 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)¹
- Magnus R Nicolin (Managing Director and Chief Executive Officer)
- John A Bevan (Deputy Chairman)
- Ronald J S Bell²
- W Peter Day
- Leslie A Desjardins
- Marissa T Peterson
- William G Reilly
- Christina M Stercken
- Christine Y Yan³

1. Will retire from the Board on 14 November 2019.

2. Retired from the Board on 18 October 2018.

3. Appointed to the Board on 1 April 2019.

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 24 and 25.

Details of meetings of the Company's Directors (including meetings of Board Committees) and each Director's attendance are set out on page 30.

The Company Secretary is Catherine Stribley, B.Com/LLB (Hons), FGIA, and she was appointed as Company Secretary in April 2017. Ms Stribley first joined the Company in 2010 and has held legal positions in both Australia and the US, including Senior Counsel and Senior Counsel, IP.

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 end markets. Ansell operates in two main business segments, Industrial and Healthcare.

Board Areas of Focus

This year the Board and its Committees have undertaken key strategic, governance and oversight activities. The key areas of focus for the Board during FY19 were:



Operating and Financial Review

The Operating and Financial Review for the Group for the financial year is set out on pages 12 to 21, 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 pages 13 and 14. 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 have 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.

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. Ansell works to evaluate each environment issue within a framework of optimal management. 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.

Dividends and Share Issue

The final dividend of US25.00 cents per share (unfranked) in respect of the year ended 30 June 2018 was paid to shareholders on 13 September 2018. An interim dividend of US20.75 cents per share (unfranked) in respect of the half-year ended 31 December 2018 was paid to shareholders on 14 March 2019. A final dividend of US26.00 cents per share (unfranked) in respect of the year ended 30 June 2019 is payable on 5 September 2019 to shareholders registered on 19 August 2019. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2019 and will be recognised in subsequent financial reports. On 23 January 2019 the Company issued 5,000 shares in respect of the conversion of partly paid shares to fully paid shares under the Executive Share Plan. On 13 September 2018, the Company issued 74,029 shares under its Dividend Reinvestment Plan. On 14 March 2019, the Company issued 58,845 shares under its Dividend Reinvestment Plan. There are no unissued shares under option at the date of this Report.

Report by the Directors continued

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 ASX Limited pursuant to the Listing Rules and Section 205G of the *Corporations Act 2001*, were:

G L L Barnes	72,113 [^]
J A Bevan	27,061 [^]
R J S Bell ¹	20,704
W P Day	30,193 [^]
L A Desjardins	11,667
M R Nicolin	265,930 [^]
M T Peterson	23,647
W G Reilly	49,296
C M Stercken	3,216
C Y Yan ²	629

1. Retired from the Board on 18 October 2018.

2. Appointed to the Board on 1 April 2019.

[^] 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		CSR & Risk Committee ⁹		Human Resources Committee		Governance Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
G L L Barnes	6	6					4	4	2	2
R J S Bell ¹	2	2	1	1	1	1				
J A Bevan ²	6	6	1	1			4	4	2	2
W P Day ^{3,4}	6	6	4	4	4	4			1	1
L Desjardins ⁵	6	6	4	4	2	2	1	1	0	0
M T Peterson ⁶	6	6	3	3	2	2	4	4		
W G Reilly ⁷	6	6			4	4	3	3	2	2
C M Stercken	6	6	4	4	4	4				
C Y Yan ⁸	2	2	1	1			1	1		
M R Nicolin	6	6								

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. Retired from the Board on 18 October 2018.

2. In preparation for his transition to Chairman of the Ansell Limited Board after the 2019 Annual General Meeting (AGM), Mr Bevan stepped down as a member of the Audit & Compliance Committee, effective 18 October 2018.

3. Mr Day stepped down as the Chair of the Audit & Compliance Committee (but remained a member of the Audit & Compliance Committee) and was appointed the Chair of the CSR & Risk Committee, effective 18 October 2018.

4. Mr Day was appointed as a member of the Governance Committee, effective 9 April 2019.

5. Mrs Desjardins was appointed the Chair of the Audit & Compliance Committee and a member of the CSR & Risk Committee and stepped down as a member of the Human Resources Committee and the Governance Committee, effective 18 October 2018.

6. Mrs Peterson was appointed as a member of the Audit & Compliance Committee and stepped down as a member of the CSR & Risk Committee, effective 18 October 2018.

7. Mr Reilly was appointed as a member of the Human Resource Committee and the Governance Committee, effective 18 October 2018.

8. Ms Yan was appointed to the Board on 1 April 2019 and is a member of the Audit & Compliance Committee and the Human Resources Committee.

9. In August 2018, the Board resolved to widen the brief of the Risk Committee and renamed it the CSR & Risk Committee.

The Audit & Compliance Committee, CSR & Risk Committee and Human Resources Committee meetings were attended by all Directors in FY19. In June 2016, the Board resolved to form a sub-committee of the Board to review M&A and divestment opportunities – including related business transformation. This sub-committee is currently led by Mr John Bevan and comprised of Mr Glenn Barnes, Mrs Leslie Desjardins and Mrs Christina Stercken. The sub-committee met three times during FY19. All M&A Sub-Committee meetings are excluded from the number of meetings noted above.

In May 2017, the Board resolved to form a sub-committee of the Board to make recommendations on share buy-backs and the dividend policy. This sub-committee is currently led by Mr Glenn Barnes and comprised of Mr John Bevan and Mr Peter Day. The sub-committee met two times during FY19. All Share Buy-back Sub-Committee meetings are excluded from the number of meetings noted above.

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 2019 fiscal year. Rule 61 of Ansell'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.

Corporate Governance

Ansell is committed to effective corporate governance. By putting in place the right governance framework, the Board and management have set a culture of integrity, transparency and accountability that permeates throughout the Company.

Ansell's Corporate Governance Statement

A detailed statement outlining Ansell's principal corporate governance practices in place during the financial year ended 30 June 2019 can be found at ansell.com. This statement has been approved by the Board.

Governance Structure

The Board's role is to represent the Company's shareholders, taking into consideration the interests and wants of the broad range of Ansell's stakeholders. The Board leads and oversees the management of the Company and is accountable to shareholders for creating and delivering shareholder value.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board.

The Board has adopted a formal Board Charter that details the Board's role, authority, responsibilities, membership and operations. The Board also has four standing committees that assist it in discharging its responsibilities:

- Audit & Compliance Committee
- CSR & Risk Committee
- Human Resources Committee
- Governance Committee

Each Committee operates under a specific charter and provides advice to the Board on specific matters within the Committee's remit. The Board also delegates specific functions to ad hoc committees of Directors on an 'as needs' basis. Ansell's Board and Committee Charters can be found on the Ansell website at www.ansell.com.

Specific responsibilities for the day-to-day management and administration of the Company are delegated by the Board to the Managing Director and Chief Executive Officer (CEO), assisted by the Executive Leadership Team (ELT). Ansell's Delegation of Authority Policy sets out the powers that are reserved to the Board and those that are delegated to the CEO.

Report by the Directors continued

Board Composition and Processes

Ansell is committed to ensuring an appropriate mix of skills, expertise, experience and diversity (including gender diversity) on the Board and its Committees so that the Board can effectively discharge its corporate governance and oversight responsibilities.

The Board annually reviews the performance of the Board and each Committee, as well as individual Directors and the Chairman, and requires all Directors (except the CEO) to submit themselves for re-election at least once every three years. The Board will endorse a retiring Director for re-election only where his or her performance over the preceding year meets or exceeds the Board's expectations. It is a general policy that Non-executive Directors should not serve for a consecutive period exceeding 15 years, and the Chairman should not serve in that role for more than 10 years.

An external review of the Board is also completed every three years. In FY19, the Board engaged a third party consultant to review the Board and its performance and to identify the major areas of opportunity for the Board to sharpen its focus on maximising long-term sustainable economic profit within the confines of our business purpose and consistent with our various obligation to all stakeholders. The Board is reviewing the report findings.

As previously announced, the Company has approved a succession plan with respect to the Board that it believes facilitates the optimal injection of new skills and thinking while retaining the wealth of corporate knowledge to support the long-term strategic direction of the Company. As part of this plan, Ms Christine Yan was appointed to the Board as a Non-executive Director in April 2019. Ms Yan brings considerable skill and experience to the Board, adding to its balance and diversity.

At this year's Annual General Meeting (AGM), the Chairman, Mr Glenn Barnes, retires after 14 years of service on the Ansell Board. The Board and management wish to acknowledge and thank Mr Barnes for his significant contributions made to the Company over his tenure. Deputy Chairman, Mr John Bevan, will become the Chairman of the Company upon Mr Barnes' retirement.

The Governance Committee will continue to consider the forward skill and experience requirements of the Board within the context of the succession timetable.

With the commitment of Ansell's CEO to remain in his role until the end of the 2021 financial year, the Board continues the process of challenging and assessing the pool of internal CEO contenders to allow the identification of the best internal candidate. In March 2019, the Board announced an important step in this managed leadership transition, with selected internal candidates for the CEO role being given new opportunities for broader experience, and four new senior leaders with impressive capabilities being added to the Executive Leadership Team.

The Board sets clear targets for gender representation as part of Ansell's broader commitment to diversity and inclusion. Ansell has committed to have women constituting circa 50% of its Board by 2020 and beyond, acknowledging that this may fluctuate from time to time due to the effect of changes on a small group size. The appointment of Ms Christine Yan brings a 44/56 gender balance to the Board, which will increase to 50/50 upon Mr. Barnes' retirement later in the year.

Refer to the Ansell CSR & Sustainability Report for further information on diversity within the Company, which will be released in November 2019 and made available on www.ansell.com.

Shareholder Engagement

Ansell is committed to positive and meaningful stakeholder engagement. Ansell knows that it builds greater trust with stakeholders when the Company is transparent and accountable. Ansell's engagement occurs through a number of channels, including ASX disclosures, Annual General Meetings, Annual Reports, the Ansell website and social media and interactions with large investor groups, proxy analysts and regulators.

The Chairman and Deputy Chairman meet proxy advisers and shareholders twice per year to discuss proposed developments and results.

In October 2017, Ansell hosted its first Capital Markets Day (CMD) in Sydney, Australia. The forum provided attendees with greater appreciation of Ansell's business fundamentals, strategic direction and growth plans. Ansell was recognised by the Australian Investor Relations Association (AIRA) for holding one of the best Investor Days by an Australasian company in 2017. To connect with key stakeholders in Europe and the Americas, a smaller Ansell team subsequently presented a condensed CMD event in London and Toronto during November 2017. Ansell will be holding its next CMD in March 2020 in Sydney, London and the US.

Corporate Responsibility

Ansell is committed to sound corporate governance to underpin its sustainability practices. Its Core Values, Code of Conduct and related policies constitute the governance framework for its activities, an important part of which are its corporate social responsibility and sustainability activities.

Ansell is currently reviewing its corporate social responsibility strategy and is considering external reporting standards with a view to reporting against such standards in the future. A key part of that review relates to our approach to climate change, building upon the progress already made in FY19 (as detailed on page 23).

Code of Conduct

The Code of Conduct is Ansell's core policy, serving as a guide to ethical behaviour and business conduct for all employees. It sets out what it means to work for Ansell and the standards expected of all employees.

Human Rights Statement

As a responsible corporate citizen, Ansell has issued a human rights statement. The company reiterates in this statement that it operates in accordance with the Universal Declaration of Human Rights (UDHR), the foundational document establishing human rights for all. Ansell also takes into account the United Nations Guiding Principles on Business and Human Rights and respects the core conventions of the ILO.

Modern Slavery Legislation

Ansell's Modern Slavery Statement has been published to demonstrate compliance with the UK Modern Slavery Act 2015. Modern Slavery laws took effect in Australia during FY19 and Ansell is reviewing its processes to ensure its Modern Slavery reporting also complies with this legislation.

Risk Management

Ansell recognises that effective risk management and internal controls are an integral part of sound management practice and good corporate governance. Ansell has established controls and procedures that are designed to safeguard the Group's assets and the integrity of its reporting. The Group's internal controls cover accounting, financial reporting, safety, sustainability, fraud, delegation of authority and other control points.

Ansell has also established practices for the oversight and management of key business risks. Ansell has adopted a formal Risk Management Framework in recognition that the identification, evaluation and management of risk are central to achieving the Company's corporate purpose of creating long-term shareholder value.

Further details of Ansell's Risk Management Framework are contained in Ansell's Corporate Governance Statement.

Risk is inherent in our business and the effective management of risk is vital to the growth and success of the Company. We continuously seek to identify, measure and monitor the most material risks across our organisation.

The following describes the material risks and opportunities that could affect our business and how we seek to manage them. These risks are not listed in any order of significance, nor are they all encompassing. Rather, they reflect the most significant risks identified at a whole-of-entity level through our risk management process.

Report by the Directors continued

Material Risks – Description and Mitigation Actions

Risk	Nature of Risk	Mitigation Actions
Global markets instability	The Group's presence in over 55 countries globally and its growing presence in emerging markets exposes the Company to geopolitical, regulatory and other factors beyond the Group's control. These include changes in tariff barriers, trade wars, taxation policies globally and policies to implement or vary sanctions by one country on another.	<ul style="list-style-type: none"> • Whilst our geographic diversification provides overall protection in itself, we continually monitor the Group's exposure to these risks through our local presence. • Careful monitoring and management of customer credit risk. • Using in-house and external local expertise to advise on matters of country risk. • Credit risk management in place in emerging markets.
Systems and technology	<p>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.</p> <p>The Company is also exposed to the risk of theft of confidential data, fraud committed through cyber means, and has an obligation to adequately protect the data it holds on employees and all stakeholders in compliance with increasingly complex global data protection regulations.</p>	<ul style="list-style-type: none"> • Modern ERP systems are in place in the largest regions of North America and EMEA, whilst also managing our supply chain. Disaster recovery plans are in place and tested regularly. • These systems are progressively being deployed through the rest of the Group. • The Group has an active cyber risk management program, including conducting tests on the vulnerability of key systems and ongoing training to employees on their responsibility for mitigating cyber fraud risk. • Manufacturing materials and processes are subject to continuous review and upgrade to enhance productivity and maintain our competitive position. • The Group has implemented new data protection procedures and obtained external advice to ensure its compliance with European GDPR and other global regulations.
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.	<ul style="list-style-type: none"> • The Group has Business Continuity Plans in place at all manufacturing sites and major warehouses. • Property Damage insurance including business interruption cover is in place, as well as a political violence insurance cover for all manufacturing sites (to cover civil unrest and possible acts of terrorism). • The Group monitors its overall exposure to individual sites and seeks to limit its dependence on any one site through dual sourcing strategies. • Regular risk engineering and safety audits are conducted at each of the Group's manufacturing sites and major warehouses. • Ongoing safety and fire preparedness reviews are conducted. Continual maintenance and upgrade of protection systems is undertaken. • Duplication of most production lines minimises business interruption risk.

Risk	Nature of Risk	Mitigation Actions
Transformation change management	<p>In FY18, the Group commenced a series of initiatives designed to improve the performance of the continuing business. With any change of this nature there is a risk of business disruption.</p> <p>The Group is exposed to supply and product quality risks when changes to manufacturing locations occur.</p>	<ul style="list-style-type: none"> • The Group has a detailed change management plan in place, especially for the major transformation in its manufacturing locations. • A dedicated project management office was established reporting to the CEO but with appropriate Board oversight. • Detailed communication plans were put in place to ensure affected staff are clear on new roles and responsibilities. • Contingency and risk management plans were developed. • Inventory built up for products affected by manufacturing location changes. • Ongoing risk assessment meetings and internal and external (customer) communications distributed.
Foreign exchange risk	<p>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.</p>	<ul style="list-style-type: none"> • The Group's foreign exchange risks and management strategies are detailed in Note 15 to the financial statements.
Product quality	<p>As a manufacturer, quality is paramount to the Group and failures in this area can have a significant negative affect on results and customer relationships.</p>	<ul style="list-style-type: none"> • 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, led by a quality steering committee that reports to the CEO. • Implementation of quality metrics to monitor and correct defective processes before the product is released to the market.
Loss of a key supplier	<p>Raw materials purchased for manufacturing purposes and finished goods purchased for resale, expose the group to the risk of the failure of a supplier to perform, leaving the Company short of a vital ingredient or product.</p>	<ul style="list-style-type: none"> • Utilise dual sourcing strategy wherever feasible. • In recent years there has also been a strategy of vertical integration which reduces dependency on third parties. • Crisis management techniques used to mitigate supplier risk exposures. • Increased quality audits and inspections of third-party facilities for compliance with Ansell's sustainability standards. • Regular review of suppliers' financial risks. • Ansell's supplier arrangements are formalised into supply contracts. Our business partners work with Ansell to provide metrics on waste management and other KPIs. Furthermore, Ansell regularly reviews the liquidity of its suppliers to ensure ongoing solvency.

Report by the Directors continued

Risk	Nature of Risk	Mitigation Actions
Changes in competitive environment	<p>Ansell is a leading global manufacturer and branded supplier of hand and body protection, with the number one market share position in most of its focus markets and product categories. However, Ansell's ability to achieve adequate profit margins and maintain that profitability in periods of increasing input cost, such as from rising raw materials and energy, depends in part on the actions of competitors and the relative value of competitor products.</p> <p>In addition, a changing distribution environment including e-commerce, as well as customer concentration, may affect Ansell's market share if not monitored and managed.</p>	<ul style="list-style-type: none"> • Ansell's focus on innovation and leadership in manufacturing technology aims to maintain Ansell's competitive advantage in product technology while also ensuring products are manufactured cost competitively. • Diversity of products, markets and geographic position limits Ansell's risk to the actions of competitors who mostly have a more narrow market or product focus. • Through its channel partnership strategy Ansell aims to increase its value to distributor partners and build or maintain a leading market share. • New Ansell.com significantly strengthens the company's ability to support customer e-commerce platforms with efficient exchange of product information and enhanced e-marketing capability. • Acquisition of Ringers Gloves brings enhanced active e-commerce capability which will provide important learning and potential to extend across Ansell's product ranges. • Commercial initiatives with e-commerce suppliers underway. • Developing a broader distributor network and strengthening existing relationships and improving margins; introduced the use of alternative route to market models, focusing on Tier 1 and Tier 2 distributors. • Working with large distributors by adopting standardised pricing and terms.
Corporate Social Responsibility (CSR)	<p>The impact of climate change can cause disruption at manufacturing sites, warehouses and suppliers and impact our ability to service customers needs.</p> <p>Poor environmental and social practices resulting from undesirable working conditions, or a failure to manage natural resource inputs or waste outputs, in our operations or supply chains, may give rise to reputational, legal and/or market risks.</p> <p>The physical impacts of climate change can compound existing environmental risks (including natural disasters and extreme weather events) to operations and supply chains and markets, and impact on our ability to obtain key inputs or to service customer needs. This may include disruption to upstream suppliers, manufacturing sites, and downstream warehousing and distribution. The economic transition risks associated with climate change may also impact on cost inputs or customer demand preferences.</p>	<ul style="list-style-type: none"> • Cross-functional Management CSR & Sustainability Council put in place for governance, led by the General Counsel with updates to the CEO and full Executive team. • Enforcement of supplier self-assessments through Sedex for transparency and baseline on Human Rights, Environment and Governance. • Continued strong focus on Ansell's Code of Conduct, Values and Leadership Competencies. • Qualitative and quantitative sustainability goals established. • Diversity initiatives and inclusion policies underway. • Increased emphasis on CSR/Sustainability at the Board level within the remit of the CSR & Risk Committee. • Currently reviewing its corporate social responsibility strategy and is considering external reporting standards with a view to reporting against such standards in the future. A key part of that review relates to our approach to climate change, building upon the progress already made in FY19 (as detailed on page 23).



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 of Ansell Limited for the financial year ended 30 June 2019 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

Suzanne Bell

Partner

Melbourne

12 August 2019

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

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:

Advisory services	\$101,123
Other audit and assurance services	\$8,134

The Directors are satisfied that the provision of such non-audit services is compatible with the general standards of independence for auditors, and does not compromise the auditor independence requirements of the *Corporations Act 2001* in view of both the amount and the nature of the services provided. 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 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 12th day of August 2019.

Remuneration Report

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Remuneration Report (audited) continued

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 2019.

Remuneration Summary

With results at the top end of guidance, management are to be commended and the remuneration outcomes reflect this.

Except for the Performance Share Rights described below, no changes have been made to the remuneration framework for FY19. After a review, we have decided not to make any significant changes to the FY20 remuneration framework.

Performance Share Rights allocated as part of future Long Term Incentive (LTI) (i.e. for FY20 LTI Plan onwards) no longer have a share price discount when calculating the Performance Share Rights granted. The previous practice of discounting the share price for the anticipated future dividend streams has been discontinued. Except for this change, the remuneration policy was operated in line with the previous year.

Company Performance

Ansell achieved strong EBIT and Profit Attributable results and solid operating cash flows. Sales were below target levels and the inventory turnover metric was not achieved.

For a year of great internal change and external challenge, the Board considered these results to be a good outcome. Against a backdrop of slower global economic conditions and higher raw material pricing in the first half, management constrained SG&A spending, captured Transformation Program benefits and implemented price increases to achieve a strong earnings result for the year.

Remuneration Outcomes

The Short Term Incentive (STI) award for FY19 varied between 38% to 51% of maximum reflecting this generally good result. 70% of the award is driven by sales growth and EBIT targets, with working capital, Profit Attributable and personal objectives driving the remainder. The FY19

STI outcomes benefited from strong EBIT, operating cash flow and Profit Attributable outcomes, while below target sales and inventory turn outcomes drove overall achievement down. Inventory levels were elevated, partly as a safety measure in the lead-up to the restructuring of the global manufacturing footprint as part of the Transformation Program, and a combination of this and slowing global growth resulted in the inventory turn metric being missed. Despite this, operating cash flows remained strong, while interest savings and tax planning initiatives helped deliver a strong Profit Attributable outcome.

The LTI performance against the FY17–19 plan reflected the strong sustained performance over that period. EPS was well above target, organic growth below target and ROCE, impacted by inventory, was also below target (but above the ROCE gateway). All targets were normalised to reflect the FY18 divestiture of the Sexual Wellness business as per the FY17 and FY18 Remuneration Reports. Overall, the outcome of 48% of maximum was consistent with the STI overall achievement described above.

The Changing Face of Ansell

The Transformation Program that commenced during FY18 was largely completed during FY19, with benefits being realised during the year. The multi-year program aimed to reduce the overhead structure of the post-Sexual Wellness business, capture benefits from an improved manufacturing footprint and progress the CEO succession. In order not to penalise management for effecting these changes which incur costs before the benefits flow through, costs of the Transformation Program were excluded from the FY19 STI and LTI earnings outcomes. Furthermore, as with past practice, relevant Transformation Program costs are being adjusted back as a cost for LTI testing purposes over the ensuing three years.

