

Ansell

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NEWS RELEASE

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Ansell Limited Full Year Results 30 June 2012

A Year of Achievement and Growth

F'12 Highlights:

	Reported in Australian Dollars			Reported in Operating Currency – US Dollars		
	F'11	F'12	%	F'11	F'12	%
	A\$m	A\$m		US\$m	US\$m	
Sales	1,219.8	1,218.3	-	1,206.9	1,255.3	4
EBIT	138.8	149.4	8	136.9	153.2	12
Profit Attributable	122.7	130.0	6	121.7	133.0	9
Earnings per Share ¢	92.4¢	99.1¢	7	91.6¢	101.4¢	11
Dividend	33.0¢	35.5¢	8			

The Australian dollar results reflect the stronger AUD vs. the USD during F'12.

Chairman's Comment

"The Board was pleased with Ansell's strong EBIT and EPS results despite sales growth being inhibited by the H1 Fusion ERP implementation in the North American and Latin America/Caribbean Regions and a H2 slowdown in Europe. Ansell's global footprint, including its growing presence in Emerging Markets, proved highly resilient in a very difficult environment.

Based on this strong effort, the Board is announcing another increased final dividend" said Peter Barnes, Ansell's Chairman.

F'13 Guidance

Ansell expects EBIT to grow in the low double digits with EPS growth in a mid-single to low double digit range (US107¢ - US112¢) including Deferred Tax Asset/Non-Operational Tax Items (DTAs/NOTIs) of US4¢ - US6¢ a share.

This guidance does not include any Comasec contribution.

Note: US Dollars used unless otherwise specified. The USD information is non IFRS financial information provided to assist readers by reporting Ansell's results in the currency in which the business is managed. As in Ansell's past market releases, the USD information contained in this presentation is a direct conversion of the IFRS AUD financial information included in Ansell's statutory accounts, converted at the monthly average rate for profit and loss items and the year end rate for balance sheet items. The USD information has not been audited.

Ansell Limited Full Year 2012 Results Summary

Ansell (ASX:ANN) today announced a full year Profit Attributable to Shareholders of \$133.0m, a 9% increase on the previous year's \$121.7m. EPS was US101.4¢, up 11% on F'11's US91.6¢.

A final dividend of A20.5¢ per share unfranked, payable on 21st September, 2012 was declared. The full year dividend is therefore A35.5¢, up 8% on F'11's A33.0¢.

Business Review:

The Company's CEO, Magnus Nicolin commented "F'12's strong 12% increase in EBIT and an 11% increase in EPS were achieved despite an economic slowdown in Europe and a challenged Fusion implementation in North America.

Sales for the year increased 4% with Sexual Wellness and Industrial producing high single digit growth, and Specialty Markets and Medical being more or less flat as they both shed lower margin sales. Ansell's increased EBIT came from volume growth, a better sales mix, and pricing – offset by higher input costs and extra Fusion costs. Sexual Wellness was the outstanding contributor with EBIT up 52%, while Specialty Markets was up 188% on a low comparative year.

The Fusion roll out impacted sales and absorbed a great deal of management attention. The problems are now behind us and we expect to continue with the roll out.

We made three exciting acquisitions this year; Sandel, Shanghai Feidun and Trelleborg Protective Products. Sandel has been with us for over a year now, its products are being rolled out globally and its EBIT performance is in line with expectations. Shanghai FTC provides better control of condom distribution in the Shanghai area and is also performing as expected. Finally, Ansell Protective Solutions (renamed from Trelleborg) is being rapidly integrated and leveraged. Together, these businesses have been EPS neutral in F'12, even after \$1.2m of transaction/integration costs, which is a very good outcome".

Comasec SAS Acquisition

On August 7th, Ansell announced an agreement to acquire Comasec SAS and its subsidiaries for a (cash-free, debt-free) purchase price of EUR101.5m (A\$118m), which is being funded out of Ansell's available cash and credit facilities.