Your Board continued to make progress on the CEO succession process that was announced during FY18. Thus, several changes were made at the Executive Key Management Personnel (KMP) and other senior levels during the second half of the year. The costs of these changes have been included in the Transformation Program. It is not proposed to charge these back as an adjustment to management incentives as this program is an initiative of the Board of Directors.

Exercise of Board Discretion in Arriving at Incentive Outcomes

As indicated above, the Board allowed the Transformation Program costs to be adjusted when calculating the STI and LTI award performance. The Board also exercised discretion in the treatment of FY19 acquisitions, including with respect to both transaction costs and their impact on ROCE. In future years the Board has adopted an approach where it will phase-in the impact of acquisitions on ROCE over a three-year period on a pro-rata basis.

Furthermore, we previously advised that the FY17 and FY18 plans were normalised to factor in the Sexual Wellness divestiture and this year's testing continued that principle.

Results after these exclusions were then compared against the adjusted performance targets for ongoing incentive plans.

The effects of these adjustments are shown in Section 4 of the Remuneration Report.

Ansell is Global

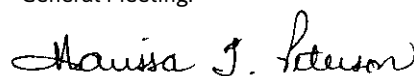
Finally, Ansell continues to be a proudly Australian organisation that is highly global in its structure and operations. Its executive remuneration framework takes this into account as we continue to attract, motivate and retain our talented global workforce.

With Ansell's Executive KMP all based outside of Australia, our remuneration practices need to remain globally competitive, regionally appropriate and flexible. This is particularly relevant in the current period of great change that we have experienced.

In keeping with this global approach, the Board has continued to apply its constant currency methodology when determining incentive outcomes.

We hope that you find this year's Remuneration Report informative and we encourage you to open a dialogue with us where you require further clarification on information in the Report.

On behalf of the Directors, we look forward to welcoming you to the 2019 Annual General Meeting.



Marissa Peterson
Chair of the Human Resources Committee
Ansell Limited

Section 1 – At a Glance

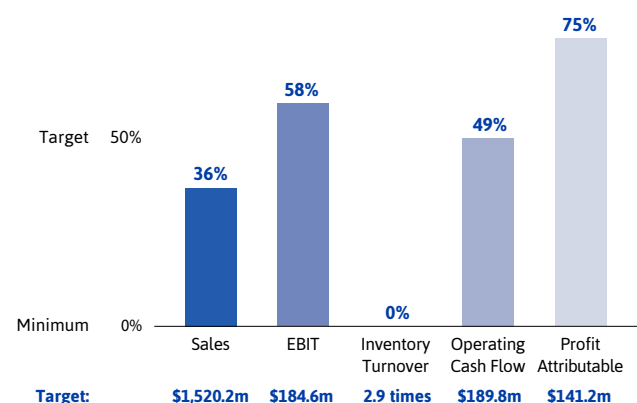
FY19 Performance

This section is intended to provide a high level visual summary of the remuneration outcomes for FY19 for Realised Pay⁴. Further detail is provided on each of these in the ensuing sections of the Remuneration Report.

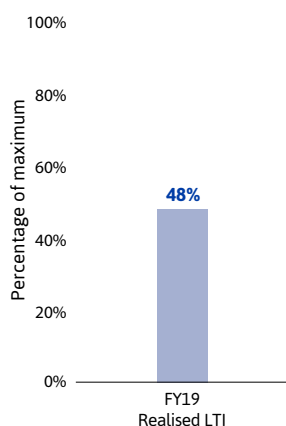
Highlights																	
<ul style="list-style-type: none"> Transformation Program progressing well with savings in line with the target or better. Organic growth in sales revenue was below target levels, with several key markets affected by global trading conditions. EBIT¹ of \$187.5m exceeded target levels due to price increases, transformation benefits and tight cost control offsetting the impacts of slower sales and higher H1 raw material pricing. ROCE⁵ of 13.5% exceeded the 13.2% gateway and was impacted by higher inventory holdings. Inventory turns, which some Executive Key Management Personnel (KMP) are incentivised by, were below the minimum threshold targets and no incentives were paid for this metric. Operating cash flow³ was again strong despite low inventory turnover. 	<table border="1"> <tbody> <tr> <td>Sales</td> <td>\$1,499.0</td> </tr> <tr> <td>EBIT¹</td> <td>\$187.5</td> </tr> <tr> <td>Profit Attributable⁶</td> <td>\$148.3</td> </tr> <tr> <td>EPS²</td> <td>105.3c</td> </tr> <tr> <td>Inventory turnover per annum (times)</td> <td>2.6</td> </tr> <tr> <td>Dividends per share</td> <td>46.75c</td> </tr> <tr> <td>ROCE⁵</td> <td>13.5%</td> </tr> <tr> <td>Operating cash flow pre tax³</td> <td>\$189.6</td> </tr> </tbody> </table>	Sales	\$1,499.0	EBIT ¹	\$187.5	Profit Attributable ⁶	\$148.3	EPS ²	105.3c	Inventory turnover per annum (times)	2.6	Dividends per share	46.75c	ROCE ⁵	13.5%	Operating cash flow pre tax ³	\$189.6
Sales	\$1,499.0																
EBIT ¹	\$187.5																
Profit Attributable ⁶	\$148.3																
EPS ²	105.3c																
Inventory turnover per annum (times)	2.6																
Dividends per share	46.75c																
ROCE ⁵	13.5%																
Operating cash flow pre tax ³	\$189.6																

STI Performance (Realised)

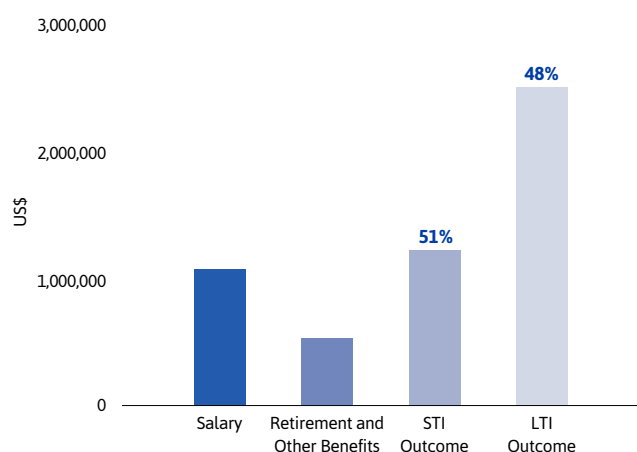
Maximum 100%



LTI Performance (Realised)



CEO Realised Pay

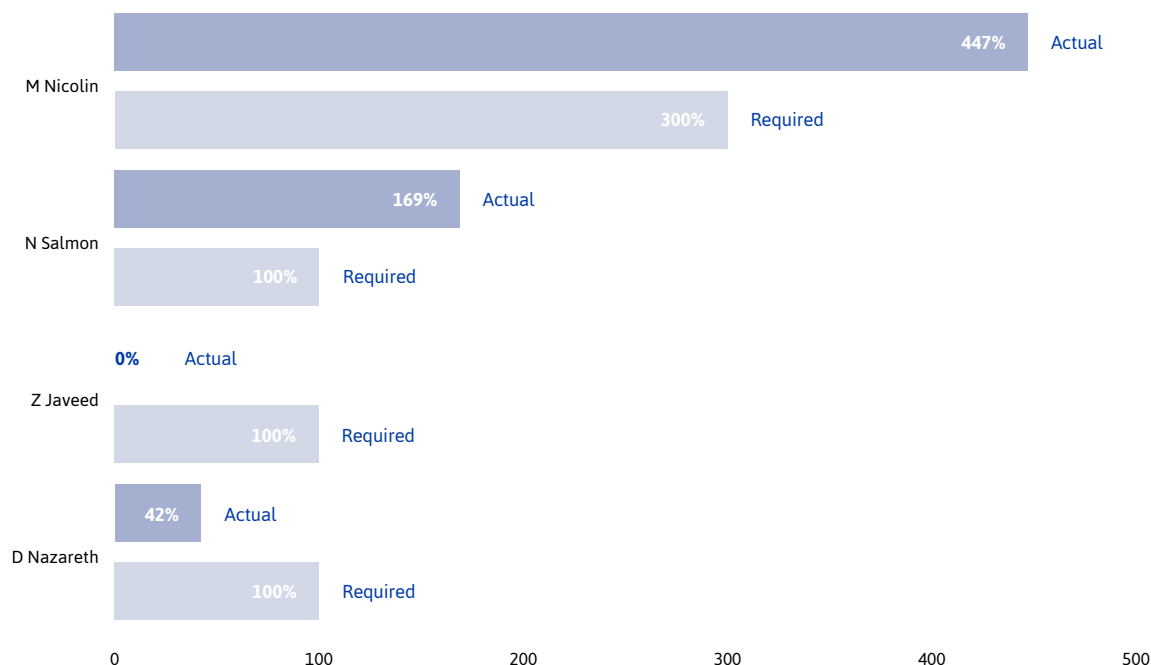


- EBIT for remuneration outcomes is reported EBIT excluding the impact of foreign exchange gains and losses incurred during the year and also Transformation Program costs.
- EPS for remuneration outcomes purposes is Earning Per Share excluding Transformation Program costs and other adjustments as described in Section 4.
- Operating cash flow pre tax is defined as net receipts from operations, less payments for property, plant and equipment and intangible assets, and interest and financing costs paid net of interest received as reported in the Group's Consolidated Statement of Cash Flow, adjusted by excluding cash Transformation Program costs and discontinued operations.
- Realised pay is a non-IFRS measure and is defined in Section 9 – Glossary.
- ROCE is defined in Section 9 – Glossary.
- Profit Attributable for remuneration outcomes is reported Profit Attributable excluding the impact of foreign exchange and also Transformation Program costs incurred during the year.

Remuneration Report (audited) continued

Shareholding requirements are higher than market norm and align executive and shareholder interests.

CEO and Other Executives Shareholding Requirements (expressed as a percentage of base pay)



The above graphs only include those Other Executives who will remain KMPs in FY20. As a recently appointed executive, Mr Javeed is expected to comply with Ansell's Mandatory Shareholding Policy over time.

Section 2 – Introduction and KMP Composition

Introduction

The Directors of Ansell Limited (Ansell) and its subsidiaries (the 'Group') present the Remuneration Report. This Report has been prepared in accordance with Section 300A of the *Corporations Act 2001* for the financial year ending 30 June 2019. 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 Non-executive Directors and Executive KMP of Ansell, being 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.

KMPs Comprising the Board of Directors and Executives

The composition of the Ansell KMP changed during FY19. The Board farewelled Non-Executive Director Mr Ronald Bell, who retired at the October 2018 Annual General Meeting. Subsequently, Ms Christine Yingli Yan joined the Board on 1 April 2019 as an Independent Non-Executive Director. Furthermore, several Executive KMP changes occurred pursuant to the CEO succession process and are summarised below:

- Neil Salmon, Chief Financial Officer, was appointed President of the Industrial GBU effective 30 April. Mr Salmon joined Ansell in 2013 and has effectively led the Finance, Planning and IT teams along with project management functions.
- Darryl Nazareth, Senior Vice President of Global Operations and head of R&D for the Industrial GBU, was appointed President of the Healthcare GBU and became a KMP from 1 April 2019. Mr Nazareth joined Ansell in 2011 as head of Industrial R&D and was then responsible for Global Operations in 2015.
- Zubair Javeed joined Ansell as the new Chief Financial Officer effective 29 April, and will be based in Brussels. Mr Javeed, a UK citizen, has had a successful career with the NHS, Arthur Andersen, CR Bard and Creganna Medical and was most recently CFO for Ideal Standard International.

The former leaders of the Industrial and Healthcare GBUs, Steve Genzer and Joe Kubicek, have left Ansell to explore opportunities elsewhere after a transition period to transfer their responsibilities to Neil Salmon and Darryl Nazareth respectively. The remuneration of Ansell's KMP for FY19 is detailed on the following pages.

The following table details Ansell's KMP during FY19:

Non-Executive Directors	Location of Board Member	Role
Glenn L L Barnes	Australia	Chairman, Independent Non-Executive Director
John A Bevan	Australia	Deputy Chairman, Independent Non-Executive Director
Ronald J S Bell ¹	United Kingdom	Independent Non-Executive Director
W Peter Day	Australia	Independent Non-Executive Director
Leslie A Desjardins	United States	Independent Non-Executive Director
Marissa T Peterson	United States	Independent Non-Executive Director
William G Reilly	United States	Non-Independent Non-Executive Director
Christina M Stercken	Germany	Independent Non-Executive Director
Christine Y Yan ²	United States	Independent Non-Executive Director
Executive Director	Location of Executive	Role
Magnus R Nicolin	Belgium	Managing Director (MD) and Chief Executive Officer (CEO)
Other Executives	Location of Other Executives	Role
Neil Salmon ³	Belgium	President of the Industrial GBU (IGBU)
Steve Genzer ⁴	United States	President of the Industrial GBU (IGBU)
Joe Kubicek ⁴	United States	President of the Healthcare GBU (HGBU)
Zubair Javeed ⁵	Belgium	Chief Financial Officer (CFO) (Finance, IT, Planning & Projects)
Darryl Nazareth ⁶	United States	President of the Healthcare GBU (HGBU)

1. Retired on 18 October 2018.
2. Appointed as Non-executive Director on 1 April 2019.
3. Mr Salmon was previously the Chief Financial Officer until his appointment to his new role on 30 April 2019.
4. Ceased to be a KMP on 30 April 2019.
5. Became a KMP on 29 April 2019.
6. Mr Nazareth became a KMP on 1 April 2019. Mr Nazareth was previously the Senior Vice President of Global Operations until his appointment to his new role as President of the Healthcare GBU.

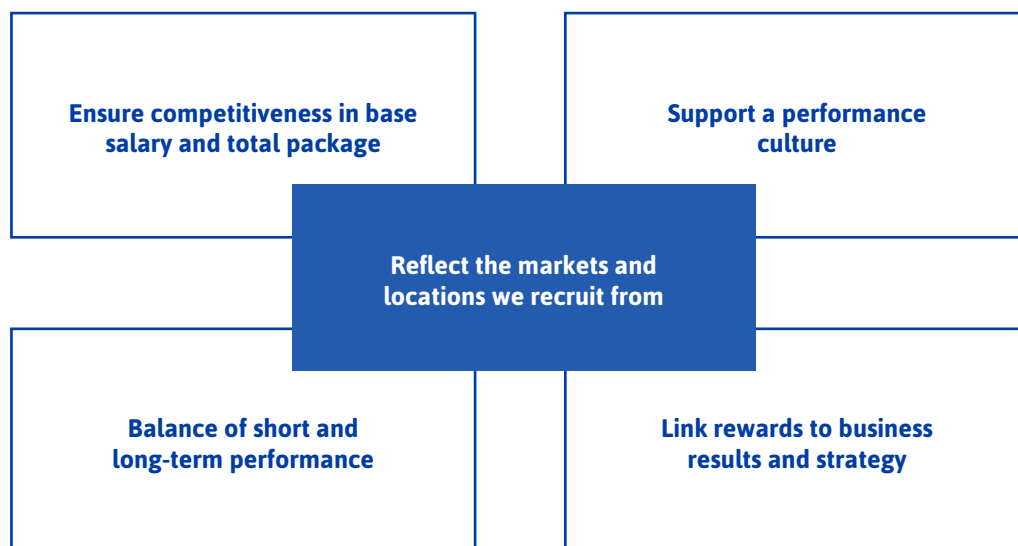
Remuneration Report (audited) continued

Section 3 – Remuneration Policy

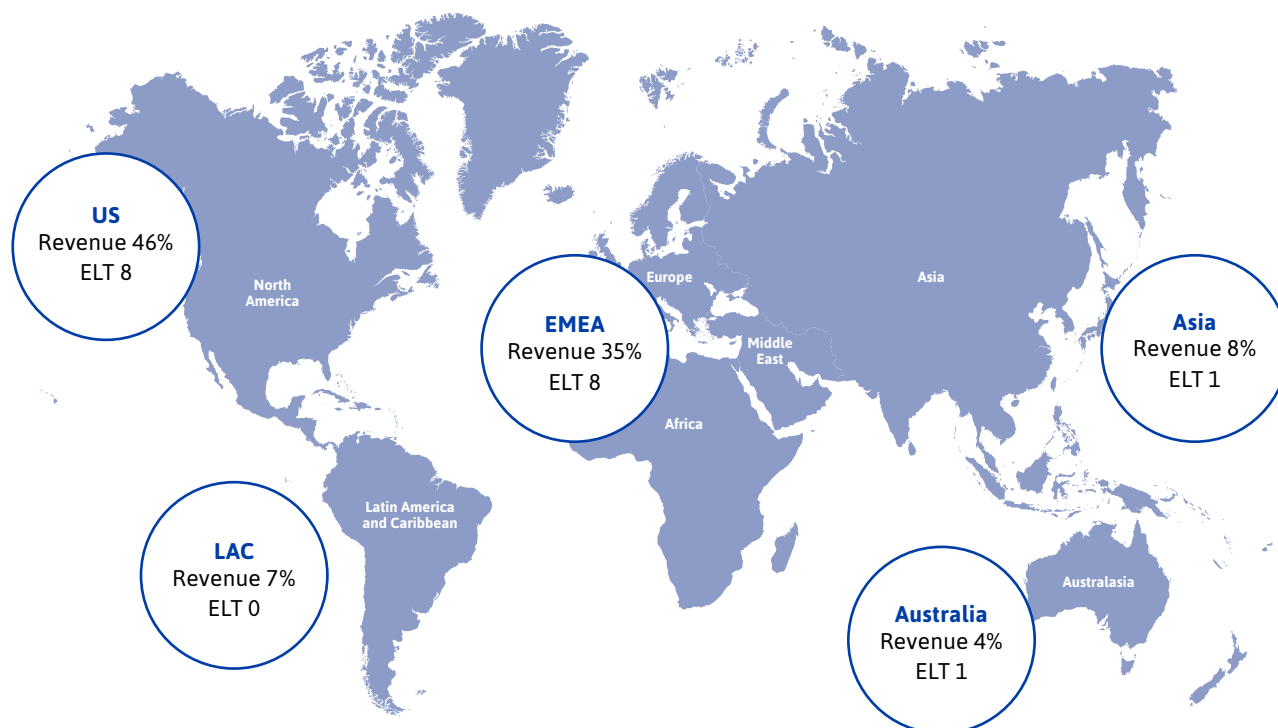
Philosophy and Strategy

The Board's remuneration philosophy links the achievement of our strategic objectives and corporate plans with appropriate and measured rewards for the Company's Executives.

Our governing principles are summarised below:



Even though Ansell is listed on the Australian Stock Exchange, it has offices in approximately 55 worldwide locations, with the core Executive Leadership Team (ELT) based in Belgium, the US and Malaysia.



Remuneration Framework Components

Our Executive remuneration framework, which was used for FY19, consists of the following components:

Component	Operation and Performance Measure	Strategic Objective/ Performance Link
<p>Fixed Annual Remuneration (FAR) Base salary plus retirement and other benefits.</p> <p>Pay mix³ FAR: 30% – 39%^{1,2}</p> <p>+</p>	<p>Takes into account:</p> <ul style="list-style-type: none"> responsibilities, qualifications, experience; and performance, location and market rate for a comparable role. <p>></p>	<ul style="list-style-type: none"> Attract, engage and retain talented Executives. Consider, but not constrained by, relevant benchmarks. Increases are linked to individual performance, the organisation he/she leads and indirectly the overall business. <p>></p>
<p>STI Cash plus deferral into equity for part of the award above the target.</p> <p>Pay mix³ STI: 17% – 23%^{1,2}</p> <p>+</p>	<ul style="list-style-type: none"> Combination of financial and non-financial performance metrics. Performance weighted more towards financial KPIs (i.e. not less than 80% of the award). <p>></p>	<ul style="list-style-type: none"> Aligned with the Group's short-term objectives. Clear line of sight for participants. Deferral of part of the award encourages longer-term sustainable performance. <p>></p>
<p>LTI Rights to receive fully paid ordinary shares subject to performance.</p> <p>Pay mix³ LTI: 43% – 47%^{1,2}</p> <p>=</p>	<ul style="list-style-type: none"> Three-year performance and vesting period. Combination of key financial and shareholder value measures. <p>></p>	<ul style="list-style-type: none"> Reflects key long-term priorities of the business at the time. Relevant indicator of shareholder value creation. Suitable line of sight for participants to encourage and motivate executive performance. <p>></p>
<p>Total Remuneration</p>	<ul style="list-style-type: none"> Attract, retain and motivate highly capable Executives. Reinforce short and long-term objectives. Alignment with shareholders. Deliver sustainable growth. 	

1. Excludes Darryl Nazareth and Zubair Javeed, who became KMP during FY19. If they are included, the pay mix changes to FAR: 30% to 100%, STI: 0% to 23%, and LTI: 0% to 47%.

2. Excludes payments from cessation of employment from the total remuneration in determining the pay mix.

3. Pay mix is calculated based on the remuneration information as per Section 4 – Realised Pay Summary.

Remuneration Report (audited) continued

Section 4 – How the Policy Operated for FY19 – What Did the Executives Take Home in FY19?

This section uses non-IFRS financial information to detail realised pay earned by the CEO and Other Executives during FY19, together with prior year comparatives. This is a voluntary disclosure and is supplemental information to the statutory remuneration disclosure contained in Section 5 of this Remuneration Report. Realised pay includes base salary, retirement and other benefits paid/payable in relation to FY19. It also includes the full value of incentive payments earned in relation to the FY19 performance period. This differs from the statutory amount as it excludes accruals and estimations and is thus a closer measure of 'take home pay' received in respect of the current year.

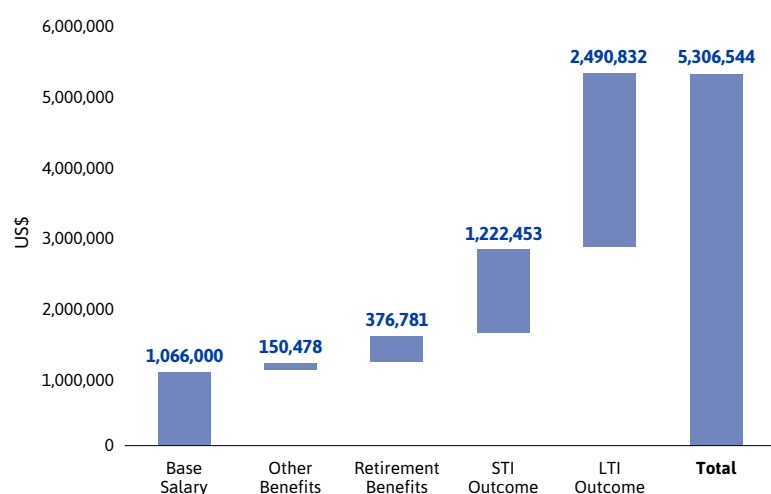
Ansell's reporting currency is US\$ and the CEO and several members of the KMP are paid in US\$. For some Other Executives, the reported numbers in the statutory and realised pay tables are subject to translation differences from year to year.