Comasec is a privately owned French group with sales of around EUR100m (around A\$120m), manufacturing operations in Portugal and Malaysia and over 1200 employees globally. Comasec is a mainly European player and specialises in gloves

for chemical protection, food handling, cut protection, mechanical protection, dry box and thermal protection. Major brands are Comasec[®], Marigold[®], and Marigold Industrial[®].

Settlement of the acquisition is expected by October, subject to regulatory approvals.

Industrial GBU

	A\$M		US\$M	
	F'11	F'12	F'11	F'12
Sales	477.5	489.0	471.6	504.1
Segment EBIT	83.2	81.3	81.9	83.7
EBIT/Sales	17.4%	16.6%	17.4%	16.6%

Industrial accounted for 40% of Revenue and 51% of Segment EBIT

Sales rose 7%, despite North American (NA) Fusion issues and European economic pressures, with the Latin America/ Caribbean (LAC) and Asia Pacific (AP) Regions delivering double digit increases. There was a strong H2 recovery in NA and LAC and this key business remains on solid ground with HyFlex[®], TNT[®] and AlphaTec[®] (the three core glove brands) all doing well.

EBIT was helped by sales mix, higher pricing and lower restructuring expenses year-on-year, but much of this was offset by higher raw materials, Fusion's impact and by ramped up investment in Sales & Marketing activities across the Regions. This investment, which included building on our R&D expertise, and adding to our sales forces and infrastructure in key Emerging Markets, will provide solid returns.

The pace of new product releases is expected to pick up in F'13 and the new R&D Centre in Sri Lanka is now operational.

Specialty Markets GBU

	A\$M		US\$M	
	F'11	F'12	F'11	F'12
Sales	177.2	172.4	175.5	177.5
Segment EBIT	2.5	7.1	2.5	7.2
EBIT/Sales	1.4%	4.1%	1.4%	4.1%

Specialty Markets accounted for 14% of Revenue and 4% of Segment EBIT

Sales were up 1% as continued strong Construction/DIY and Chemical/Liquid Handling growth was offset by lost low margin Food Service sales (mostly Fusion

related) and delayed renewals of some US military contracts. Portfolio optimisation via a balance of SKU rationalisation and new product introduction continued.

EBIT was up strongly year-on-year benefiting from the improving mix as well as price increases. The EBIT/Sales margin remains below Ansell's average (and target), but the "weed and feed" programs planned in F'13 and F'14 should improve this further.

New Product releases accelerated sharply in F'12 with extensions to the ActivArmr[®], VersaTouch[™] and ProjeX[®] glove ranges and this trend is expected to continue in F'13.

Medical GBU

	A\$M		US\$M	
	F'11	F'12	F'11	F'12
Sales	362.7	346.0	359.2	356.4
Segment EBIT	39.8	38.6	39.2	39.5
EBIT/Sales	11.0%	11.1%	10.9%	11.1%

Medical accounted for 28% of Revenue and 24% of Segment EBIT

F'12 was a challenging year for the Medical business. Ansell continued to exit from NRL exam gloves, with volumes falling 38%. Surgical gloves sales rose 3%, with Synthetic volumes growing a strong 17% and Powdered NRL sales declining.

Nevertheless, some EBIT growth was achieved as better product (surgical/exam) mix and higher contributions from surgical safety products offset additional (Fusion related) US distribution expenses, higher year-on-year NRL costs and SG&A growth.

Sandel had a solid first year, with sales slightly below, and EBIT slightly above the business case respectively. Strong growth is expected with the core ranges now being launched globally and many additional new product releases in F'13.

In addition, a number of new surgical glove launches are planned in F'13, under the core Gammex[®], Encore[®] and Medi-Grip[®] brands.

Sexual Wellness GBU

	A\$M		US\$M	
	F'11	F'12	F'11	F'12
Sales	202.4	210.9	200.6	217.3
Segment EBIT	22.2	32.2	21.9	33.2
EBIT/Sales	11.0%	15.3%	10.9%	15.3%

Sexual Wellness accounted for 18% of Revenue and 21% of Segment EBIT

Sales were up 8% driven by condom line extensions (SKYN[®] and Zero[®]), strong emerging markets growth and 24% growth in the lubricants/devices/other category. SKYN[®] continues to drive this business and F'12 has seen the range extended with the SKYN[®] large and SKYN[®] Extra Lubricated releases. In addition, a major promotional program has been undertaken globally with very positive results.