Realised Pay Summary

US\$ Name	Year	Base Salary ¹	Retirement Benefits ²	Termination Benefits	Other ³	STI ⁴		LTI ⁶		2019 Total Earnings
						Cash	Restricted Shares	Cash ⁵	Equity ⁷	
Executive Director										
Magnus R Nicolin	2019	1,066,000	376,781	–	150,478	1,199,250	23,203	–	2,490,832	5,306,544
	2018	1,066,000	508,088	–	155,065	910,830	–	–	1,791,104	4,431,087
Other Executives										
Neil Salmon ⁸	2019	581,401	62,607	–	30,019	438,199	12,860	–	997,796	2,122,882
	2018	585,450	54,460	–	29,609	346,114	–	195,888	312,710	1,524,231
Steve Genzer ⁹	2019	427,174	44,992	498,349	–	210,971	–	–	538,304	1,719,790
	2018	424,064	48,383	–	–	157,296	–	172,398	183,473	985,614
Joe Kubicek ¹⁰	2019	430,100	37,824	493,223	–	212,416	–	–	507,508	1,681,071
	2018	426,842	42,501	–	–	152,782	–	144,160	153,427	919,712
Zubair Javeed ¹¹	2019	102,621	9,031	–	234,194	–	–	–	–	345,846
	2018	–	–	–	–	–	–	–	–	–
Darryl Nazareth ¹²	2019	103,686	9,285	–	14,158	42,853	–	–	36,343	206,325
	2018	–	–	–	–	–	–	–	–	–

1. Base salary includes the salary earned by the individual in FY19. The increases in base salary for Executives are based on performance and external benchmarking of similar positions in the jurisdictions in which the Executives are based. Thus, the CEO did not receive any pay increase in FY19, while the Other Executives' pay increases ranged from 0% to 2%. Mr Salmon is remunerated in Euros and the US\$ reduction above reflects translation impacts.
2. Retirement benefits include all the retirement benefits earned by the individual in FY19. Mr Nicolin's retirement benefits are based on his base salary plus prior year STI achievement and will vary from year to year.
3. Other includes the cost to the Company of cash benefits such as motor vehicle, expatriation and relocation expenses, insurance, expat tax equalisation payments and other amounts. Mr Javeed's other benefits include a cash sign-on bonus.
4. 2019 STI represents amounts payable under the 2019 STI Plan.
5. FY18 cash awards under the LTI are a legacy arrangement for Executives other than the CEO and have not been available since the F17 LTI grant.
6. LTI relates to the FY17 grant, which was approved by the HR Committee on 7 August 2019. The FY17 award was determined to be 48% of the maximum award.
7. The equity figure represents the US\$ value of the number of PSRs that have vested multiplied by the closing share price of Ansell Limited on the ASX on 7 August 2019 (A\$25.88). This was the date on which the HRC approved the vesting of the shares. The translation to US\$ used a foreign exchange (FX) rate of A\$1:US\$0.6755.
8. Neil Salmon was appointed as President of the Industrial GBU on 28 April 2019.
9. Steve Genzer ceased to be a KMP on 30 April 2019. The remuneration information disclosed in this report is for 12 months ended 30 June 2019. Termination payments include entitlements payable pursuant to Mr Genzer's employment agreement in addition to unused leave entitlements at 30 June 2019.
10. Joe Kubicek ceased to be a KMP on 30 April 2019. The remuneration information disclosed in this report is for 12 months ended 30 June 2019. Termination payments include entitlements payable pursuant to Mr Kubicek's employment agreement in addition to unused leave entitlements at 30 June 2019.
11. Zubair Javeed was appointed as CFO and became a KMP on 29 April 2019.
12. Darryl Nazareth was appointed as President of the Healthcare GBU and became a KMP from 1 April 2019. Mr Nazareth's remuneration information disclosed in this report only relates to the period after 1 April 2019.
For further transparency, Mr Nazareth's base salary, STI and LTI remuneration information (on a Realised Pay basis) for the full 12 months ended 30 June 2018 and 2019 are disclosed below.
Base Salary: \$403,634 for FY19 (FY18: \$364,250), STI Cash: \$164,136 for FY19 (FY18: \$106,741), LTI Cash: nil for FY19 (FY18: \$89,040) and LTI Equity: \$436,114 for FY19 (FY18: \$67,422).

Breakdown of CEO Realised Pay



	Metrics	Weight %	Achievements %	Payouts \$
STI Outcome	Sales	35%	36%	304,357
	EBIT	35%	58%	486,918
	Operating Cash Flow	10%	49%	118,663
	Profit Attributable	10%	75%	180,598
	Personal Objectives	10%	55%	131,917
	Overall	100%	51%	1,222,453
LTI Outcome	Organic sales growth	1/3rd	36%	622,708
	EPS	1/3rd	84%	1,452,985
	ROCE	1/3rd	23%	415,139
		Overall	100%	2,490,832

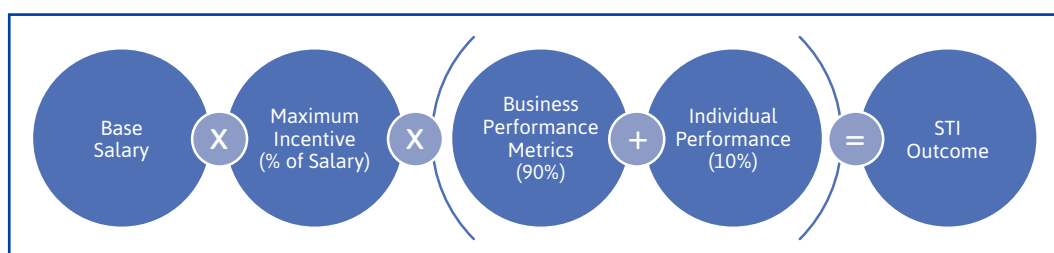
Remuneration Framework Details

Element of pay	How the policy operated for FY19															
	No material changes were made to the policy in FY19.															
Base salary	<p>Normally base salaries are reviewed annually.</p> <p>For FY19 the HRC considered several reference points including internal relativities, changes in scope of responsibilities, local market inflation and the wider macro-economic environment.</p> <p>External market data was sourced during the year, but was used with caution.</p> <p>The base salaries for the Executive KMPs, as a result of the increases, effective 1 October 2018 were:</p> <table border="1"> <thead> <tr> <th>Executive</th> <th>Base Salary</th> <th>Increase</th> </tr> </thead> <tbody> <tr> <td>Magnus R Nicolin</td> <td>\$1,066,000</td> <td>–</td> </tr> <tr> <td>Neil Salmon</td> <td>€512,193</td> <td>2%</td> </tr> <tr> <td>Steve Genzer</td> <td>\$427,174</td> <td>–</td> </tr> <tr> <td>Joe Kubicek</td> <td>\$430,100</td> <td>–</td> </tr> </tbody> </table> <p>Magnus Nicolin and Neil Salmon are based in Belgium, Steve Genzer and Joe Kubicek are based in the US. The modest increases reflected the view that with the exception of Mr Salmon, the base salaries were already at the appropriate market rates. Mr Javeed and Mr Nazareth were not KMP during the pay review process.</p> <p>As indicated in FY18 – no process changes were enacted during FY19.</p>	Executive	Base Salary	Increase	Magnus R Nicolin	\$1,066,000	–	Neil Salmon	€512,193	2%	Steve Genzer	\$427,174	–	Joe Kubicek	\$430,100	–
Executive	Base Salary	Increase														
Magnus R Nicolin	\$1,066,000	–														
Neil Salmon	€512,193	2%														
Steve Genzer	\$427,174	–														
Joe Kubicek	\$430,100	–														
Retirement benefits	<p>Includes contributions to US benefit or non-qualified pension plans and Belgian pension fund (as applicable).</p> <p>Magnus Nicolin's retirement benefit is based on his base salary plus prior year STI achievement, which varies year to year.</p> <p>As indicated in FY18 – no plan changes were enacted during FY19.</p>															

Remuneration Report (audited) continued

Other benefits May vary between Executives, depending on their local market and their particular circumstances. May include benefits such as motor vehicle, Executive expatriation/repatriation and relocation allowances, Executive insurance, expat tax equalisation payments and other amounts. Reflect the Company's overall policy on international mobility. As indicated in FY18 – no plan changes were enacted during FY19.

STI – awards granted during the year Executives may participate. Annual award payable part in cash and part in restricted shares. The deferral of equity only relates to those awards earned for above mid-point performance. The restriction will see the shares held for a minimum period of two years from when the shares are granted.



Opportunity	Executive	Minimum STI (% of base salary) ²	Maximum STI (% of base salary)
	CEO	0%	225%
	CFO ¹	0%	150%
	Other Executives	0%	130%

1. Applicable to Neil Salmon in his previous role as CFO.
2. STI bonus opportunity for Ansell executives begins at 0% achievement, which is more challenging in comparison to most peer companies where achieving the minimum performance condition earns a threshold incentive outcome.

Methodology Ansell sales and EBIT target setting process methodically factors the following aspects:

- Prior year fiscal performance as a baseline subject to limited adjustments (e.g. normalisation of material items and projected FX rates).
- Targets are established for sales and EBIT growth.
 - Sales targets at 1.5X GDP growth in markets weighted for Ansell Industrial and Healthcare.
 - EBIT growth assumes costs increase below the rate of sales growth to leverage a higher EBIT growth target.
- Incremental growth returns on committed significant investments are also added to targeted sales and EBIT growth. For example, the Targets were increased to require the delivery of expected benefits from the transformation program.
- The Board then applies discretion in reviewing the outcome of the above methodology against their performance expectations of the business and may chose to increase the performance conditions accordingly.

Performance measures Requires the achievement of pre-set performance targets directly linked to Ansell's business strategy:

Executive	Performance Measures						
	Sales	EBIT	Inventory Turns	Operating Cash Flow After Capex Pre-tax	Profit Attributable	Individual Objectives	Total
CEO	35%	35%	–	10%	10%	10%	100%
CFO ¹	35%	35%	–	10%	10%	10%	100%
Other Executives	35%	35%	20%	–	–	10%	100%

1. Applicable to Neil Salmon in his previous role as CFO.

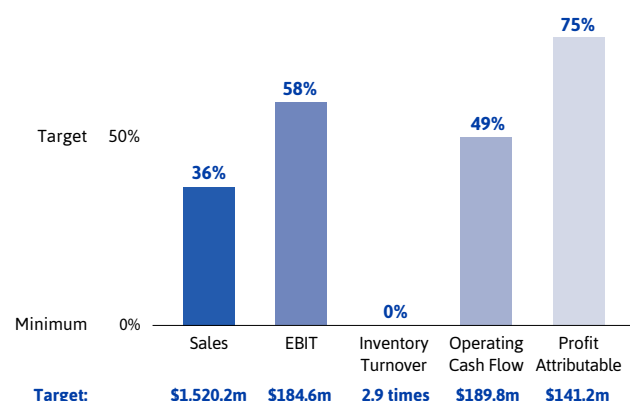
STI outcomes FY19

STI achievement against the five metrics (excluding individual objectives) used in different KMP STI plans can be summarised as follows:

- Organic constant currency sales growth was below target levels due to a slowdown in the economic activity of key verticals in several geographies.
- EBIT exceeded target due to a combination of Transformation Program benefits, SG&A savings and price increase impacts, which offset the effects of below-target sales and raw material cost increases. Consistent with past practice, Transformation Program costs are excluded from the target and actual calculations.
- Significant adverse FX impacts were encountered during FY19. As with past practice, these were adjusted for as part of the Group's constant currency target-setting process.
- Inventory turns did not meet expectations and no payouts were achieved. While this was partly due to safety stock levels needed for our Transformation Program, the Board and management both agreed that this performance ought to be higher.
- A further year of strong operating cash flow delivery with more upside potential as stock turns return to more acceptable levels.
- Profit attributable achieved above target outcomes on EBIT growth and the efficiencies gained in the management of net interest expense as well as continued diligence in the management of our taxation affairs.

STI Performance (Realised)

Maximum 100%



Executive Performance Against Individual Objectives

Magnus Nicolin	Magnus continued to deliver the business strategy and priorities through a period of major change. He contributed to increased focus on ROCE and strong cash flow position across the business. Key highlights include the successful implementation of the surgical glove business strategy and effective senior succession planning execution.
Zubair Javeed	Pursuant to the STI Plan rules, Zubair's participation commences from FY20 due to his start date, which was after 1 April 2019.
Neil Salmon	As CFO, Neil led the execution of the F19 operating plan, supported the comprehensive and successful Transformation Program and recently moved into a new role as President of the Industrial GBU where his start has been exemplary.
Darryl Nazareth	Darryl led the Manufacturing operations function and the Industrial R&D functions with success. Darryl, in particular, deserves credit for the successful execution of the Transformation Program and continued success from Industrial new product sales.
Steve Genzer	Steve led the Industrial GBU and played a critical role in executing on the broad Transformation Program, which delivered ahead of plan and increased margins by more than 190 basis points.
Joe Kubicek	Joe drove the Healthcare GBU as President and delivered a strong result with topline growth of 4%, solid management of the price increases and operational efficiency programs to sustain EBIT margins.

Remuneration Report (audited) continued

Outcomes continued

For the FY19 STI, the Board approved the following payments to the Executives:

US\$ Name	Financial	Individual	Total STI Payable	STI ¹		% Award Achieved ²	% Forfeited ²
				Cash	Restricted Shares		
Executive Director							
Magnus R Nicolin	1,090,536	131,917	1,222,453	1,199,250	23,203	51%	49%
Other Executives							
Neil Salmon	398,475	52,584	451,059	438,199	12,860	51%	49%
Steve Genzer ⁴	183,205	27,766	210,971	210,971	–	38%	62%
Joe Kubicek ⁴	184,459	27,957	212,416	212,416	–	38%	62%
Darryl Nazareth ³	16,475	26,378	42,853	42,853	–	39%	61%

1. Any realised STI above the mid-point will be deferred in the form of restricted shares. For FY19, restricted shares were granted for eligible KMP on 7 August 2019 and are subject to a two year sale restriction. As indicated in FY18, no changes were made to the FY19 STI Plan.
2. All outcomes are expressed as a percentage of maximum.
3. Darryl Nazareth STI award relates to the pro rated portion of the STI award for the three months after becoming a KMP. The value of Mr Nazareth's full year STI award is \$164,136.
4. Steve Genzer and Joe Kubicek STI awards relate to 12 months ended 30 June 2019.

LTI awards vesting in FY19

Exercise of Board discretion in arriving at incentive outcomes

The FY19 results included 28.9 cents (EPS) of the multi-year Transformation Program costs that were announced in July 2017. Of these, 5.8 cents related to cost reduction initiatives required following the divestiture of the Sexual Wellness business (including the elimination of associated overhead costs) as well as CEO succession costs. As these arose from Board actions outside of management responsibility, these costs were excluded from management incentive outcomes. As with past practice, the remainder (23.1 cents) will be adjusted back as a cost for future LTI award testing over the ensuing three years on a straight-line basis. This is done to more closely align the costs and benefits of the relevant programs for incentive purposes. The Board expects to exceed its announcement that \$30m of annualised pre-tax savings would be realised by FY20 under the Transformation Program.

FY17–19 Plan performance

The FY17–19 and FY18–20 LTI Plans were on foot at the time of the Sexual Wellness divestiture that completed during FY18. The performance conditions of these plans were normalised for the Sexual Wellness divestiture by removing one-off impacts and normalising the future growth targets. This was explained in detail in the FY17 Remuneration Report.

The performance conditions comprise three components with each component worth one-third of the total LTI award for the FY17–19 LTI Plan. These, along with a summary of their outcomes against maximum targets are show below:

- EPS growth (subject to a ROCE gateway) Achieved 84% of Maximum
- Organic revenue growth Achieved 36% of Maximum
- ROCE target Achieved 23% of Maximum

The FY17–19 achievement was therefore **48%** of Maximum on a combined basis. The breakdowns are explained further in the sections below.

LTI awards vesting in FY19
continued**EPS growth – FY17–19 Plan**

The EPS growth of the continuing business was measured against the 'to-go' EPS growth targets, which were adjusted to require equivalent performance to the original LTI targets for the period post divestment of Sexual Wellness. The result below shows that the result achieved was towards the top end of the range – 84% of the maximum.

	Minimum	Target	Maximum	Actual Result	Vesting % of Maximum
Original EPS growth CAGR	4%	7%	10%	n/a	n/a
Adjusted 'to-go' targets (cents)*	6.7	17.6	28.4	24.8	84%

* Adjustment takes account of achieved growth to end FY18 for total portfolio and projected growth in FY19 for Sexual Wellness to derive required 'to-go' growth for continuing operations in FY19.

FY19 – EPS for the purposes of LTI award

In keeping with past practice, the one-time Transformation Program costs incurred during FY19 have been excluded from the calculation of the LTI award, while an amortised portion of past expenditure has been added back in.

The Board assessed the FY19 adjusted EPS relevant for incentive purposes as 105.3 US cents, with a reconciliation to statutory EPS shown below along with the estimated amortisation adjustment impacts in future periods:

US cents	FY19	Future Period Adjustments – For Illustration Only		
		FY20	FY21	FY22
Statutory EPS	82.6			
One-off costs ¹ arising from Board actions outside of management responsibility	5.8			
Transformation Program costs FY19 with future benefits	23.1	(7.7)	(7.7)	(7.7)
Statutory EPS excluding Transformation	111.5			
FX (gains), share buy-back benefit adjustment ² and Ringers acquisition costs	(5.0)			
Amortisation of previously adjusted FY18 Transformation Program expenses	(1.2)	(1.2)	(1.1)	
Adjusted EPS for LTI award	105.3			

1. One-off costs include CEO succession (2.6 US cents EPS impact).
2. The Board excluded a portion of the favourable EPS impact of the FY19 share buyback. This was on the basis that a portion of the cash used to undertake the buyback was derived from the SW divestiture.

Remuneration Report (audited) continued

LTI performance measures

FY19 – Calculating EPS growth

Having determined the appropriate adjusted EPS for incentive purposes (105.3 cents), constant currency adjustments were then applied to FY18 to determine the year over year EPS growth. This was then added to the EPS growth already achieved to FY18 to determine the final EPS achievement against the plan's revised targets.

FY17 EPS including adjustments for LTI awards	86.2
FY18 EPS including adjustments for LTI awards	113.7
FY18 LTI growth achieved – per FY18 Remuneration Report	(a) 27.5

FY19 EPS performance

FY18 adjusted for constant currency	108.0
FY19 EPS including adjustments for LTI awards (as per the previous page)	105.3
FY19 LTI growth	(b) (2.7)
Net EPS growth for LTI purposes against revised 'to-go' targets	(a) + (b) 24.8

FY19 – Organic revenue growth and ROCE

The organic revenue growth and ROCE calculations are summarised below.

	Minimum	Target	Maximum	Actual	Vesting % of Maximum
Organic revenue growth	6.1%	11.0%	15.8%	9.6%	36%
ROCE	13.2%	14.0%	14.7%	13.5%	23%

The organic revenue growth result was below the target growth rate and was impacted by slower growth rates in this fiscal year, driven by challenging economic conditions in several key geographies.

The ROCE target was introduced to ensure that management were incentivised to optimise the returns on capital employed and was set as both a gateway for the EPS target and a performance condition in its own right. The ROCE outcome of 13.5% was below target and was adversely impacted by higher inventory holdings. This was partly due to safety stock that management held as the manufacturing footprint was reduced in Korea and Mexico as part of the Transformation Program. No adjustment was made for the higher inventory, but the Board did decide to adjust out the funding impact of the \$76.3m acquisitions so as not to inadvertently penalise management for acquisition initiatives. Acquisition funding will be gradually phased in over three years so as not to penalise management for targeting growth opportunities in this way.

LTI outcomes for KMP

The outcome for each Executive is shown in the table below:

	Date Award Granted	Maximum Value of PSRs Granted (US\$)	Number of PSRs Vested (Shares)	Number of PSRs Forfeited (Shares)
Executive Director				
Magnus R Nicolin	11/08/2016	3,837,600	142,480	154,354
Other Executives				
Neil Salmon	11/08/2016	1,537,169	57,076	61,832
Steve Genzer ²	11/08/2016	829,464	30,792	33,358
Joe Kubicek ²	11/08/2016	782,000	29,030	31,450
Darryl Nazareth ¹	11/08/2016	56,000	2,079	2,252

1. Darryl Nazareth LTI award relates to the pro rated portion of the LTI award for the three months after becoming a KMP.
2. Steve Genzer and Joe Kubicek ceased to be KMP on 30 April 2019. The remuneration information disclosed in this report is for 12 months ended 30 June 2019.

LTI design

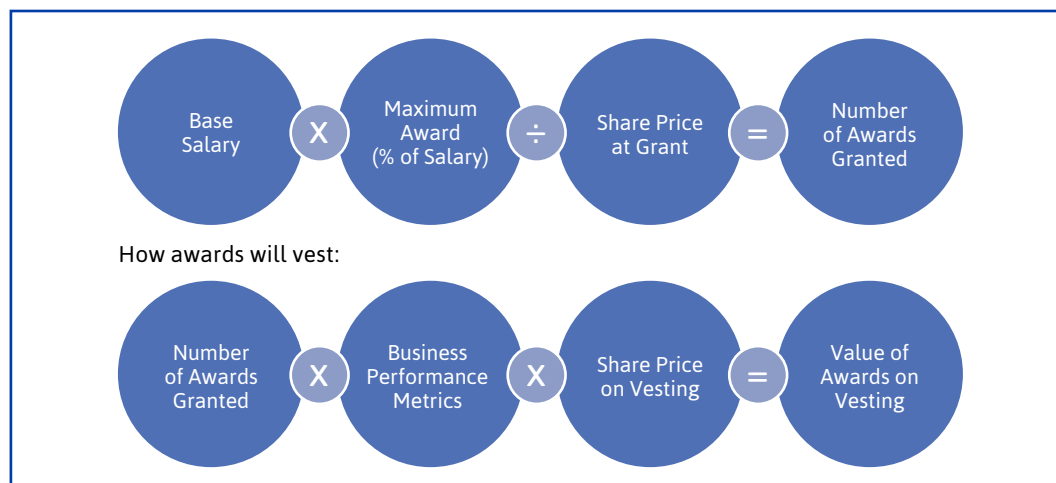
FY19–21 Plan – There were no changes in FY19. It is worth noting, however, that future awards (i.e. from FY20–22 Plan) will no longer attract any discount for foregone dividends and so will be directly set by the prevailing share price at the time of the issue.