EBIT was up 52% even after a year-on-year \$1.3m increase in restructuring costs. GPADE margins rose strongly, due to product mix and operational improvements, and more than offset continued investment in Sales & Marketing people and programs.

New product introductions picked up in F'12, and should accelerate further in F'13 with the release of the "amele[™]" female intimate freshness range as well as many new condom offerings.

Finance:

Year-on-year average FX rates movements pulled down F'12 sales by about 1%. The FX Hedging program, however, fully protected EBIT from any adverse movements.

Working capital increased sharply in H1 due mostly to Fusion, but improved in H2. DSO reduced steadily to end ½ day below the prior year, while inventories began to decline from March. The three acquisitions made during the year and working capital needed to support higher sales accounted for roughly 2/3rds of the \$25.4m increase.

Free cash flow rose strongly from \$62.5m to \$97.2m between F'11 and F'12. This was mostly driven by higher EBITDA, lower Capex and a lower Working Capital increase.

Cash usage increased in F'12 with \$33.4m on a Share Buyback, \$44.8m on acquisitions and a \$4.5m investment in Lakeland Industries. As such, Net Interest Bearing Debt (NIBD) on June 30, 2012 was \$56.1m, as compared to (\$10.2m) a year earlier and Gearing was 7.2% compared to last year's -1.4%. During the year additional borrowing facilities totalling a net \$250m were established. Interest cover is a healthy 35.0x (F'11 39.0X) while NIBD:EBITDA at 0.3X remains strong (F'11 (0.1)X).

With higher NIBD, new facilities and lower rates earned on cash deposited in Australia, interest & borrowings expenses increased from \$4.0m in F'11 to \$5.0m in F'12.

The effective book tax rate of 8.2%, up from last year's 6.1%, reflects a lower adjustment for Deferred Tax Asset/Non-Operational Tax Items (DTAs/NOTIs) of \$9.8m in F'12 compared to \$13.7m in F'11. The EPS impact in F'12 was US7.5¢ as compared to US10.3¢ the prior year.

Dividend:

The Ansell Board has announced an increased final dividend of A20.5¢ (A19.0¢ in 2011) per share unfranked. The dividend will have a record date of 31st August, 2012 and a payment date of 21st September, 2012.

The total dividend for F'12 will be A35.5¢ per share up 8% on F'11's A33.0¢. For non-resident shareholders, the dividend will not attract withholding tax as it is sourced entirely from the Company's Conduit Foreign Income account.

Outlook:

In a difficult global economic environment, with substantial parts of the developed world seeing high unemployment and plagued by excess Government debt, forecasting is more difficult than usual. Ansell, however, continues to see opportunities to grow both by acquisition and organically, especially in Emerging Markets where the Company now makes almost a quarter of its revenue.

At this stage, lower raw material costs, predominantly NRL, could provide upside during the year while FX rates appear likely to be a headwind in H2

Ansell expects the F'13 EBIT growth rate to be close to F'12's double digit level, before taking into account the expected positive contribution from Comasec. As communicated previously, this acquisition is expected to be slightly EPS accretive in F'13 and to be strongly accretive thereafter.

The following specific guidance is provided:

- A mid-single to low double-digit increase in F'13 EPS is expected (with a US107¢ to US112¢ range)
- Within this guidance, the positive impact of net Deferred Tax Asset/Non Operational Tax item (DTAs/NOTIs) adjustments is estimated to be in the range of US4¢ - US6¢ per share.

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Ansell is a world leader in providing superior health and safety protection solutions that enhance human well being. With operations in North America, Latin America/Caribbean, EMEA and Asia, Ansell employs more than 10,000 people worldwide and holds leading positions in the personal protective equipment and medical gloves markets, as well as in the sexual health and well being category worldwide. Ansell operates in four main business segments: Medical Solutions, Industrial Solutions, Specialty Markets, and Sexual Wellness. Information on Ansell and its products can be found at www.ansell.com.