LTI – awards granted during the year

Annual awards granted will vest after three years subject to the achievement of the performance conditions and continued service.

LTI awards are entirely in the form of Performance Share Rights (PSRs). Executives are eligible to participate in the LTI Plan.

How awards will vest:

**Opportunity**

For FY19–21 Plan the LTI awards were as follows:

Executive	Minimum LTI (% of Base Salary) ²	Maximum LTI (% of Base Salary)
CEO	0%	360%
CFO ¹	0%	300%
Other Executives	0%	200%

1. Applicable to Neil Salmon in his previous role as CFO.
2. LTI bonus opportunity for Ansell executives begins at 0% achievement, which is more challenging in comparison to most peer companies where achieving the minimum performance condition earns a threshold incentive outcome.

Performance metrics

Performance measures for FY19–21 Plan awards

Performance Measure and Weighting	Weighting	Minimum Hurdle (0% Vesting)	Maximum Hurdle (100% Vesting)
EPS growth (also subject to ROCE gateway in year three)	1/3rd	12.5% growth by year three (4% Compound Annual Growth Rate – CAGR)	33.1% growth by year three (10% CAGR)
Organic revenue growth	1/3rd	6.1% growth by year three (2% Compound Annual Growth Rate – CAGR)	15.8% growth by year three (5% CAGR)
ROCE	1/3rd	14.0% in year three	15.5% in year three

The LTI metrics reflect the business strategy of maximising sustainable growth organically and through acquisitions aligned with leadership as a safety solutions company. Growth will be measured against FY18 continuing operations at constant currency. The ROCE gateway to EPS achievement for the FY19–21 plan was set at the same level as the minimum performance condition for ROCE (i.e.14.0%). However the plan design also allows for the ROCE gateway to EPS achievement to be set at a different level to the minimum ROCE performance condition.

Remuneration Report (audited) continued

Other policy issues

- Board discretion**
- (a) HRC policy covers individual material items including restructuring charges, acquisitions, divestments, equity capital issuance and repurchase. Discretion may be exercised when events or accounting rules create a favourable or unfavourable effect on earnings for a single year that may cause a misalignment between incentive outcomes and shareholder value creation.
 - (b) As described on pages 50 and 51, the Board exercised its discretion to exclude several items from statutory reported results for the purpose of determining incentive outcomes.

- Change of control**
- On a change of control, the Board has discretion to vest some or all of the LTI awards, but, unless it uses its discretion, awards will vest as if the applicable performance condition has met the mid-point level of performance (and without time pro rating). 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 that has expired. Any restricted ordinary shares under the STI will become unrestricted ordinary shares, unless the Board determines otherwise.

- Recovery and withholding**
- The recovering and withholding provisions are consistent across both STI and LTI. The Board can claw back incentives to cover the following events:
- (a) Material misstatement of the financial statements
 - (b) Misconduct
 - (c) Error in calculation of the performance condition
 - (d) Serious reputational damage to the Group

- Leaver treatment**
- (a) 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.
 - (b) 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 LTI award. However, the Board may, in its sole discretion, pay either a full or a pro rated award in certain circumstances, such as death, disability, retirement, or any other reason approved by the Board. The Board has, in very limited circumstances, exercised its discretion to enable such schemes to remain on foot after the departure of Senior Executives.

Section 5 – Statutory Information

Executive Service Agreements

Chief Executive Officer

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 that:

- 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 2001* regarding the payment of benefits.

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 was a KMP based in the United States and employed 'at will' and as such, his service agreement did not specify a fixed term of employment. He was entitled to a severance fee equal to 12 month's base salary assuming a termination for any reason other than resignation, performance issues or cause.

Joe Kubicek was a KMP based in the United States and was employed on an 'at-will' basis. He was entitled to a severance fee equal to 12 month's base salary assuming a termination for any reason other than resignation, performance issues or cause.

As disclosed previously, Steve Genzer and Joe Kubicek ceased to be KMP on 30 April 2019. They will both continue to participate in LTI awards still on foot on a pro-rata basis. The outcomes of these awards will be tested in due course with other recipients.

Zubair Javeed is a Belgium-based Executive whose agreement does not specify a fixed term of employment. He is entitled to a severance fee equal to 12 month's base salary assuming a termination for any reason other than resignation, performance issues or cause.

Darryl Nazareth was domiciled in Malaysia and transferred to the US from July 2019 as part of his new responsibilities. He is employed 'at will' and, as such, his service agreement does not specify a fixed term of employment. He is entitled to a severance fee equal to 12 months' base salary assuming a termination for any reason other than resignation, performance issues or cause.

Securities Trading Policy

Ansell's Securities Trading Policy (formerly the Share Trading Policy) outlines the law relating to insider trading and details the Company's requirements with regards to dealings in Ansell securities. The policy applies to all Directors and employees, and aims to prevent the misuse (or perceived misuse) of sensitive information and ensure compliance with insider trading laws. The policy can be found on the Ansell website at www.ansell.com.

Shareholder Alignment

Mandatory Shareholding Requirements

To encourage alignment with shareholder interests, the Company adopted mandatory shareholding requirements, known as the Share Purchasing Policy. This policy requires Directors and Executives to purchase a multiple of their fee/base salary in Ansell shares over a 10-year period. The current requirement is:

- CEO: 3 x base salary
- Executives: 1 x base salary
- Non-Executive Directors: 2 x annual Director fees,

to be achieved by 2023 or within 10 years of becoming a Director or Executive if appointed after 2013.

Vested but unexercised awards are included in the target assessment. Unvested equity rights held pursuant to the incentive plans are not included in the target assessment.

Voluntary Share Purchase Plan

Ansell has developed a mechanism to enable Directors and Executives to regularly purchase Ansell shares, known as the Voluntary Share Purchase Plan (VSPP). While optional, the VSPP facilitates compliance with the Share Purchasing Policy, while complying with the Securities Trading Policy and ASX Listing Rules.

Under the VSPP, 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 applicable Executive/Director, but are subject to a restriction on dealing until the Executive/Director ceases to hold office.

Shares were purchased on market (at no discount) on behalf of the Directors throughout FY19 pursuant to the VSPP (as shown in the current shareholding table on page 56).

Remuneration Report (audited) continued

Current Shareholding

The table below details the movement of shares held by each KMP and the progress of each KMP during FY19 in achieving their respective share ownership goals in accordance with the mandatory shareholder requirements set out in the Share Purchasing Policy detailed on page 55.

	Held at 1 July (or Date Appointed KMP)	VSP Purchases ⁹	Other Purchases	Awarded During the Year	Net Movement Due to Other Changes	Held at 30 June	% of Share Ownership Goal Met ¹⁰	Target Year to Comply	Target Year Projected to Comply
Non-Executive Directors									
G L L Barnes									
FY19	68,116	3,997	–	n/a	–	72,113	193%	2023	COMPLY
FY18	63,478	2,138	2,500	n/a	–	68,116	162%	2023	COMPLY
J A Bevan									
FY19	26,017	1,044	–	n/a	–	27,061	138%	2023	COMPLY
FY18	18,728	559	6,730	n/a	–	26,017	140%	2023	COMPLY
R J Bell ¹									
FY19	19,847	694	–	n/a	–	n/a	n/a	n/a	n/a
FY18	18,740	1,107	–	n/a	–	19,847	108%	2023	COMPLY
W P Day									
FY19	29,707	134	352	n/a	–	30,193	151%	2023	COMPLY
FY18	28,838	869	–	n/a	–	29,707	162%	2023	COMPLY
L Desjardins									
FY19	6,711	4,956	–	n/a	–	11,667	60%	2025	2021
FY18	4,230	2,481	–	n/a	–	6,711	41%	2025	2023
M T Peterson									
FY19	23,647	–	–	n/a	–	23,647	122%	2023	COMPLY
FY18	23,647	–	–	n/a	–	23,647	129%	2023	COMPLY
W G Reilly ²									
FY19	40,202	–	–	9,094	–	49,296	284%	2027	COMPLY
FY18	39,464	–	–	738	–	40,202	264%	2027	COMPLY
C M Stercken ³									
FY19	860	1,856	500	n/a	–	3,216	19%	2027	2025
FY18	–	860	–	n/a	–	860	5%	2027	2028
C Y Yan ⁴									
FY19	–	629	–	n/a	–	629	4%	2029	2024
FY18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Executive Director									
M R Nicolin									
FY19	266,239	–	–	88,719	(89,028)	265,930	149%	2023	COMPLY
FY18	251,783	–	–	14,456	–	266,239	157%	2023	COMPLY
Other Executives									
N Salmon									
FY19	39,556	–	–	15,490	–	55,046	169%	2023	COMPLY
FY18	35,689	–	–	3,867	–	39,556	124%	2023	COMPLY
Z Javeed ⁵									
FY19	–	–	–	–	–	–	0%	2029	2029
FY18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D Nazareth ⁶									
FY19	4,100	–	–	6,258	–	10,358	42%	2024	2021
FY18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
S Genzer ⁷									
FY19	20,919	–	–	9,088	–	n/a	n/a	n/a	n/a
FY18	20,185	–	–	734	–	20,919	92%	2023	2019
J Kubicek ⁸									
FY19	70,828	–	–	7,600	–	n/a	n/a	n/a	n/a
FY18	70,546	–	–	282	–	70,828	311%	2024	COMPLY

- Ronald Bell retired from the Ansell Board of Directors with effect from 18 October 2018. His closing balance disclosed above is as at his retirement date of 18 October 2018.
- William Reilly was appointed as a Non-Executive Director on 20 October 2017. The shares awarded in FY19 relate to the FY16 LTIP award in respect to his prior employment as an Executive at Ansell.
- Christina Stercken was appointed as a Non-Executive Director on 20 October 2017.
- Christine Yan was appointed as a Non-Executive Director on 1 April 2019.
- Zubair Javeed became a KMP on 29 April 2019.
- Darryl Nazareth became a KMP on 1 April 2019.
- Steve Genzer ceased to be a KMP on 30 April 2019.
- Joe Kubicek ceased to be a KMP on 30 April 2019.
- Purchases made under the Voluntary Share Purchase Plan (see page 55).
- The percentage of ownership goals met are based upon a multiple of an individual's base pay or Director's fees (as applicable). Calculation uses base pay at 30 June 2019.

Equity Instruments

The table below details the movement in the number of Performance Share Rights (PSRs) over ordinary shares of Ansell Limited held by the CEO and Other Executive KMPs during the 2019 financial year.

	Held at 1 July or Date Appointed	PSRs Granted During the Year ^{1,8}	PSRs Vested During the Year ⁷	PSRs Lapsed/ Forfeited During the Year	Held at 30 June
Performance Share Rights					
Magnus Nicolin					
FY19	739,680	203,089	(88,719)	(120,525)	733,525
FY18	732,064	233,602	–	(225,986)	739,680
Neil Salmon					
FY19	248,646	93,976	(15,490)	(21,042)	306,090
FY18	195,308	93,206	–	(39,868)	248,646
Zubair Javeed ^{2,3}					
FY19	–	50,000	n/a	n/a	50,000
FY18	n/a	n/a	n/a	n/a	n/a
Darryl Nazareth ⁴					
FY19	108,860	39,206	(6,258)	(8,502)	133,306
FY18	n/a	n/a	n/a	n/a	n/a
Steve Genzer ⁵					
FY19	136,068	58,796	(9,088)	(12,346)	173,430
FY18	108,538	50,484	–	(22,954)	136,068
Joe Kubicek ⁶					
FY19	126,000	59,198	(7,600)	(10,324)	167,274
FY18	98,942	47,596	–	(20,538)	126,000

- PSRs were granted during FY19 pursuant to the FY19 LTI Plan, with the exception of a PSR grant to Zubair Javeed (see footnote 3). The fair values and factors and assumptions used in determining the fair values of the PSRs applicable for FY19 are summarised in the table below. For completeness, FY18 and FY17 fair values are also included. For FY20 onwards, the allocation of PSRs are to be calculated by way of a purely 'face value' methodology.
- Zubair Javeed became a KMP on 29 April 2019.
- Zubair Javeed was granted 50,000 Performance Share Rights as part of his sign-on bonus, which will vest on the second anniversary of his start date at Ansell.
- Darryl Nazareth became a KMP on 1 April 2019.
- Steve Genzer ceased to be a KMP on 30 April 2019.
- Joe Kubicek ceased to be a KMP on 30 April 2019.
- PSRs vested during FY19 pursuant to the FY16 LTI Plan.
- Mr WG Reilly, a current Non-executive Director and former Senior Executive of the Company, held 42,819 (recorded at target) PSRs at the beginning of FY19 attributable to LTI grants in FY16 and FY17, at the time that he was an Executive. 9,094 PSRs originally allocated in FY16 vested during the year (and 1,630 lapsed) following testing against the applicable performance conditions (see page 56). One share in Ansell was allocated to Mr Reilly in relation to each PSR that vested. Pursuant to the terms of the LTI, no amount was payable by Mr Reilly for the shares allocated. As at 30 June 2019, Mr Reilly continued to hold 32,095 PSRs (recorded at target) originally allocated in FY17 and that were tested following the end of FY19.

* Grants are recorded at maximum.

	Grant Date	Vesting Date	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
FY17 LTIP PSRs	11/08/2016	30/06/2019	A\$17.95	A\$19.49	n/a	2.85%
FY18 LTIP PSRs	08/08/2017	30/06/2020	A\$20.41	A\$22.01	n/a	2.60%
FY19 LTIP PSRs	14/08/2018	30/06/2021	A\$25.57	A\$27.86	n/a	2.98%

Awards that do not vest at vesting date automatically lapse.

Remuneration Report (audited) continued

Executive Statutory Remuneration

US\$ Name	Year	Base Salary ¹	Retirement Benefits ²	Termination Benefits	Other ³	STI ⁴		LTI ⁵		2019 Total Earnings
						Cash	Restricted Shares	Cash	Equity	
Executive Director										
Magnus R Nicolin	2019	1,066,000	376,781	–	150,478	1,199,250	23,203	–	1,745,986	4,561,698
	2018	1,066,000	508,088	–	155,065	910,830	–	–	2,565,744	5,205,727
Other Executives										
Neil Salmon	2019	581,401	62,607	–	30,019	438,199	12,860	–	736,979	1,862,065
	2018	585,450	54,460	–	29,609	346,114	–	195,888	738,824	1,950,345
Steve Genzer ⁶	2019	427,174	44,992	498,349	–	210,971	–	–	422,758	1,604,244
	2018	424,064	48,383	–	–	157,296	–	172,398	409,620	1,211,761
Joe Kubicek ⁷	2019	430,100	37,824	493,223	–	212,416	–	–	410,047	1,583,610
	2018	426,842	42,501	–	–	152,782	–	144,160	372,277	1,138,562
Zubair Javeed ⁸	2019	102,621	9,031	–	310,809	–	–	–	–	422,461
	2018	–	–	–	–	–	–	–	–	–
Darryl Nazareth ⁹	2019	103,686	9,285	–	14,158	42,853	–	–	79,951	249,933
	2018	–	–	–	–	–	–	–	–	–
Anthony Lopez ¹⁰	2019	–	–	–	–	–	–	–	–	–
	2018	15,259	2,045	–	114	–	–	106,967	127,633	252,018
Jeyan Heper ¹¹	2019	–	–	–	–	–	–	–	–	–
	2018	46,954	5,192	–	12,925	–	–	79,213	55,548	199,832

1. Base salary includes the salary earned by the individual in FY19. The increases in base salary for Executives are based on performance and external benchmarking of similar positions in the jurisdictions in which the Executives are based. Thus, the CEO did not receive any pay increase in FY19, while the Other Executives' pay increases ranged from 0% to 2%. Mr Salmon is remunerated in Euros and the US\$ reduction above reflects translation impacts.
2. Retirement benefits includes all the retirement benefits earned by the individual in FY19. Mr Nicolin's retirement benefits are based on his base salary plus prior year STI achievement and will vary from year to year.
3. Other includes the cost to the Company of cash benefits such as motor vehicle, expatriation and relocation expenses, insurance, expat tax equalisation payments and other amounts. Mr Javeed's other benefits include his sign-on bonus, which includes cash and accrued Performance Share Rights that will vest on the second anniversary from 28 April 2019.
4. 2019 STI represents amounts payable under the 2019 Short Term Incentive Plan.
5. 2019 LTI includes amounts provided in respect of the Group's LTI Plans.
6. Steve Genzer ceased to be a KMP on 30 April 2019. The remuneration information disclosed in this report is for 12 months ended 30 June 2019. Termination payments include entitlements payable pursuant to Mr Genzer's employment agreement in addition to unused leave entitlements at 30 June 2019.
7. Joe Kubicek ceased to be a KMP on 30 April 2019. The remuneration information disclosed in this report is for 12 months ended 30 June 2019. Termination payments include entitlements payable pursuant to Mr Kubicek's employment agreement in addition to unused leave entitlements at 30 June 2019.
8. Zubair Javeed was appointed as CFO and became a KMP on 29 April 2019.
9. Darryl Nazareth was appointed as President of the Healthcare GBU and become a KMP on 1 April 2019. Mr Nazareth's remuneration information disclosed in this report only relates to the period after 1 April 2019.
10. Ceased to be a KMP on 15 July 2017.
11. Left the Company on 31 August 2017.
12. FY18 cash awards under the LTI are a legacy arrangement for Executives other than the CEO and have not been available since the F17 LTI grant.

Section 6 – Non-executive Directors

Policy and Approach

Overview of policy	<p>(a) Structured with a fixed fee component only.</p> <p>(b) Fees are not linked to the performance of Ansell, so that independence and impartiality are maintained.</p> <p>(c) Director fees are paid in US dollars; however, Directors may elect to be paid in their local currencies (subject to applicable currency exchange rates).</p> <p>(d) Board and Committee fees are set by reference to a number of relevant considerations including:</p> <ul style="list-style-type: none"> • accountabilities and responsibilities 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.
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Aggregate fees approved by shareholders	Current aggregate fee pool for Non-Executive Directors of US\$1,600,000. Approved by shareholders at the 2014 AGM. The fee pool in US\$ reflects the fact that business operations are run from outside Australia.
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Base fees for 2019	Fees for Non-Executive Directors during FY19 were as follows:		
	Base Fees (Board)		
	Non-Executive Chairman	US\$320,000 (inclusive of Committee fees)	
	Non-Executive Deputy Chairman	US\$160,000 (inclusive of Committee fees)	
	Non-Executive Director	US\$116,500	
	Committee Fees	Committee Chair	Committee Member
	Audit & Compliance Committee	US\$30,000	US\$12,000
	HR Committee	US\$30,000	US\$12,000
	CSR & Risk Committee	US\$30,000	US\$12,000
	Governance Committee*		US\$6,000

* Fees for Governance Committee membership are incorporated in HR Committee fees. Where a member of the Governance Committee is not a member of the HR Committee, a pro rated fee is paid.

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

Directors are entitled to be reimbursed for all business-related expenses, including travel expenses incurred performing 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% 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.

FY20 – no fee change for FY20.

Remuneration Report (audited) continued

Non-executive Directors' Statutory Remuneration

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

Non-executive Directors	Year	Directors' Fees ¹	Superannuation ²	Total
G L L Barnes (Chairman)	FY19	335,000	–	335,000
	FY18	335,000	–	335,000
J A Bevan (Deputy Chairman)	FY19	159,817	15,183	175,000
	FY18	159,817	15,183	175,000
R J S Bell ³	FY19	57,737	96	57,833
	FY18	170,983	2,517	173,500
L D Crandall ⁴	FY19	–	–	–
	FY18	55,122	887	56,009
W P Day	FY19	159,361	15,139	174,500
	FY18	158,448	15,052	173,500
L Desjardins	FY19	167,221	279	167,500
	FY18	153,722	1,778	155,500
M T Peterson	FY19	173,211	289	173,500
	FY18	171,369	2,131	173,500
W G Reilly ^{5,6}	FY19	151,241	259	151,500
	FY18	105,973	1,652	107,625
C M Stercken ^{7,8}	FY19	155,241	259	155,500
	FY18	115,046	1,579	116,625
C Y Yan ⁹	FY19	38,875	–	38,875
Total Non-executive Directors' remuneration	FY19	1,397,704	31,504	1,429,208
	FY18	1,425,480	40,779	1,466,259

- Directors' fees include base and Committee fees plus travel allowances less superannuation (see footnote (2) below). All fees are expressed in US\$. Due to changes to Committee fees in FY19, the fees differ between FY18 and FY19 (refer to the Report by the Directors for further information). The methodology of converting the fees into the base currency of the Directors has not changed.
- Superannuation contributions are made on behalf of the Non-Executive Directors at a rate of 9.5% as required by Australian law. For non-Australian-based Directors, these payments are pro rated for the period of time spent in Australia.
- Mr Bell retired from the Board on 18 October 2018 and his Director's fees and associated entitlements reflect a part-year entitlement up to his retirement date in FY19.
- Mr Crandall retired from the Board on 20 October 2017 and his Director's fees and associated entitlements reflect a part-year entitlement up to his retirement date in FY18.
- Mr W Reilly was appointed on 20 October 2017 and his Director's fees and associated entitlements reflect a part-year entitlement in FY18 from the date of his appointment.
- Prior to Mr Reilly's appointment as a Non-executive Director, Mr Reilly was paid US\$10,958 in consideration of various preparatory work in relation to his role as a Director (including attendance at various meetings with Directors and management) before his commencement as a Director. This payment was made in October 2017. Furthermore, the amount shown within the table excludes \$553,060 (equivalent to 30,811 PSRs at their grant date fair value) entitled to Mr W Reilly and vested during FY19 pursuant to the FY17 LTI Plan. Mr W Reilly earned these PSRs during his employment as an Executive at Ansell and prior to his appointment as a Non-executive Director on 20 October 2017.
- Mrs C Stercken was appointed on 20 October 2017 and her Director's fees and associated entitlements reflect a part-year entitlement in FY18 from the date of her appointment.
- Prior to Mrs Stercken's appointment as a Non-executive Director, Mrs Stercken was paid two payments of US\$10,958 each in consideration of various preparatory work in relation to her role as a Director (including attendance at various meetings with Directors and management) before her commencement as a Director. These payments were made in September and October 2017.
- Ms Y Yan was appointed on 1 April 2019 and her Director's fees and associated entitlements reflect a part-year entitlement in FY19 from the date of her appointment. Ms Yan did not attend any meetings in Australia and was therefore not affected by footnote (2) above relating to superannuation.

The composition of the Committees is summarised in the Report by the Directors.

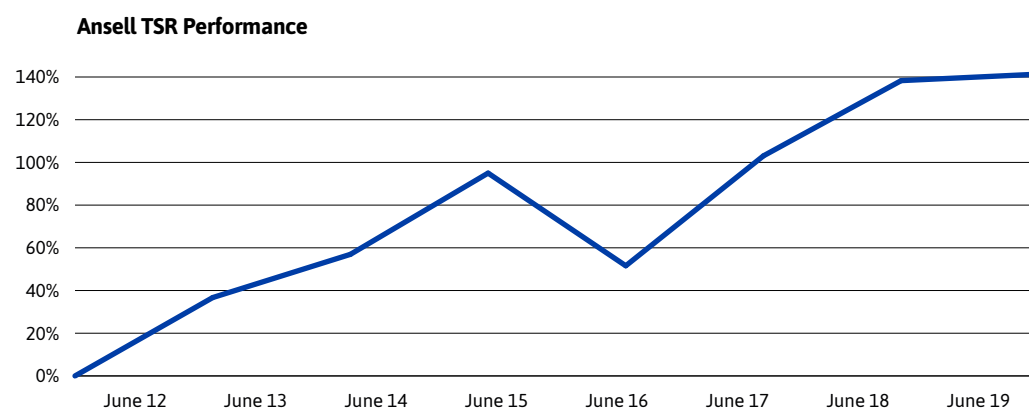
Section 7 – Group Performance and Remuneration Outcomes

Group Performance

The five-year performance history of the Group is summarised below.

	Total Group Statutory Results					Continuing Operations	
	2015 US\$m	2016 US\$m	2017 US\$m	2018 US\$m	2019 US\$m	2018 Adjusted ³ US\$m	2019 Adjusted ³ US\$m
Income Statement							
Sales	1,645.1	1,572.8	1,599.7	1,547.5	1,499.0	1,489.8	1,499.0
EBIT	245.3	236.7	217.8	557.0	157.3	193.1	202.8
Profit for the period attributable to Ansell shareholders	187.5	159.1	147.7	484.3	111.7	146.7	150.9
Share information							
Basic Earnings Per Share (US cents)	122.5	105.1	100.1	336.8	82.6	102.0	111.5
Dividends per share ¹ (US cents)	43.0	43.5	44.0	45.5	46.75	45.5	46.75
Ansell share price (A\$)	24.09	18.17	22.68	27.19	26.85⁴		

Cumulative Total Shareholder Return (TSR)²



STI/LTI Payouts as Percentage of Maximum

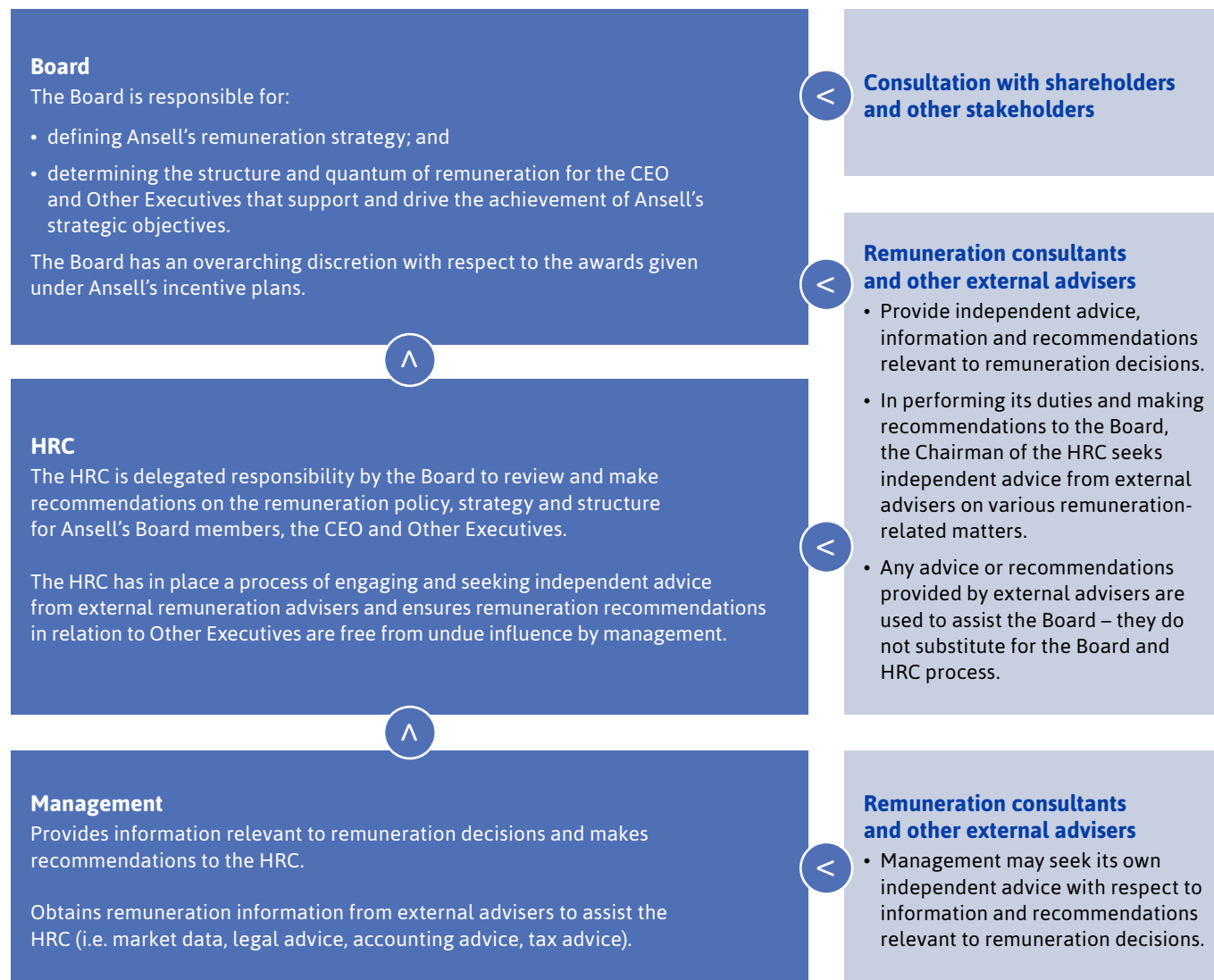
CEO Incentive Outcomes	FY14	FY15	FY16	FY17	FY18	FY19
STI (% of maximum)	49%	36%	29%	67%	37%	51%
LTI (% of maximum)	82%	50%	0%	0%	42%	48%

1. Dividends have been declared in US\$ since Ansell adopted the US\$ as its reporting currency in FY14.
2. Cumulative Total Shareholder Return (TSR) is the cumulative financial return that 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 2019.
3. Adjusted results are continuing operations adjusted for Transformation and other one-off costs.
4. Share price is at 28 June 2019.

Remuneration Report (audited) continued

Section 8 – Governance

Role of the Human Resources Committee



External Consultants

During the year, the HRC engaged KPMG-3dc to provide an Australian market practice perspective on management’s international remuneration proposals, disclosure in the Remuneration Report and to provide regular updates on Australian regulatory and market trends.

During FY18 and FY19, the HRC engaged PwC to review variable pay strategy and incentive plan design. The Committee agreed to defer making any determination on incentive plan changes until FY21.

During FY19, the HRC engaged FIT to provide independent advice on remuneration.

Shareholder Engagement

The HRC maintains a regular dialogue with major shareholders, relevant institutional investor bodies and proxy advisers. The views and opinions expressed are considered when determining remuneration. The HRC monitors trends and developments in corporate governance and market practice to ensure the structure of Executive remuneration remains appropriate. The HRC would undertake a consultation process in advance of any material changes to the remuneration policy.

Section 9 – Glossary

Board means the Board of Directors of Ansell Limited.

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

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.

Constant currency refer to page 3 of this Report.

Corporations Act means the *Corporations Act 2001* (Cth).

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

EBITDA means EBIT before Depreciation and Amortisation.

EMEA means Europe, Middle East and Africa.

EPS means Earnings Per Share, which means the portion of Ansell's profit that is allocated to each outstanding ordinary fully paid share.

Executive or **Group Executive** in this Report refers to the CEO and Other Executives.

FY16 means the 2016 financial year commencing on 1 July 2015 and ending on 30 June 2016. **FY17** means the 2017 financial year commencing on 1 July 2016 and ending on 30 June 2017. **FY18** means the 2018 financial year commencing on 1 July 2017 and ending on 30 June 2018. **FY19** means the 2019 financial year commencing on 1 July 2018 and ending on 30 June 2019.

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.

Operating cash flow as referred to in the Remuneration Report means pre tax paid net receipts from customers per the Consolidated Statement of Cash Flows, excluding transformation cash paid and discontinued operations and adjusted for Capex (see above), and interest received and paid (net interest).

Organic growth means the change in total revenue achieved by normal business activities such as customer base expansion or new product development. It excludes the effects of corporate developments such as mergers, acquisitions, divestments and exiting lines of business.

Remuneration Report (audited) continued

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

Profit Attributable means those profits of the Company that are available to the shareholders for distribution.

PSRs means Performance Share Rights.

Realised pay means the pay actually received/receivable by the Executive during the financial year, including salary, benefits, STI in relation to the relevant financial year and any equity incentives that vested in relation to the completion of the relevant financial year. Equity incentives were valued using the values of the shares determined as at the vesting date.

ROCE means Return on Capital Employed, which is the amount of EBIT returned as a percentage of the average funds that are employed (both equity and debt used in the business). ROCE for remuneration outcomes is adjusted for acquisitions.

ROCE gateway means the ROCE required for the successful achievement of the relevant award.

Short Term Incentive Plan (STI) 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 that 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.

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 2019

	Note	2019 US\$m	2018 US\$m
Continuing operations			
Revenue			
Sales revenue		1,499.0	1,489.8
Expenses			
Cost of goods sold		(915.0)	(907.1)
Distribution		(69.9)	(65.0)
Selling, general and administration including restructuring and change in accounting estimate	3(b)	(356.8)	(359.9)
Total expenses, excluding financing costs		(1,341.7)	(1,332.0)
Net financing costs	3(a)	(13.6)	(12.5)
Profit before income tax		143.7	145.3
Income tax expense	4(a)	(30.6)	(4.7)
Profit from continuing operations		113.1	140.6
Discontinued operations			
Profit from discontinued operations, net of tax	18(b)	–	345.6
Profit for the period		113.1	486.2
Profit for the period is attributable to:			
Ansell Limited shareholders		111.7	484.3
Non-controlling interests		1.4	1.9
Profit for the period		113.1	486.2
Earnings Per Share			
Earnings Per Share from continuing operations:			
Basic Earnings Per Share	5	82.6	96.5
Diluted Earnings Per Share	5	81.2	95.1
Earnings Per Share from discontinued operations:			
Basic Earnings Per Share	5	–	240.3
Diluted Earnings Per Share	5	–	236.8

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 2019

	2019 US\$m	2018 US\$m
Profit for the period	113.1	486.2
Other comprehensive income		
<i>Items that will not be reclassified to the Income Statement:</i>		
Retained earnings		
Remeasurement of defined benefit superannuation/post-retirement health benefit plans	(1.5)	3.7
Tax benefit/(expense) on items that may subsequently be reclassified to the Income Statement	0.3	(2.2)
Total items that will not be reclassified to the Income Statement	(1.2)	1.5
<i>Items that may subsequently be reclassified to the Income Statement:</i>		
Foreign currency translation reserve		
Net exchange differences on translation of financial statements of foreign subsidiaries	(10.7)	(26.4)
Hedging reserve		
Movement in effective cash flow hedges for the year	(5.5)	9.3
Movement in time value of options for the year	(0.5)	1.4
Tax benefit/(expense) on items that may subsequently be reclassified to the Income Statement	1.2	(2.8)
Total items that may subsequently be reclassified to the Income Statement	(15.5)	(18.5)
Other comprehensive income for the period, net of tax	(16.7)	(17.0)
Total comprehensive income for the period	96.4	469.2
Attributable to:		
Ansell Limited shareholders	95.3	466.8
Non-controlling interests	1.1	2.4
Total comprehensive income for the period	96.4	469.2
Attributable to Ansell Limited shareholders:		
From continuing operations	95.3	116.3
From discontinued operations	–	350.5
Total comprehensive income for the period, attributable to Ansell Limited shareholders	95.3	466.8

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 2019

	Note	2019 US\$m	2018 US\$m
Current assets			
Cash and cash equivalents	6(a)	397.5	582.8
Trade and other receivables	7(a)	201.1	201.0
Derivative financial instruments	15(c)	5.1	9.8
Inventories	7(b)	335.6	329.8
Other current assets		19.9	17.6
Assets held for sale	18(c)	–	12.3
Total current assets		959.2	1,153.3
Non-current assets			
Trade and other receivables		4.3	5.7
Derivative financial instruments	15(c)	2.7	3.3
Property, plant and equipment	8	229.8	230.4
Intangible assets	9	1,082.6	1,028.4
Deferred tax assets	4(b)	66.0	67.6
Retirement benefit assets	12(a)	4.9	5.9
Other non-current assets		27.4	27.9
Total non-current assets		1,417.7	1,369.2
Total assets		2,376.9	2,522.5
Current liabilities			
Trade and other payables	7(c)	225.6	222.2
Derivative financial instruments	15(d)	3.0	3.0
Interest bearing liabilities	10	20.0	–
Provisions	11	56.4	53.0
Current tax liabilities		7.9	14.9
Liabilities held for sale	18(c)	–	6.4
Total current liabilities		312.9	299.5
Non-current liabilities			
Trade and other payables		2.1	3.1
Derivative financial instruments	15(d)	0.4	0.5
Interest bearing liabilities	10	525.3	552.0
Provisions	11	8.8	7.8
Retirement benefit obligations	12(a)	14.7	14.3
Deferred tax liabilities	4(c)	76.5	71.1
Other non-current liabilities		25.8	24.0
Total non-current liabilities		653.6	672.8
Total liabilities		966.5	972.3
Net assets		1,410.4	1,550.2
Equity			
Issued capital	13(a)	873.9	1,052.6
Reserves		(85.5)	(82.0)
Retained profits		610.0	564.0
Total equity attributable to Ansell Limited shareholders		1,398.4	1,534.6
Non-controlling interests		12.0	15.6
Total equity		1,410.4	1,550.2

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 2019

	2019 US\$m	2018 US\$m
Total equity		
Balance at the beginning of the financial year	1,550.2	1,228.7
Total comprehensive income for the period attributable to:		
Ansell Limited shareholders	95.3	466.8
Non-controlling interests	1.1	2.4
Transactions with owners attributable to Ansell Limited shareholders:		
Shares issued under Dividend Reinvestment Plan	2.4	2.7
Share buy-back	(181.1)	(92.3)
Share-based payments reserve	9.3	10.4
Dividends	(62.1)	(63.8)
Transactions with owners attributable to non-controlling interests:		
Non-controlling interests of entities disposed	(4.2)	(3.0)
Dividends	(0.5)	(1.7)
Total equity at the end of the financial year	1,410.4	1,550.2
Share capital		
Balance at the beginning of the financial year	1,052.6	1,142.2
Transactions with owners as owners:		
Shares issued under Dividend Reinvestment Plan	2.4	2.7
Share buy-back	(181.1)	(92.3)
Balance at the end of the financial year	873.9	1,052.6

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

	2019 US\$m	2018 US\$m
Reserves		
Share-based payments reserve		
Balance at the beginning of the financial year	58.1	47.7
Transactions with owners as owners:		
Charge to the Income Statement	9.3	10.4
Balance at the end of the financial year	67.4	58.1
Hedging reserve		
Balance at the beginning of the financial year	5.8	(2.1)
Comprehensive income for the year:		
Movement in effective cash flow hedges net of tax	(5.3)	6.9
Movement in time value of options net of tax	0.5	1.0
Balance at the end of the financial year	1.0	5.8
General reserve		
Balance at the beginning of the financial year	16.9	12.0
Transfer (to)/from retained profits	(5.9)	4.9
Balance at the end of the financial year	11.0	16.9
Foreign currency translation reserve		
Balance at the beginning of the financial year	(154.5)	(127.5)
Comprehensive income for the year:		
Net exchange differences on translation of financial statements of foreign subsidiaries	(10.4)	(27.0)
Balance at the end of the financial year	(164.9)	(154.5)
Transactions with non-controlling interests		
Balance at the beginning of the financial year	(10.9)	(10.9)
Transfer to retained profits	10.9	–
Balance at the end of the financial year	–	(10.9)
Fair value reserve		
Balance at the beginning of the financial year	2.6	2.6
Transfer to retained profits	(2.6)	–
Balance at the end of the financial year	–	2.6
Total reserves at the end of the financial year		
	(85.5)	(82.0)
Retained profits		
Balance at the beginning of the financial year	564.0	146.9
Transfer to reserves	(2.4)	(4.9)
Comprehensive income for the period:		
Net profit attributable to Ansell Limited shareholders	111.7	484.3
Remeasurement of defined benefit superannuation/post-retirement health benefit plans net of tax	(1.2)	1.5
Dividends paid	(62.1)	(63.8)
Balance at the end of the financial year	610.0	564.0

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 2019

	Note	2019 US\$m	2018 US\$m
Cash flows related to operating activities			
Receipts from customers		1,502.6	1,544.4
Payments to suppliers and employees		(1,288.7)	(1,355.2)
Net receipts from operations		213.9	189.2
Income taxes paid		(25.0)	(35.6)
Net cash provided by operating activities	6(b)	188.9	153.6
Cash flows related to investing activities			
Payments for businesses, net of cash acquired		(75.5)	(1.0)
Payments for property, plant, equipment and intangible assets		(43.6)	(45.7)
Proceeds/(payments) from the disposal of discontinued operations, net of cash disposed and disposal costs		(4.4)	567.2
Income tax paid on the net gain on the disposal of discontinued operations		(0.3)	(44.0)
Proceeds from the sale of property, plant and equipment		0.1	0.3
Net cash (used in)/provided by investing activities		(123.7)	476.8
Cash flows related to financing activities			
Repayments of borrowings		–	(170.9)
Payments for share buy-back		(181.1)	(92.3)
Dividends paid – Ansell Limited shareholders		(59.7)	(61.1)
Dividends paid – Non-controlling interests		(0.5)	(1.7)
Interest received		8.8	7.6
Interest and financing costs paid		(20.9)	(22.2)
Net cash used in financing activities		(253.4)	(340.6)
Net (decrease)/increase in cash and cash equivalents		(188.2)	289.8
Cash and cash equivalents at the beginning of the financial year		589.8	316.6
Effect of movements in exchange rates on cash held		(4.1)	(16.6)
Cash and cash equivalents at the end of the financial year	6(a)	397.5	589.8
Cash and cash equivalents at the end of the financial year comprises:			
Continuing operations	6(a)	397.5	582.8
Discontinued operations	18(c)	–	7.0
		397.5	589.8

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

Notes to the Financial Statements

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

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, arm and body protection solutions and clothing and is organised around two Global Business Units ('GBUs') as detailed in Note 2.

- Healthcare GBU
- Industrial GBU

Statement of Compliance

The Financial Report is a general purpose financial report that 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 ('IFRS' or 'IAS').

The consolidated financial statements were authorised for issue by the Board of Directors on 12 August 2019.

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 Financial Report has been prepared on a going concern basis, which assumes the continuity of normal operations.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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 is disclosed below. The accounting policies have been applied consistently by all entities in the Group. The Group has adopted the following new accounting standards, which had no significant impact on the Group's financial statements. The Group has made no other changes to the Group's accounting policies during the financial year.

New Standards Adopted Effective 1 July 2018

The Group early adopted IFRS 9/AASB 9 *Financial Instruments (2013)* effective 1 July 2013 and adopted IFRS 9/AASB 9 *Financial Instruments (2014)* effective 1 July 2018. The Group has adopted the practical expedient for low credit risk financial assets, which allows the impairment of trade receivable balances to be measured on a 12-month expected credit loss (ECL) model. The Group's existing policy for determining the impairment of trade receivables by using ageing profiles of outstanding balances and applying an expected default rate based on the historical default rate (which has been low), adjusted for forward looking estimates is consistent with the ECL model. As such, the adoption of IFRS 9/AASB 9 *Financial Instruments (2014)* has not had a significant impact on the Group's accounting policies and practices.

The Group also adopted IFRS 15/AASB 15 *Revenue from Contracts with Customers* effective 1 July 2018. The Group's primary source of revenue is the supply of finished goods to its customers under trading terms, which is considered as the performance obligation for revenue recognition. This performance obligation is achieved whereby control of the goods passes to the customer either at the time of shipment or when the goods are received at the customer's premises. As such, the Group's sales are recognised at a point in time. Customers may be offered various forms of rebates or other allowances, the levels of which are regularly monitored and adjusted throughout the year where necessary.

The majority of these rebates and allowances are treated as a reduction to reported sales revenue. IFRS 15/AASB 15 *Revenue from Contracts with Customers* also requires the disclosure of sales revenue disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Management believes that the disaggregation of total sales revenue by GBU and geographical regions as presented in Note 2 Operating Segments satisfies this requirement.

The adoption of IFRS 15/AASB 15 *Revenue from Contracts with Customers* has not had a significant impact on the Group's accounting policies or practices.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

1. Summary of Significant Accounting Policies *continued*

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting and have not been early adopted by the Group. The most significant of these to the Group is IFRS 16/AASB 16 *Leases*.

IFRS 16/AASB 16 *Leases* was issued in January 2016 and is effective for annual reporting periods beginning on or after 1 January 2019. The Group will adopt the standard effective 1 July 2019.

IFRS 16/AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Group will apply the modified retrospective approach as if IFRS 16/AASB 16 had always been applied with the cumulative effect of adopting the new standard being recognised as an adjustment to opening equity as at 1 July 2019. Prior years' comparative information will not be adjusted under this method.

The Group has assessed the estimated impact that the initial application of IFRS 16/AASB 16 will have on its consolidated financial statements and expects to recognise right-of-use assets in the range of \$44m–\$47m, and lease liabilities in the range of \$49m–\$51m on 1 July 2019. Based on the Group's lease portfolio and exchange and discount rates as at 30 June 2019, profit before income tax for the next year is not expected to be materially impacted by the adoption of this standard.

Future operating cash inflows and financing cash outflows will increase as the repayment of the principal portion of the lease liabilities and the annual interest cost will be classified as cash flows from financing activities.

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.

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.

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 within equity in the foreign currency translation reserve.

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.

Accounting Estimates and Judgements

The preparation of consolidated financial statements 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:

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. The factors considered are detailed in Note 7.

Property, Plant and Equipment and Finite 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. The useful economic lives are detailed in Note 8.

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 cash generating units. These assumptions are detailed in Note 9.

Income Tax

The Group operates in a number of tax jurisdictions and needs to consider their varying complexities, differing tax rules and the changing tax environments. The Group has processes to assess and manage these issues including the use of external tax advisers.

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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

2. Segment Information

The Group comprises the following operating segments:

Healthcare GBU: surgical and examination gloves, healthcare safety devices and active infection prevention products for healthcare professionals and patients and single-use industrial application gloves.

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

2019	Operating Segments			Total Group US\$m
	Healthcare US\$m	Industrial US\$m	Unallocated US\$m	
Sales revenue	795.3	703.7	–	1,499.0
Profit/(loss) before restructuring, asset impairment, net financing costs and income tax expense	115.3	98.7	(11.2)	202.8
Restructuring and Transformation	(3.1)	(25.8)	(8.3)	(37.2)
Asset impairment	–	(8.3)	–	(8.3)
Net financing costs	–	–	(13.6)	(13.6)
Profit before income tax expense	112.2	64.6	(33.1)	143.7
Income tax expense				(30.6)
Profit after income tax				113.1
Non-controlling interests				(1.4)
Net profit attributable to Ansell Limited shareholders				111.7
Segment assets	1,014.2	825.2	537.5	2,376.9
Segment liabilities	109.2	115.7	741.6	966.5
Segment depreciation and amortisation	14.6	18.3	5.3	38.2
Segment capital expenditure	16.4	22.7	4.5	43.6

2018	Operating Segments					Total Group US\$m
	Healthcare US\$m	Industrial US\$m	Unallocated US\$m	Continuing Operations US\$m	Discontinued Operations US\$m	
Sales revenue	774.3	715.5	–	1,489.8	57.7	1,547.5
Profit/(loss) before restructuring, change in accounting estimate, gain on the sale of business, net financing costs and income tax expense	120.1	86.9	(13.9)	193.1	2.3	195.4
Restructuring and Transformation	(5.4)	(11.6)	(7.1)	(24.1)	–	(24.1)
Change in accounting estimate – development costs	(3.9)	(7.3)	–	(11.2)	(1.3)	(12.5)
Gain on the sale of business	–	–	–	–	398.2	398.2
Net financing costs	–	–	(12.5)	(12.5)	–	(12.5)
Profit before income tax expense	110.8	68.0	(33.5)	145.3	399.2	544.5
Income tax expense				(4.7)	(53.6)	(58.3)
Profit after income tax				140.6	345.6	486.2
Non-controlling interests				(1.8)	(0.1)	(1.9)
Net profit attributable to Ansell Limited shareholders				138.8	345.5	484.3
Segment assets	1,027.4	743.4	739.4	2,510.2	12.3	2,522.5
Segment liabilities	96.9	118.5	750.5	965.9	6.4	972.3
Segment depreciation and amortisation	14.4	18.6	6.0	39.0	0.8	39.8
Segment capital expenditure	14.8	29.0	1.2	45.0	0.7	45.7

Regional Information

Sales revenue is disclosed in the four geographical regions based on where the products are sold to external customers.

Assets (excluding goodwill, brand names and other intangibles) are allocated to the geographical regions in which the assets are located.

Asia Pacific: manufacturing facilities in Malaysia, Thailand, Sri Lanka, China and Vietnam.

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

Latin America and Caribbean: manufacturing facility in Brazil.

North America: manufacturing facility in Mexico.

The table set out below summarises:

- (i) Regional sales revenue from continuing operations.
- (ii) Regional assets related to continuing operations.

Regions	Sales Revenue		Regional Assets	
	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m
Asia Pacific	181.4	183.7	340.9	325.7
Europe, the Middle East and Africa	531.6	550.2	183.7	172.4
Latin America and Caribbean	109.4	106.5	54.8	51.5
North America	676.6	649.4	206.1	224.4
Total regions	1,499.0	1,489.8	785.5	774.0

Country of Domicile

The Company's country of domicile is Australia. The sales revenue and assets for the Australian entities (reported within the Asia Pacific region) are as follows:

- (i) Sales revenue from continuing operations.
- (ii) Assets related to continuing operations.

	2019 US\$m	2018 US\$m
Sales revenue	119.3	125.7
Assets	27.6	39.4

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

3. Profit Before Income Tax

	2019 US\$m	2018 US\$m
(a) Profit Before Income Tax from Continuing Operations has been Arrived at after Charging/(Crediting) the Following Items		
This table summaries expenses by nature from continuing operations:		
Interest expense	18.9	20.1
Other financing costs	2.5	4.1
Interest income	(7.8)	(11.7)
Net financing costs	13.6	12.5
Bad debts written off	0.1	0.1
Provision for impairment of trade receivables – recognised	0.7	3.7
Net bad debts expense and provision for impairment of trade debtors	0.8	3.8
Wages and salaries	223.5	231.3
Increase in provision for employee entitlements	14.1	15.1
Defined contribution superannuation plan expense	11.7	14.3
Defined benefit superannuation plan expense	2.3	3.0
Equity settled share-based payments expense	9.3	10.4
Employee benefits expense	260.9	274.1
Research and development costs	12.2	15.8
Net foreign exchange (gain)/loss	(6.8)	6.3
Loss on the sale of property, plant and equipment	0.4	–
Operating lease rentals	29.6	28.1
Write-down in value of inventories	6.0	3.0

(b) Transformation and Change in Accounting Estimate

The following table summarises the impact on the profit before income tax of:

- (i) Transformation initiative announced on 20 July 2017; and
- (ii) change in accounting estimate effective 1 July 2017.

	2019 US\$m	2018 US\$m
Continuing operations		
Selling, general and administration		
Restructuring – Transformation initiative	37.2	24.1
Asset impairment (property, plant and equipment) – Transformation initiative	8.3	–
Change in accounting estimate – development costs	–	11.2
Discontinued operations		
Selling, general and administration		
Change in accounting estimate – development costs	–	1.3

(c) Recognition and Measurement

Sales Revenue

Sales revenue is revenue from contracts with customers and 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 control of the goods have been transferred to the buyer and can be measured reliably.

4. Income Tax

	2019 US\$m	2018 US\$m
(a) Income Tax Expense		
Prima facie income tax calculated at 30% (2018: 30%) on profit before income tax	43.1	43.6
Reduced taxation arising from:		
Investment and export incentive allowances	(13.2)	(11.9)
Impact of transformation costs	7.4	–
Impact of US tax reform on net deferred tax balances	–	(18.7)
Net lower overseas tax rates	(6.3)	(3.1)
Recognition/utilisation of previously unbooked tax losses	–	(3.7)
Other permanent differences	0.4	(1.5)
Income tax expense attributable to profit before income tax	30.6	4.7
Income tax expense attributable to profit before income tax is made up of:		
Current year income tax	23.2	13.0
Deferred income tax attributable to:		
Increase/(decrease) in deferred tax liability	7.2	(22.6)
Decrease/(increase) in deferred tax asset	0.2	14.3
	30.6	4.7
Income tax expense/(benefit) recognised in other comprehensive income		
Remeasurement of defined benefit superannuation/post-retirement health benefit plans	(0.3)	2.2
Movement in effective hedges for year	(1.2)	2.8
	(1.5)	5.0

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

4. Income Tax *continued*

The following summarises deferred tax assets and liabilities related to continuing operations:

	2019 US\$m	2018 US\$m
(b) Deferred Tax Assets		
Deferred tax assets arising from:		
Deductible temporary differences	36.0	27.2
Accumulated tax losses	30.0	40.4
	66.0	67.6

Deferred tax assets are attributable to the following:

Trading stock tax adjustments	7.2	6.5
Provisions	18.2	13.8
Accruals	4.7	1.9
Amortisation of intangible assets	5.9	5.0
Accumulated tax losses	30.0	40.4
Total deferred tax assets	66.0	67.6

Details of the movement in the balance of deferred tax assets are as follows:

Balance at the beginning of the financial year	67.6	88.5
Under provision of prior year balance	0.1	0.4
Amount charged to the Income Statement	(0.2)	(14.3)
Amount charged to other comprehensive income	0.5	(5.0)
Net exchange differences on translation of foreign subsidiaries	(2.0)	(2.0)
Balance at the end of the financial year	66.0	67.6

(c) Deferred Tax Liabilities

Deferred tax liabilities are attributable to the following:

Depreciation on plant and equipment	6.2	4.8
Amortisation of intangible assets	63.9	60.9
Financial instruments	0.8	2.1
Other	5.6	3.3
Total deferred tax liabilities	76.5	71.1

Details of the movement in the balance of deferred tax liabilities are as follows:

Balance at the beginning of the financial year	71.1	89.9
(Over)/under provision of prior year balance	(0.1)	3.9
Amount (credited)/charged to the Income Statement	7.2	(22.6)
Amount credited to other comprehensive income	(1.0)	–
Net exchange differences on translation of foreign subsidiaries	(0.7)	(0.1)
Balance at the end of the financial year	76.5	71.1

(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 \$8.3m (2018: \$8.0m) and \$60.2m of capital losses (2018: \$63.5m). Deferred tax assets in respect of these unbooked 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

	2019 US\$m	2018 US\$m
Earnings reconciliation		
Profit for the period	113.1	486.2
Less profit for the period attributable to non-controlling interests	(1.4)	(1.9)
Basic earnings	111.7	484.3
From continuing operations	111.7	138.8
From discontinued operations	–	345.5
	111.7	484.3
Diluted earnings		
From continuing operations	111.7	138.8
From discontinued operations	–	345.5
	111.7	484.3
		Number of Shares (Millions)
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic Earnings Per Share	135.3	143.8
Effect of partly paid Executive Plan shares and Performance Share Rights (PSRs)	2.2	2.1
Number of ordinary shares for diluted Earnings Per Share	137.5	145.9
	US Cents	US Cents
Earnings Per Share from continuing operations		
Basic Earnings Per Share	82.6	96.5
Diluted Earnings Per Share	81.2	95.1
Earnings Per Share from discontinued operations		
Basic Earnings Per Share	–	240.3
Diluted Earnings Per Share	–	236.8

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

5. Earnings Per Share *continued*

Recognition and Measurement

Earnings Per Share (EPS) is the amount of profit attributable to each share. Basic EPS is calculated on the Group's profit for the year attributable to equity shareholders divided by the weighted average number of shares on issue during the year. Diluted EPS reflects any commitments the Group has to issue shares in the future. Partly paid Executive Plan shares and PSRs have been included in diluted Earnings Per Share.

6. Cash and Cash Equivalents

	2019 US\$m	2018 US\$m
(a) Cash and Cash Equivalents		
Cash on hand	0.1	0.2
Cash at bank	108.5	126.6
Short-term deposits	286.1	453.1
	394.7	579.9
Restricted deposits	2.8	2.9
Total cash and cash equivalents	397.5	582.8
(b) Reconciliation of Net Profit After Tax to Net Cash Provided by Operating Activities		
Profit for the period	113.1	486.2
Add/(less) non-cash items:		
Depreciation	31.5	32.7
Amortisation	6.7	7.1
Impairment – trade receivables	0.7	3.7
Share-based payments expense	9.3	10.4
Change in accounting estimate – development costs	–	12.5
Write-down of property, plant and equipment	8.3	3.2
Add/(less) items classified as investing/financing activities:		
Interest received	(7.8)	(11.7)
Interest and financing costs paid	21.4	24.2
Loss on the sale of property, plant and equipment	0.4	–
Gain on the sale of businesses, net of tax	–	(344.8)
Net cash provided by operating activities before change in assets and liabilities	183.6	223.5
Change in assets and liabilities net of effect from acquisitions and disposals of businesses and subsidiaries:		
Decrease/(increase) in trade and other receivables	3.5	(6.9)
Decrease/(increase) in inventories	2.4	(0.7)
Increase in other assets	(1.1)	(2.8)
Decrease in trade and other payables	(2.4)	(20.2)
Increase/(decrease) in provisions/other liabilities	5.0	(3.5)
Increase/(decrease) in retirement benefit obligations	0.5	(5.9)
Increase/(decrease) in provision for deferred income tax	6.2	(22.0)
Decrease in deferred tax asset	1.2	14.2
Decrease in provision for income tax	(7.9)	(22.9)
Other non-cash items (including foreign currency impact)	(2.1)	0.8
Net cash provided by operating activities	188.9	153.6

(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

This table summarises working capital related to continuing operations:

	2019 US\$m	2018 US\$m
Net trade receivables	192.2	191.9
Inventories	335.6	329.8
Trade payables	(185.3)	(182.1)
Total working capital	342.5	339.6

(a) Current Trade and Other Receivables

This table summarises current trade and other receivables related to continuing operations:

	2019 US\$m	2018 US\$m
Trade receivables	251.6	240.5
Allowance for impairment	(8.1)	(8.0)
Provision for rebates and allowances	(51.3)	(40.6)
Net trade receivables	192.2	191.9
Other amounts receivable	8.9	9.1
Total current trade and other receivables	201.1	201.0

Movements in the allowance for impairment of trade receivables:

This table summarises the allowance for impairment of trade receivables related to continuing operations:

	2019 US\$m	2018 US\$m
Balance at the beginning of the financial year	8.0	4.5
Amounts charged to the Income Statement	0.7	3.7
Amounts utilised for intended purposes	(0.6)	–
Net exchange differences on translation of foreign subsidiaries	–	(0.2)
Balance at the end of the financial year	8.1	8.0

	Gross Trade Receivables		Allowance for Impairment	
	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m
Ageing of Trade Receivables				
Within agreed terms	211.0	201.6	–	–
Past due 0–60 days	33.1	29.4	1.5	1.2
Past due 61–90 days	0.8	1.5	0.5	0.5
Past due 91 days or more	6.7	8.0	6.1	6.3
Total	251.6	240.5	8.1	8.0

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

7. Working Capital *continued*

(b) Inventories

This table summarises inventories related to continuing operations:

	2019 US\$m	2018 US\$m
Raw materials	44.5	42.7
Work in progress	21.5	17.2
Finished goods	269.6	269.9
Total inventories	335.6	329.8

	2019 US\$m	2018 US\$m
Inventories recognised as an expense	882.5	870.0

(c) Current Trade and Other Payables

This table summarises current trade and other payables related to continuing operations:

	2019 US\$m	2018 US\$m
Current		
Trade payables	185.3	182.1
Other payables	40.3	40.1
Total current trade and other payables	225.6	222.2

(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 Group determines that the trade receivables are low credit risk financial assets and measures the impairment of trade receivable balances based on an expected credit loss model. The following basis have been used to assess the allowance for impairment of 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 that 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 production overheads as applicable.

Provision for Obsolete or Slow-moving Inventories

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 and other payables are normally settled within 30 to 60 days from invoice date or within the agreed payment terms with the supplier.

8. Property, Plant and Equipment

This table summarises property, plant and equipment related to continuing operations:

	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
2019						
Cost	10.6	34.4	65.2	425.7	14.7	550.6
Accumulated depreciation	–	(15.4)	(24.5)	(280.9)	–	(320.8)
	10.6	19.0	40.7	144.8	14.7	229.8
Movement						
Balance at the beginning of the financial year	7.1	16.9	39.9	147.2	19.3	230.4
Additions	–	5.2	0.5	7.5	26.8	40.0
Additions through entities/businesses acquired	–	–	–	0.4	–	0.4
Disposals/scrappings	–	(2.8)	(0.2)	(5.3)	(0.5)	(8.8)
Transfer from buildings and plant under construction	3.2	0.8	3.8	22.9	(30.7)	–
Depreciation	–	(1.1)	(2.8)	(27.6)	–	(31.5)
Net exchange differences on translation of foreign subsidiaries	0.3	–	(0.5)	(0.3)	(0.2)	(0.7)
Balance at the end of the financial year	10.6	19.0	40.7	144.8	14.7	229.8
2018						
Cost	7.1	31.8	62.0	436.5	19.3	556.7
Accumulated depreciation	–	(14.9)	(22.1)	(289.3)	–	(326.3)
	7.1	16.9	39.9	147.2	19.3	230.4
Movement						
Balance at the beginning of the financial year	7.0	15.7	37.5	144.7	13.0	217.9
Additions	–	1.8	–	6.6	35.2	43.6
Disposals/scrappings	–	(1.1)	(0.1)	(1.9)	(0.1)	(3.2)
Transfer from buildings and plant under construction	–	1.0	3.9	24.3	(29.2)	–
Depreciation	–	(1.0)	(2.5)	(28.4)	–	(31.9)
Net exchange differences on translation of foreign subsidiaries	0.1	0.5	1.1	1.9	0.4	4.0
Balance at the end of the financial year	7.1	16.9	39.9	147.2	19.3	230.4

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

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 rates and methods are reviewed annually for appropriateness.

9. Intangible Assets

This table summarises intangible assets related to continuing operations:

2019	Goodwill US\$m	Brand Names US\$m	Software Costs US\$m	Other Intangibles US\$m	Total US\$m
Cost					
Balance at the beginning of the financial year	942.0	237.7	69.4	23.7	1,272.8
Additions	–	–	3.6	–	3.6
Additions through entities acquired	50.1	14.2	–	–	64.3
Net exchange differences on translation of foreign subsidiaries	(4.8)	(3.3)	(2.8)	–	(10.9)
Balance at the end of the financial year	987.3	248.6	70.2	23.7	1,329.8
Provision for amortisation and impairment					
Balance at the beginning of the financial year	140.7	59.6	37.8	6.3	244.4
Amortisation	–	0.1	5.3	1.3	6.7
Net exchange differences on translation of foreign subsidiaries	(0.5)	(1.7)	(1.7)	–	(3.9)
Balance at the end of the financial year	140.2	58.0	41.4	7.6	247.2
Written down value at the end of the financial year	847.1	190.6	28.8	16.1	1,082.6

2018	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	955.0	226.5	26.7	71.6	24.0	1,303.8
Additions	3.7	–	–	1.4	–	5.1
Additions through entities acquired/ completion of provisional accounting	(12.7)	16.3	–	–	–	3.6
Written off to the Income Statement	–	–	(27.9)	(1.4)	–	(29.3)
Net exchange differences on translation of foreign subsidiaries	(4.0)	(5.1)	1.2	(2.2)	(0.3)	(10.4)
Balance at the end of the financial year	942.0	237.7	–	69.4	23.7	1,272.8
Provision for amortisation and impairment						
Balance at the beginning of the financial year	137.6	61.3	16.1	33.8	5.2	254.0
Amortisation	–	0.1	–	5.7	1.3	7.1
Accumulated amortisation on amounts written off to the Income Statement	–	–	(16.7)	(0.2)	–	(16.9)
Net exchange differences on translation of foreign subsidiaries	3.1	(1.8)	0.6	(1.5)	(0.2)	0.2
Balance at the end of the financial year	140.7	59.6	–	37.8	6.3	244.4
Written down value at the end of the financial year	801.3	178.1	–	31.6	17.4	1,028.4

Carrying amount of goodwill and brand names allocated to each of the CGUs related to continuing operations:

	2019 US\$m	2018 US\$m
Healthcare	677.7	676.1
Industrial	360.0	303.3
	1,037.7	979.4

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 anticipates that this process will take. The amortisation of brand names, software costs and other intangible assets 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 believes that the lives of such assets are indefinite at this point.

Software Costs

Capitalised software costs are amortised over a 3 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 that are amortised on a straight-line basis over the legal life of the patent and customer and distributor relationships that are amortised on a straight-line basis over their estimated useful lives, which range from 6 to 20 years.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

9. Intangible Assets *continued*

Recoverability Amount Assessment

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.

The recoverable amount of a non-current asset is the higher of an asset's fair value less costs of disposal 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.

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.

Goodwill and Indefinite Life Intangible Assets

Goodwill and indefinite life intangible assets are tested for impairment as part of the year-end reporting process. These assets are also reviewed as part of the interim reporting process to determine whether there are any indicators of impairment.

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 of CGUs has been determined based on a value in use calculation derived from five-year cash flow projections.

The base for each CGU is the budget for the 2020 financial year as approved by the Board. Specific growth and after tax WACC rates have been used for each CGU in developing internal forecasts for financial years ending June 2021 to 2024 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 internal assessment of the Group's post-tax weighted average cost of capital 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 3.0% and 9.4% (2018: between 2.5% and 6.1%), while the growth in the terminal year was between 1.9% and 2.0% (2018: 2%).

The post-tax discount rates applied range between 7.9% and 8.2% (2018: 8% and 8.4%).

10. Interest Bearing Liabilities

This table summarises interest bearing liabilities related to continuing operations:

	2019 US\$m	2018 US\$m
Current		
Loans repayable in:		
US dollars	20.0	–
Total current	20.0	–
Non-current		
Loans repayable in:		
Euros	143.8	146.2
United States dollars	250.0	270.0
United Kingdom pounds	131.5	135.8
Total non-current	525.3	552.0
Total interest bearing liabilities	545.3	552.0

This table summarises the movement in interest bearing liabilities related to continuing operations for the year ended 30 June 2019:

	2019 US\$m
Balance at the beginning of the financial year	552.0
Movements in cash flows related to financing activities:	
Proceeds from borrowings as per Consolidated Statement of Cash Flows	–
Repayments of borrowings as per Consolidated Statement of Cash Flows	–
Other movements:	
Net exchange differences on translation of foreign subsidiaries	(6.7)
Balance at the end of the financial year	545.3

The Group has a syndicated borrowing facility of US\$300m, with GBP 103.8m (equivalent of US\$131.5m) drawn down at 30 June 2019 maturing in June 2023, a Euro 25m revolving credit facility with Euro 25.0m (equivalent of US\$28.4m) drawn down at 30 June 2019 maturing in January 2021, and Senior Notes to the equivalent of US\$385.4m. A Senior Note of US\$20.0m matures in June 2020. The remaining Senior Notes of US\$250m and Euro 101.5m (equivalent of US\$115.4m) mature between June 2021 and June 2029. These facilities can be accessed by certain Australian, US, UK 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 Group 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.

	2019 US\$m	2018 US\$m
Net interest bearing debt		
Current interest bearing liabilities	20.0	–
Non-current interest bearing liabilities	525.3	552.0
Cash at bank and short-term deposits	(394.6)	(579.7)
Net interest bearing debt	150.7	(27.7)

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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

10. Interest Bearing Liabilities continued

This table summarises interest bearing liabilities related to continuing operations:

Nature and Currency of Borrowing		Effective Interest Rate % p.a.	Financial Year of Debt Maturity	2019 US\$m
Bank loans	Euros	1.00	2021	28.4
	United Kingdom pounds	2.35	2023	131.5
Other loans	Euros	1.02	2027	40.6
	Euros	2.75	2028	40.6
	Euros	2.47	2029	34.2
	United States dollars	4.41	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				545.3

Nature and Currency of Borrowing		Effective Interest Rate % p.a.	Financial Year of Debt Maturity	2018 US\$m
Bank loans	Euros	1.00	2021	28.9
	United Kingdom pounds	2.06	2023	135.8
Other loans	Euros	3.37	2020	34.7
	Euros	3.52	2022	41.3
	Euros	1.60	2023	41.3
	United States dollars	3.75	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				552.0

11. Provisions

This table summarises provisions related to continuing operations:

	2019 US\$m	2018 US\$m
Current		
Provision for employee entitlements	44.9	43.8
Provision for rationalisation and restructuring costs	8.3	5.7
Other provisions	3.2	3.5
Total current	56.4	53.0
Non-current		
Provision for employee entitlements	8.8	7.8
Total non-current	8.8	7.8
Total provisions	65.2	60.8

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

Provision for rationalisation and restructuring costs

Balance at the beginning of the financial year	5.7	3.5
Amounts charged to the Income Statement	4.8	3.4
Payments made	(2.3)	(1.2)
Net exchange differences on translation of foreign subsidiaries	0.1	–
Balance at the end of the financial year	8.3	5.7

Other provisions

Balance at the beginning of the financial year	3.5	3.9
Amounts credited to the Income Statement	(0.3)	(0.3)
Payments made	0.1	–
Net exchange differences on translation of foreign subsidiaries	(0.1)	(0.1)
Balance at the end of the financial year	3.2	3.5

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.

A non-current 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 that 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 at balance date that most closely match the terms of maturity of the related liabilities.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

11. Provisions *continued*

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 the Accufix Pacing Lead and insurance claims. The Accufix Pacing Lead-related expenses include costs of patients associated with the monitoring and (where appropriate) explanation of the leads and for legal costs in defence of claims made in respect of the Accufix Pacing Leads. 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 that 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 related to continuing operations are determined as follows:

Retirement Benefit Asset

	2019 US\$m	2018 US\$m
Fair value of defined benefit plan assets	31.6	33.7
Present value of accumulated defined benefit obligations	(26.7)	(27.8)
Defined benefit asset recognised in the Balance Sheet	4.9	5.9

The movements in the defined benefit asset during the year are outlined below:

	2019 US\$m	2018 US\$m
Balance at the beginning of the financial year	5.9	–
Reclassification from defined benefit liability during the year	–	(3.5)
Actuarial (losses)/gains ⁽ⁱ⁾	(0.9)	2.4
Current service cost ⁽ⁱⁱ⁾	(0.3)	(0.6)
Net interest cost ⁽ⁱⁱ⁾	0.2	(0.1)
Employer contributions ⁽ⁱⁱⁱ⁾	–	7.8
Net exchange differences on translation of foreign subsidiaries	–	(0.1)
Balance at the end of the financial year	4.9	5.9

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

	2019 US\$m	2018 US\$m
Discount rate	3.2%	3.7%
Future salary increases	3.0%	3.0%

Retirement Benefit Liability

	2019 US\$m	2018 US\$m
Present value of accumulated defined benefit obligations	30.1	27.9
Fair value of defined benefit plan assets	(15.4)	(13.6)
Net defined benefit liability recognised in the Balance Sheet	14.7	14.3

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

	2019 US\$m	2018 US\$m
Balance at the beginning of the financial year	14.3	19.0
Reclassification to defined benefit asset during the year	–	(3.5)
Actuarial losses/(gains) ⁽ⁱ⁾	0.6	(1.3)
Current service cost ⁽ⁱⁱ⁾	2.0	2.2
Net interest cost ⁽ⁱⁱⁱ⁾	0.2	0.1
Employer contributions ⁽ⁱⁱⁱ⁾	(1.5)	(1.6)
Net exchange differences on translation of foreign subsidiaries	(0.9)	(0.6)
Balance at the end of the financial year	14.7	14.3

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

	2019 US\$m	2018 US\$m
Discount rate	1.2%	1.4%
Future salary increases	1.5%	1.5%

(i) Actuarial gains and losses are recorded in other comprehensive income.

(ii) Current service cost and interest cost are recorded in the Income Statement as part of selling, general and administration expenses.

(iii) Employer contributions are a cash payment and are recorded as part of payments to suppliers and employees in the Consolidated Statement of Cash Flows.

The Group expects \$1.1m in contributions to be paid to its defined benefit plans during the year ending 30 June 2020.

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

	2019 US\$m	2018 US\$m
Equity securities	4%	14%
Fixed interest securities	31%	66%
Property	2%	2%
Other	63%	18%

(b) Defined Contribution Superannuation Plans

	2019 US\$m	2018 US\$m
Contributions to defined contribution plans during the year	11.7	14.3

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

13. Issued Capital and Reserves

(a) Issued Capital

	2019 US\$m	2018 US\$m
Issued capital		
132,302,593 (2018: 142,280,089) ordinary shares, fully paid	873.9	1,052.6
44,700 (2018: 49,700) Executive Share Plan shares, paid to A\$0.05 per share	–	–
Total issued capital	873.9	1,052.6

	Number of Shares	
	2019	2018
Movement in shares on issue		
Ordinary shares		
Balance at the beginning of the financial year	142,280,089	147,328,462
Issue of new shares under Dividend Reinvestment Plan	132,874	152,153
Conversion of Executive Share Plan shares to fully paid	5,000	4,200
Buy-back/cancellation of shares	(10,115,370)	(5,204,726)
Balance at the end of the financial year	132,302,593	142,280,089
Executive Share Plan shares		
Balance at the beginning of the financial year	49,700	53,900
Conversion of Executive Share Plan shares to fully paid	(5,000)	(4,200)
Balance at the end of the financial year	44,700	49,700

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, 132,874 shares were issued during the year (2018: 152,153).

Executive Share Plan

During the financial year, 5,000 Executive Share Plan shares were paid (2018: 4,200). Shares allotted under the Pacific Dunlop Executive Share Plan (which was discontinued in 1996) have been paid to A\$0.05 per share.

Options

As at the date of this Report, there are nil (2018: nil) unissued shares in the Company remaining under option.

(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, the cumulative net change in the intrinsic and time value of options and interest rate swaps 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.

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. Refer to Note 1 Summary of Significant Accounting Policies.

14. Dividends Paid or Declared

	2019 US\$m	2018 US\$m
Dividends paid		
A final dividend of US25.00 cents per share unfranked for the year ended 30 June 2018 (June 2017: US23.75 cents unfranked) was paid on 13 September 2018 (2017: 8 September 2017)	34.9	35.1
An interim dividend of US20.75 cents per share unfranked for the year ended 30 June 2019 (June 2018: US20.50 cents unfranked) was paid on 14 March 2019 (2018: 8 March 2018)	27.2	28.7
	62.1	63.8

Dividends Declared

Since the end of the financial year the Directors have declared a final dividend of US26.0 cents per share unfranked, to be paid on 5 September 2019. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2019 and will be recognised in subsequent financial reports.

Dividend Franking Account

The balance of the dividend franking account as at 30 June 2019 was nil (2018: nil).

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

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 policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation 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 Group 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.
- Under the policy, the Group can hedge up to 90% of its estimated foreign currency exposure in respect of forecast purchases and sales.

The Group enters into 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 1 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 1 year.

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

	Net Receivable	
	2019 US\$m	2018 US\$m
Net receivable in non-US\$ reporting entities	20.0	19.5

The following table demonstrates the estimated sensitivity in the valuation of outstanding forward contracts and foreign exchange options to a 10% 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	
	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m
With all other variables held constant:				
10% increase in US\$ exchange rate	–	–	8.0	7.9
10% decrease in US\$ exchange rate	–	–	(1.9)	(0.2)

(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 enable 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 1 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 1 year.

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

	Weighted Average Effective Interest Rate %	Floating US\$m	Fixed Interest Repricing In:				Total US\$m
			1 Year or Less US\$m	1 to 2 Years US\$m	2 to 5 Years US\$m	> 5 Years US\$m	
2019							
Bank and other loans	3.4	159.9	20.0	50.0	100.0	215.4	545.3
Effect of interest rate swaps*	(0.1)	(43.8)	(20.0)	28.4	35.4	–	–
		116.1	–	78.4	135.4	215.4	545.3
2018							
Bank and other loans	3.4	164.7	–	54.6	132.7	200.0	552.0
Effect of interest rate swaps*	(0.1)	(46.1)	–	(20.0)	66.1	–	–
		118.6	–	34.6	198.8	200.0	552.0

* Represents notional amount of interest rate swaps.

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

The table below shows the effect on profit for the period and equity, if interest rates had been 10% higher or lower with all other variables held constant, taking into account all underlying exposures and related hedges. A sensitivity of 10% 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	
	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m
With all other variables held constant:				
If interest rates were 10% higher	–	–	0.2	0.3
If interest rates were 10% lower	–	–	(0.2)	(0.3)

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

15. Financial Risk Management continued

(c) Credit Risk

The credit risk on financial assets (excluding investments) of the Group is the carrying amount, net of any provision for impairment, that 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 related to continuing operations of US\$397.5m at 30 June 2019 (2018: US\$582.8m).

The material cash and cash equivalent balances are held with bank and financial institution counterparties, which are rated A3 or above by Moody's Investor 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 counter-parties 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 related to continuing operations was:

	Carrying Amount	
	2019 US\$m	2018 US\$m
Net trade receivables	192.2	191.9

Individual trade receivables that are known to be uncollectible are written off by reducing the carrying amount directly. 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 counter-party default loss is not considered material. The following table indicates the value of amounts owing by counter-parties by maturity.

	Foreign Exchange Related Contracts		Interest Rate Contracts		Foreign Exchange Options		Total	
	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m
Term:								
0–6 months	1.6	3.1	–	–	1.7	2.2	3.3	5.3
6–12 months	0.5	1.4	–	–	1.3	3.1	1.8	4.5
1–2 years	–	–	–	–	–	–	–	–
2–5 years	–	–	2.7	3.3	–	–	2.7	3.3
> 5 years	–	–	–	–	–	–	–	–
Total	2.1	4.5	2.7	3.3	3.0	5.3	7.8	13.1

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when they are due.

The Group manages liquidity risk by:

- (a) maintaining adequate levels of undrawn committed facilities that can be drawn down upon at short notice;
- (b) retaining appropriate levels of cash and cash equivalents;
- (c) spreading the maturity dates of long-term debt facilities between financial years (to the extent practicable); and
- (d) regular monitoring of cash balances and cash requirement forecasts.

The following table sets out the contractual maturities of the Group's financial liabilities related to continuing operations 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 US\$m	Total Contractual Cash Flows US\$m	Contractual Maturity (Years)			
			0–1 US\$m	1–2 US\$m	2–5 US\$m	> 5 US\$m
2019						
Trade and other payables	227.7	227.7	225.6	2.1	–	–
Bank and other loans	545.3	633.7	37.6	94.6	270.8	230.7
Derivative financial instruments	3.4	3.4	3.0	0.2	0.2	–
Total	776.4	864.8	266.2	96.9	271.0	230.7
2018						
Trade and other payables	225.3	225.3	222.2	3.1	–	–
Bank and other loans	552.0	642.4	18.1	72.7	337.8	213.8
Derivative financial instruments	3.5	3.5	3.0	0.4	0.1	–
Total	780.8	871.2	243.3	76.2	337.9	213.8

(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 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 that 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 counter-parties who have amounts outstanding to the Group under derivative financial instruments fail to honour 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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

15. Financial Risk Management *continued*

(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)/by financial institutions under all derivative financial instruments would have been \$4.4m (2018: \$9.6m) if all contracts were closed out on 30 June 2019.

2019	Average Exchange Rates	Average Maturity Days	Nominal/ Face Value US\$m	Credit Risk US\$m	Net Fair Value US\$m
Foreign Exchange Contracts					
Purchase/sale contracts:					
– United States dollars/Euros	1.19	85	21.7	0.8	0.8
– Australian dollars/Japanese yen	77.88	60	6.7	–	–
– Malaysian ringgits/United States dollars	4.15	139	101.9	0.3	(0.2)
– Thai baht/United States dollars	30.98	25	5.5	–	–
– Sri Lankan rupees/United States dollars	180.10	184	34.6	0.6	(0.1)
– United States dollars/Australian dollars	0.70	56	20.3	0.1	–
– Other	–	–	61.5	0.3	–
Foreign exchange zero cost collar options					
	Options strike rates				
– Euros/United States dollars	1.16 – 1.18	186	134.8	2.7	1.5
– Australian dollars/United States dollars	0.69 – 0.71	135	3.5	–	–
– Canadian dollars/United States dollars	0.75 – 0.77	85	3.0	–	–
– United States dollars/Mexican pesos	20.00 – 22.00	195	6.6	0.2	0.1
– Japanese yen/United States dollars	104.00 – 106.00	129	4.6	0.1	–
Interest rate contracts					
<i>Interest rate swaps:</i>					
	Interest rate %	Years			
– GBP Payable fixed	0.96	2.7	76.0	–	(0.2)
– Euros Payable floating	Euribor	3.2	40.6	2.7	2.7
– Euros Payable fixed	0.00	1.6	28.4	–	(0.2)
– US dollars Payable floating	Libor	1.0	20.0	–	
Total			569.7	7.8	4.4

2018	Average Exchange Rates	Average Maturity Days	Nominal/ Face Value US\$m	Credit Risk US\$m	Net Fair Value US\$m
Foreign exchange contracts					
Purchase/sale contracts:					
– United States dollars/Euros	1.21	153	57.6	2.1	2.1
– Australian dollars/Japanese yen	81.96	43	7.0	–	(0.1)
– Malaysian ringgits/United States dollars	4.08	152	83.6	1.5	0.7
– Thai baht/United States dollars	32.33	54	8.2	–	(0.2)
– Sri Lankan rupees/United States dollars	164.70	213	40.5	0.3	0.2
– United States dollars/Australian dollars	0.75	89	10.0	0.2	0.1
– Other	–	–	55.3	0.4	(0.1)
Foreign exchange zero cost collar options					
	Options strike rates				
– Euros/United States dollars	1.18 – 1.20	179	118.1	3.8	3.4
– Australian dollars/United States dollars	0.77 – 0.79	53	2.3	0.1	0.1
– Canadian dollars/United States dollars	0.78 – 0.81	92	8.8	0.3	0.3
– United Kingdom pounds/United States dollars	1.34 – 1.39	161	13.9	0.5	0.4
– United States dollars/Mexican pesos	19.00 – 21.00	169	16.1	0.4	(0.1)
– United States dollars/Thai baht	32.00 – 33.00	70	10.9	–	(0.1)
– Japanese yen/United States dollars	103.00 – 108.00	171	7.0	0.2	0.1
Interest rate contracts					
<i>Interest rate swaps:</i>					
	Interest rate %	Years			
– GBP Payable fixed	0.96	3.7	78.5	0.6	0.6
– Euros Payable floating	Euribor	4.2	41.3	2.7	2.7
– Euros Payable fixed	0.00	2.6	28.9	–	(0.1)
– US dollars Payable floating	Libor	1.9	20.0	–	(0.4)
Total			608.0	13.1	9.6

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

15. Financial Risk Management continued

The effects of hedge accounting on the financial position and performance of the Group is as follows:

2019	Carrying Amount of Hedging Instruments*	Change in Value of the Hedging Instrument for Calculating Hedge Ineffectiveness	Change in Value of the Hedged Item for Calculating Hedge Ineffectiveness	Change in Value of the Hedging Instrument Recognised in OCI	Hedge Ineffectiveness Recognised in P&L	Amount Reclassified From CFHR to P&L
Cash flow hedges						
Revenue (up to 1 year)	2.3	2.3	(2.3)	2.3	–	6.5
Costs (up to 2 years)	(0.3)	(0.3)	0.3	(0.3)	–	0.7
EUR interest	(0.2)	(0.2)	0.2	(0.2)	–	(0.1)
GBP interest	(0.2)	(0.2)	0.2	(0.2)	–	0.6
USD interest	–	–	–	–	–	–
Fair value hedges						
EUR interest	2.7	–	–	–	–	–
USD interest	–	0.4	(0.4)	–	–	–

2018	Carrying Amount of Hedging Instruments*	Change in Value of the Hedging Instrument for Calculating Hedge Ineffectiveness	Change in Value of the Hedged Item for Calculating Hedge Ineffectiveness	Change in Value of the Hedging Instrument Recognised in OCI	Hedge Ineffectiveness Recognised in P&L	Amount Reclassified From CFHR to P&L
Cash flow hedges						
Revenue (up to 1 year)	6.5	6.5	(6.5)	6.5	–	(4.4)
Costs (up to 2 years)	0.7	0.7	(0.7)	0.7	–	(1.6)
EUR interest	(0.1)	(0.1)	0.1	(0.1)	–	–
GBP interest	0.6	0.6	(0.6)	0.6	–	–
USD interest	–	–	–	–	–	0.2
Fair value hedges						
EUR interest	2.7	(0.3)	0.3	–	–	–
USD interest	(0.4)	(0.4)	0.4	–	–	–

* Includes the time value of foreign exchange options.

(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.

The fair values of forward exchange contracts, foreign exchange options and interest rate swaps are determined based on the unrealised gains and losses at the reporting date. This is done using the standard valuation technique based on the applicable market observable rates including spot rate, forward points, volatilities and interest rate data sourced from brokers and third party market data vendors.

	Level 2	
	2019 US\$m	2018 US\$m
Derivative financial assets	7.8	13.1
Derivative financial liabilities	3.4	3.5

(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.
- The Group predominantly does not deal with counter-parties 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 that 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).

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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

15. Financial Risk Management *continued*

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives (including the intrinsic value of options) 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. The time value of options is accounted for as a hedging cost with changes in fair value being recognised in the hedging reserve through other comprehensive income.

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

	2019 US\$m	2018 US\$m
(a) Capital Expenditure Commitments		
Contracted but not provided for in the financial statements:		
Plant and equipment	7.9	6.6
	7.9	6.6
Payable within one year	7.9	6.6
(b) Operating Lease Commitments		
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	16.9	16.4
One year or later and no later than five years	27.2	31.8
Later than five years	22.8	13.5
	66.9	61.7

The Group leases property, motor vehicles and other plant and equipment under operating leases with lease terms of between 1 and 99 years. Some of the property leases include options to extend the term beyond the original end date.

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	
		2019 %	2018 %
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
Ansell (Shanghai) Management Co. Ltd. (formerly 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
Ringers Technologies Australia Pty. Ltd.	Australia	100	–
Ansell Canada Inc.	Canada*	100	100
Ansell Canadian Holdings Limited	Canada*	100	100
Ansell Commercial Mexico S.A. de C.V.	Mexico*	100	100
Ansell Colombia SAS	Colombia*	100	100
Ansell Global Trading Center (Malaysia) Sdn. Bhd.	Malaysia*	100	100
Ansell Lanka (Pvt.) Ltd.	Sri Lanka*	100	100
Ansell (Middle East) DMCC	UAE*	100	100
Ringers Global Middle East FZE	UAE*	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 (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
Hercules Equipamentos de Protecao Ltda	Brazil*	100	100
Ansell Brazil LTDA	Brazil*	100	100

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

17. Particulars Relating to Subsidiaries *continued*

	Country of Incorporation	Beneficial Interest	
		2019 %	2018 %
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 USA LLC (formerly Ansell US Group Holdings (USA) LLC)	USA*	100	100
Ansell Liquid Asset Holdings LLC	USA*	100	100
Ansell (USA) Inc.	USA*	100	100
Ansell Edmont Industrial de Mexico S.A. de C.V.	Mexico*	100	100
Pacific Dunlop Holdings (USA) LLC	USA*	100	100
Barriersafe Solutions International Inc.	USA*	100	100
Ansell Healthcare Products LLC	USA*	100	100
Ansell Sandel Medical Solutions LLC	USA*	100	100
Ringers Technologies LLC	USA*	100	–
Valeo Technologies LLC	USA*	100	–
Ansell Hawkeye Inc.	USA*	100	100
Pacific Chloride Inc.	USA*	100	100
Pacific Dunlop Holdings LLC	USA*	100	100
TPLC Holdings Inc.	USA*	100	100
Accufix Research Institute Inc.	USA*	100	100
Cotac Corporation	USA*	100	100
Pacific Dunlop Finance Company Inc.	USA*	100	100
Comercializadora Ansell Chile Limitada	Chile*	100	100
Corrvas Insurance (Singapore) Pte. Ltd.	Singapore*	100	100
Medical Telectronics N.V.	Netherlands Ant.*	100	100
Ansell UK Limited	UK*	100	100
Ansell Healthcare Europe N.V.	Belgium*	100	100
Ansell 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 Services Poland Sp. z o.o.	Poland*	100	100
Ansell Spain SL (Sociedad de Responsabilidad Limitada)	Spain*	100	100
Comasec SAS	France*	100	100
Ansell Industrial & Specialty Gloves Malaysia Sdn. Bhd.	Malaysia*	100	100
Ansell Portugal – Industrial Gloves, Sociedade Unipessoal, Lda	Portugal*	100	100

	Country of Incorporation	Beneficial Interest	
		2019 %	2018 %
Ansell Korea Co. Ltd.	Sth Korea*	100	100
Ansell Vina Corporation	Vietnam*	100	100
Ansell Microgard Ltd.	UK*	100	100
Ansell Xiamen Limited	China*	100	100
Ansell Microgard Xiamen Limited	China*	100	100
Nitritex Limited	UK*	100	100
Nitritex (M) Sdn. Bhd.	Malaysia*	100	100
Nitritex Canada Ltd.	Canada*	100	100
Ringers Technologies UK Holdings Ltd.	UK*	100	–
Ringers Technologies Denmark APS	Denmark*	100	–
Pacific Dunlop Holdings (Singapore) Pte. Ltd.	Singapore*	100	100
Ansell India Protective Products Pvt. Ltd.	India*	100	50
Ansell (Hong Kong) Limited.	Hong Kong*	100	100
PDOCB Pty. Ltd.	Australia	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 Ant.*	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 ^(a)	100 ^(a)
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) The trustee of The Distribution Trust is The Distribution Group Pty. Ltd. The beneficiary of the trust is Ansell Limited.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

17. Particulars Relating to Subsidiaries *continued*

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

- Microflex Corporation (merged with Ansell Healthcare Products LLC)
- Ampelos International Malaysia
- Comasec Holdings Ltd
- Marigold Industrial Ltd

The following entity was disposed of during the year:

- J.K. Ansell Ltd

18. Acquisitions and Discontinued Operations

(a) Acquisitions

Digitcare

Effective 31 October 2018, Ansell acquired the Digitcare business from Digitcare Corporation, an exam and specialty glove supplier. The business offers purpose built Nitrile and latex gloves and is a leading glove supplier to the US Emergency Medical Services (EMS) and Specialty Acute markets. The acquisition will provide an opportunity for the Group to strengthen its position as the leader in disposable gloves for EMS professionals.

The total acquisition cost was \$6.7m, comprised an upfront payment of \$1.4m and a further \$5.3m payable over 12 months.

The identifiable net assets acquired at fair value (determined on a provisional basis) were \$2.4m resulting in goodwill of \$4.3m.

Ringers Gloves

On 1 February 2019, Ansell Limited announced the acquisition of Ringers Gloves, a leading provider of specialty impact gloves to the oil and gas and general industry segments with headquarters in Houston, Texas, for a total consideration of \$69.6m.

The acquisition provides a highly complementary suite of industry-leading impact protection products, expanding Ansell's position in this attractive and growing specialty category.

Purchase Consideration and Cash Acquired	US\$m
Gross cash consideration	69.6
Less:	
Cash acquired	(0.5)
Payment for business combination, net of cash acquired	69.1

Acquisition-related Costs

Total transaction costs on acquisitions incurred to date are \$1.3m. The total costs have been incurred in the current financial year. These acquisition costs are not included in the purchase consideration disclosed above. These costs are included in the Income Statement for the year ended 30 June 2019 and are disclosed in selling, general and administration expenses.

Identifiable Assets Acquired and Liabilities Assumed

The provisionally determined fair values of the assets and liabilities, excluding cash, of Ringers Gloves as at acquisition date are as follows:

	Provisional Fair Value US\$m
Trade and other receivables	5.4
Inventories	7.5
Property, plant and equipment	0.4
Intangible assets, including goodwill (\$45.8m)	60.0
Other assets	1.2
Total assets	74.5
Trade and other payables	(4.4)
Provision	(1.0)
Total liabilities	(5.4)
Total identified net assets acquired, excluding cash	69.1

At 1 February 2019, the assets and liabilities of Ringers Gloves were measured at fair value at the acquisition date with fair values having been determined on a provisional basis.

Revenue and Profit Contribution

In the five months to 30 June 2019, Ringers Gloves contributed sales revenue of \$13.1m and profit after tax of \$0.2m to the Group's results. If the acquisition had occurred on 1 July 2018, annualised sales revenue of \$32.9m and a loss after tax of \$1.1m would have been recognised in the Group's results for the year ended 30 June 2019. These amounts have been calculated using the subsidiaries' results for the year. Acquisition costs relating to Ringers Gloves of \$1.3m were incurred during the year ended 30 June 2019.

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.

(b) Discontinued Operations

Sale of Sexual Wellness Business

On 25 May 2017, Ansell Limited announced that it had executed a binding agreement for the sale of its Sexual Wellness business for US\$600m to Humanwell Healthcare (Group) Co., Ltd and CITIC Capital China Partners III, L.L.P.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

18. Acquisitions and Discontinued Operations continued

Sale of J.K. Ansell Limited

On 4 September 2017, the Company also announced that it had executed an agreement with Raymond Limited, its joint venture partner in J.K. Ansell Limited in India where Raymond Limited will take full ownership of the J.K. Ansell sexual wellness business. The associated assets and liabilities were consequently presented as held for sale in the financial statements for the year ended 30 June 2018.

The transaction was completed on 1 July 2018.

	2019 US\$m	2018 US\$m
Results from discontinued operations		
Sales revenue	–	57.7
Cost of goods sold	–	(27.6)
Distribution	–	(2.4)
Selling, general and administration including change in accounting estimate	–	(26.7)
Gain on sale of business	–	398.2
Profit before income tax	–	399.2
Income tax expense on trading operations	–	(0.2)
Income tax expense on gain on sale of business	–	(53.4)
Profit after income tax	–	345.6
Non-controlling interests	–	(0.1)
Profit from discontinued operations attributable to Ansell Limited shareholders	–	345.5
Other comprehensive income from discontinued operations		
Net exchange difference on translation of financial statements of foreign subsidiaries	–	4.8
Other comprehensive income from discontinued operations	–	4.8
Attributable to:		
Ansell Limited shareholders	–	5.0
Non-controlling interests	–	(0.2)
Other comprehensive income from discontinued operations	–	4.8
Cash flows from discontinued operations		
Net cash from operating activities	–	8.8
Net cash (used in)/from investing activities	(4.7)	522.5
Net cash flows from discontinued operations	(4.7)	531.3

<u>Details of the sale of the discontinued operations</u>	2019 US\$m	2018 US\$m
Net sale proceeds	2.4	600.2
Disposal costs	–	(40.7)
Net disposal consideration	2.4	559.5
Carrying amount of net assets sold	(5.4)	(161.3)
(Loss)/gain on sale before income tax, non-controlling interests of entities disposed and realisation of foreign currency translation reserve	(3.0)	398.2
Non-controlling interests of entities disposed and realisation of foreign currency translation reserve	3.0	–
Income tax expense on gain	–	(53.4)
Gain on sale after income tax	–	344.8

Assets and liabilities of discontinued operations

The carrying amounts of assets and liabilities disposed of as at the dates of the disposals were as follows:

	2019 US\$m	2018 US\$m
Cash and cash equivalents	7.0	15.6
Trade and other receivables	1.7	33.4
Inventories	2.2	36.2
Property, plant and equipment	1.4	35.6
Intangible assets	–	72.7
Deferred tax assets	–	3.8
Other assets	–	2.7
Total assets	12.3	200.0
Trade and other payables	6.0	25.3
Provisions	0.9	7.6
Current tax liabilities	–	2.8
Other liabilities	–	3.0
Total liabilities	6.9	38.7
Net assets disposed	5.4	161.3

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

18. Acquisitions and Discontinued Operations *continued*

(c) Disposal Group Held for Sale

As at 30 June 2018 the net assets of J.K. Ansell Limited were stated at their estimated net realisable value and comprised the following assets and liabilities:

	2018 US\$m
Cash and cash equivalents	7.0
Trade and other receivables	1.7
Inventories	2.2
Property, plant and equipment	1.4
Assets held for sale	12.3
Trade and other payables	6.0
Provisions	0.4
Liabilities held for sale	6.4
Net assets disposed	5.9

Recognition and Measurement

Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when an operation is classified as a discontinued operation prior year comparatives in the Income Statement are restated as if the operation had been discontinued from the start of the comparative year.

Assets Held for Sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, or employee benefit assets that continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distributions, and subsequent gains and losses on remeasurement, are recognised in the Income Statement.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, assets and liabilities held-for-sale are disclosed separately from other assets and liabilities in the Balance Sheet. Prior year comparatives in the Balance Sheet are not restated.

19. Parent Entity Disclosures

As at the end of and throughout the financial year ended 30 June 2019, the parent company of the Group was Ansell Limited.

	2019 US\$m	2018 US\$m
Result of the parent entity		
Profit for the period	58.7	425.5
Other comprehensive income	(3.2)	8.9
Total comprehensive income for the period, from continuing operations, net of income tax	55.5	434.4

Financial Position of the Parent Entity at Year End

This table summarises information related to continuing operations:

	2019 US\$m	2018 US\$m
Current assets	1,035.0	1,276.5
Total assets	2,451.6	2,806.3
Current liabilities	1,236.4	1,352.9
Total liabilities	1,239.9	1,358.0
Total equity of the parent entity comprising:		
Issued capital	873.9	1,052.6
Reserves	(337.6)	(283.0)
Retained profits	675.4	678.7
Total equity	1,211.7	1,448.3

The Group has a net current asset position of \$646.3m (2018: \$853.8m), which the parent company controls. As at 30 June 2019, the parent company has a net current liability position of \$201.4m (2018: \$76.4m). 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

	2019 US\$	2018 US\$
Short-term benefits	6,753,902	5,754,784
Retirement benefits	572,024	701,448
Termination benefits	991,572	–
Long-term equity-based incentives	3,395,721	4,269,646
Long-term cash-based incentives	–	698,626
	11,713,219	11,424,504

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

20. Related Party Disclosures *continued*

(ii) Service Agreements with Key Management Personnel

The Company has no service agreements with the Non-executive Directors. Refer to Section 5 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.

The fair value of PSRs granted is recognised as an employee benefit expense with a corresponding increase in equity over the vesting period.

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 2019 financial year are as follows:

Instrument	Grant Date	Vesting Date	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
PSRs	11/08/2016	30/06/2019	A\$17.95	A\$19.49	n/a	2.85%
PSRs	08/08/2017	30/06/2020	A\$20.41	A\$22.01	n/a	2.60%
PSRs	14/08/2018	30/06/2021	A\$25.57	A\$27.86	n/a	2.98%

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.

22. Auditors' Remuneration

This table summarises auditors' remuneration incurred in relation to continuing operations:

	2019 US\$	2018 US\$
Audit and review of the financial reports:		
Auditors of Ansell Limited and Australian entities – KPMG	1,388,259	1,421,889
Other member firms of KPMG ⁽ⁱ⁾	779,854	714,509
	2,168,113	2,136,398
Other services ⁽ⁱⁱ⁾ :		
Advisory services		
Auditors of Ansell Limited and Australian entities – KPMG	53,633	172,851
Other member firms of KPMG	47,490	–
Other audit and assurance services		
Other member firms of KPMG	8,134	28,000
Taxation and other services		
Other member firms of KPMG	–	9,010
Total other services	109,257	209,861
Total auditors' remuneration	2,277,370	2,346,259

(i) Includes fees paid or payable for overseas subsidiaries' local statutory lodgement purposes, Group reporting and other regulatory compliance requirements.

(ii) 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 65 to 112, and the Remuneration Report contained in the Report by the Directors, set out on pages 39 to 64, 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 2019 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 2019.

Signed in accordance with a resolution of the Directors:



G L L Barnes
Chairman



M R Nicolin
Director

Dated in Melbourne this 12th day of August 2019.

Independent Audit Report

to the members of Ansell Limited



Independent Auditor's Report

To the shareholders of Ansell Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Ansell Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated Balance Sheet as at 30 June 2019
- Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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

Liability limited by a scheme approved under Professional Standards Legislation.



Key Audit Matters

The **Key Audit Matters** we identified are:

- Valuation of goodwill and brand names
- Taxation

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill and brand names (USD \$1,037.7m)

Refer to Note 9 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>A key audit matter for us was the Group's annual testing of goodwill and brand names for impairment, given the size of the balance (being 44% of total assets).</p> <p>The Group's cash generating units (CGUs) operate in different countries or regions which give rise to complexity in determining a discount rate specific to each CGU.</p> <p>Valuation of goodwill and brand names is a key audit matter due to:</p> <ul style="list-style-type: none"> • the inherent complexity in auditing the forward-looking assumptions applied to the Group's value in use (VIU) models for each CGU given the significant judgement involved. The key assumptions in the cash flow models include the forecast revenue growth rate, margin percentages and terminal growth rate; and • The significant judgement associated with discount rates including the underlying risks of each CGU, the regions they operate in and the weighting applied to these risks. 	<p>Our procedures included:</p> <ul style="list-style-type: none"> • assessing the accuracy of prior period cash flow forecasts of the Group by reference to actual performance to inform our evaluation of current forecasts incorporated in VIU models; • using our knowledge of the Group and industry, and involving our valuation specialists, to challenge the significant judgements and assumptions incorporated in the Group's VIU models by: <ul style="list-style-type: none"> • assessing the relevant cash flow forecasts and underlying assumptions against the latest Board approved plan; • challenging the Group's forecast revenue growth rate and margin percentage assumptions by comparing against the Group's current business performance and macroeconomic environment; • considering the impact to future cash flows of changes experienced during the year relating to the varying market conditions and expected volatility in the forecast period; and • considering the terminal growth rates used in comparison to relevant Gross Domestic Product growth rates and industry trends. • involving our valuation specialists in assessing the discount rate for each CGU by considering comparable market information; • assessing the Group's determination of carrying values of CGUs against the requirements of the accounting standards;

Independent Audit Report continued

to the members of Ansell Limited



	<ul style="list-style-type: none"> evaluating the Group’s sensitivity analysis in respect of the key assumptions, including the identification of areas of estimation uncertainty and reasonably possible changes in key assumptions; and assessing the related financial statement disclosures against accounting standard requirements.
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Taxation (Income Tax Expense USD\$30.6m, Deferred Tax Assets USD\$66.0m, Deferred Tax Liabilities USD\$76.5m, Current Tax Liabilities USD\$7.9m)	
Refer to Note 4 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The Group operates in a global tax environment across a number of tax jurisdictions. The corporate structure reflects the nature of the global operations and is driven by acquisitions, transactions and the execution of the Group’s global commercial strategy. This strategy includes:</p> <ul style="list-style-type: none"> manufacturing in countries with access to raw materials (including Sri Lanka, Thailand, China, Vietnam, Mexico and Malaysia); managing sales and marketing on a regional basis. The key regional countries involved are the US, Belgium and Australia for the North America, EMEA and Asia Pacific regional structures respectively; and external sales across many countries. <p>Taxation is a key audit matter due to:</p> <ul style="list-style-type: none"> the number of jurisdictions and the need to consider their varying tax complexities and differing tax rules within each key jurisdiction including US, Belgium and Australia; the nature of cross-border tax arrangements and our need to involve taxation specialists with cross border transactions experience and expertise in transfer pricing in key operational locations including; US, Belgium and 	<p>Our procedures included:</p> <ul style="list-style-type: none"> identifying key tax areas impacting the Group by: <ul style="list-style-type: none"> considering the latest Board approved Group Tax Risk Management policy; attending regular meetings with Group management; considering any judgmental positions; and using our specialised knowledge of external developments in local jurisdictions and global tax environments; evaluating the treatment of key tax areas using our local tax specialists’ knowledge by comparing against the local jurisdiction tax rules, legislation and compliance requirements; focusing on new transactions undertaken in the year and where there had been significant developments with local tax authorities; assessing the completeness of the tax provisions recorded by evaluating explanations using sources such: <ul style="list-style-type: none"> communications from local tax authorities, including the status of recent and current tax authority audits and enquiries; the outcomes of previous tax audits/reviews by the local tax authorities; and transaction documentation; considering tax advice obtained by the Group from external tax advisors. We assessed the skills and competencies of external advisors; evaluating the tax balances and disclosure in the financial



<p>Australia;</p> <ul style="list-style-type: none">• the changing tax environment where there have been significant developments to improve the transparency of tax arrangements;• the heightened awareness of tax disclosures given the global focus on tax transparency; and• the level of judgement applied by the Group in assessing the recoverability of deferred tax assets.	<p>statements against accounting standard requirement; and</p> <ul style="list-style-type: none">• assessing the Group's tax loss utilisation models and key assumptions by:<ul style="list-style-type: none">• comparing taxable profit to historical trends and performance to inform our evaluation of the current taxable profit forecasts; and• understanding the timing of future taxable profit and considering the consistency of the timeframes of expected recovery to our knowledge of the business and its plans.
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Other Information

Other Information is financial and non-financial information in Ansell Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Independent Audit Report continued

to the members of Ansell Limited



Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Ansell Limited for the year ended 30 June 2019, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

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 responsibilities

We have audited the Remuneration Report included on pages 41 to 64 of the Directors' report for the year ended 30 June 2019.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Suzanne Bell

Partner

Melbourne

12 August 2019

Five-Year Summary

of Ansell Limited and Subsidiaries for the year ended 30 June 2019

	2015 US\$m	2016 US\$m	2017 ¹ US\$m	2018 ¹ US\$m	2019 US\$m
Income Statement					
Sales	1,645	1,573	1,600	1,548	1,499
EBIT	245	237	218	557	157
Net financing costs	21	22	23	13	14
Income tax expense	34	53	45	58	30
Non-controlling interests	2	3	2	2	1
Profit attributable to Ansell Limited shareholders	188	159	148	484	112
Balance Sheet					
Cash – excluding restricted deposits	278	270	314	580	395
Other current assets	619	577	546	561	564
Property, plant and equipment	231	245	218	230	230
Intangible assets	1,116	1,077	1,050	1,028	1,083
Other non-current assets	132	122	122	112	105
Assets held-for-sale	–	–	201	12	–
Total assets	2,376	2,291	2,451	2,523	2,377
Current payables	244	241	230	226	226
Current interest bearing liabilities	7	5	4	–	20
Other current liabilities	79	69	86	68	67
Non-current interest bearing liabilities	734	687	717	552	525
Other non-current liabilities	147	152	142	121	129
Liabilities held for sale	–	–	43	6	–
Total liabilities	1,210	1,154	1,222	973	967
Net assets	1,167	1,137	1,229	1,550	1,410
Issued capital	1,230	1,147	1,142	1,052	874
Reserves	(49)	(88)	(78)	(82)	(86)
Retained profits/(accumulated losses)	(29)	62	147	564	610
Ansell Limited shareholders' equity	1,152	1,121	1,211	1,534	1,398
Non-controlling interests	15	16	18	16	12
Total shareholders' equity	1,167	1,137	1,229	1,550	1,410
Total funds employed	1,629	1,559	1,636	1,522	1,560
Share information					
Basic Earnings Per Share (cents)	122.5	105.1	100.1	336.8	82.6
Diluted Earnings Per Share (cents)	121.4	104.5	98.9	331.9	81.2
Dividends per share (US cents)	43.0	43.5	44.0	45.5	46.75
Net assets per share (\$)	7.6	7.7	8.3	10.9	10.7
General					
Net cash from operating activities	200	232	216	154	189
Capital expenditure	84	67	51	46	44
Shareholders (no.)	36,014	39,884	36,798	34,307	33,311
Employees (no.)	14,500	15,890	15,483	12,482	12,304
Ratios					
EBIT margin (%)	14.9	15.0	13.6	36.0	10.5
Return on average shareholders' equity (%)	16.4	14.1	12.7	35.0	7.6
EBIT return on funds employed (%) – ROCE	15.1	14.9	13.6	35.3	10.2
Average days working capital	81.4	85.6	83.2	82.1	84.3
Interest cover (times)	11.4	10.7	9.6	44.6	11.6
Net debt to shareholders' equity (%) – gearing	39.7	37.1	33.1	(1.8)	10.6
Number of shares at 30 June (million)	153	148	147	142	132

1. Includes continuing and discontinued operations.

Shareholders

Details of quoted shares held in Ansell Limited as at 31 July 2019.

Distribution of Ordinary Shareholders and Shareholdings

Size of Holding	Number of Shareholders	Number of Shares	Percentage of Total
1 – 1,000	25,613	8,938,305	6.76
1,001 – 5,000	5,943	11,446,073	8.65
5,001 – 10,000	438	3,034,463	2.29
10,001 – 100,000	173	4,010,814	3.03
100,001 and over	32	104,872,938	79.27
Total	32,199	132,302,593	100.00

* Including 577 shareholders holding a parcel of shares of less than A\$500 in value (1,970 shares), based on market price of \$27.87 per unit.

Percentage of the total holdings of the 20 largest shareholders = 77.96%.

In addition to the foregoing, as at 30 June 2019, there were 18 members of the Executive Share Plan, holding a total of 44,700 plan shares. Thirteen members have shares paid to 5 cents each, and five members have shares paid to \$7.55 each.

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 (as at 31 July 2019)

Rank	Registered Holder	Number of Fully Paid Shares	Percentage of Issued Capital
1	HSBC Custody Nominees (Australia) Limited	45,461,427	34.36
2	J P Morgan Nominees Australia Pty Limited	24,505,291	18.52
3	Citicorp Nominees Pty Limited	15,052,748	11.38
4	National Nominees Limited	8,737,555	6.60
5	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	1,724,255	1.30
6	Australian Foundation Investment Company Limited	1,283,865	0.97
7	BNP Paribas Noms Pty Ltd <Drp>	1,049,379	0.79
8	HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	742,959	0.56
9	Argo Investments Limited	636,972	0.48
10	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	514,366	0.39
11	National Nominees Limited <N A/C>	490,742	0.37
12	National Nominees Limited <DB A/C>	457,985	0.35
13	HSBC Custody Nominees (Australia) Limited-GSCO ECA	396,583	0.30
14	Australian Executor Trustees Limited <No 1 Account>	386,505	0.29
15	Australian Executor Trustees Limited <IPS Super A/C>	364,108	0.28
16	HSBC Custody Nominees (Australia) Limited - A/C 2	295,087	0.22
17	HSBC Custody Nominees (Australia) Limited	284,626	0.22
18	BNP Paribas Nominees Pty Ltd <Agency Lending Collateral>	278,031	0.21
19	Mirrabooka Investments Limited	240,000	0.18
20	Netwealth Investments Limited <Wrap Services A/C>	238,375	0.18
Top 20 Holders of Ordinary Fully Paid Shares		103,140,859	77.96
Total Remaining Holders Balance		29,161,734	22.04

Shareholders continued

Register of Substantial Shareholders (as at 31 July 2019)

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 Share
3 December 2015	BlackRock, Inc.	12,261,519	9.27
19 February 2019	Vinva Investment Management Limited	7,155,008	5.41

Shareholder Information

Annual Report

Ansell's Annual Report 2019 provides shareholders with a summary of the Group's operations and contains the full financial statement for FY19. The Annual Report 2019 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 Report by making it available on the Ansell 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 if 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 US26.0 cents per share will be paid on 5 September 2019 to shareholders registered on 19 August 2019.

The dividend will be unfranked.

Australian and US shareholders must elect to have cash dividends paid directly into any bank, building society or credit union account in Australia and the US (respectively). 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

Mrs Jocelyn Petersen
Ansell Limited
Level 3, 678 Victoria Street
Richmond VIC 3121
Australia Mobile: +61 422 005 994
Australia Direct Line: +61 3 9270 7160
Australian Facsimile: +61 3 9270 7300
US Mobile: +1 732 567-4082
US Direct Line: +1 732 345-5348
Email: jocelyn.petersen@ansell.com

Europe

Mr Zubair Javeed
Ansell Limited
Boulevard International 55
1070 Anderlecht, Belgium
Telephone: +32 2 528 75 85
Facsimile: + 32 2 528 74 01
Email: zubair.javeed@ansell.com

Company Secretary

Australia – Registered Company Office

Ms Catherine Stribley
Ansell Limited
Level 3, 678 Victoria Street
Richmond VIC 3121
Telephone: +61 3 9270 7125
Facsimile: +61 3 9270 7300
Email: catherine.stribley@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.

Registered Office

Company Secretary: Catherine Stribley
Level 3, 678 Victoria Street
Richmond VIC 3121
Australia

Americas Commercial Hub

Commercial contact: Renae Leary
111 Wood Avenue, Suite 210
Iselin, NJ 08830
United States of America

EMEA/APAC Commercial Hub

Commercial contact: Rikard Froberg
Boulevard International 55
1070 Anderlecht
Belgium

Cyberjaya Commercial Hub

Commercial contact: John Marsden
Prima 6, Prima Avenue
Block 3512, Jalan Teknokrat 6
63000 Cyberjaya
Malaysia

Shareholder Information continued

2020 Financial Calendar*

Half year results announcement	17 February 2020
Ex-dividend share trading commences	21 February 2020
Record date for interim dividend	24 February 2020
Interim dividend paid	12 March 2020
Annual results announcement	24 August 2020
Ex-dividend share trading commences	28 August 2020
Record date for final dividend	31 August 2020
Final dividend paid	17 September 2020
Annual General Meeting	12 November 2020

* Timing of events may be subject to change. Any change will be notified to the Australian Securities Exchange (ASX). See Ansell's website for updates (if any).



RECYCLED CONTENT



FOREST MANAGEMENT



ENVIRONMENTAL
MANAGEMENT SYSTEMS



CERTIFICATION



printed
carbon
neutral

1,681kgs
CO₂ saved on
this project

