



## **Appendix 4D**

### **Condensed consolidated half year financial report For the six months ended 31 December 2014**

#### **Ansell Limited and Subsidiaries**

**ACN 004 085 330**

**This half year financial report is a general purpose financial report prepared in accordance with the ASX listing rules and Accounting Standard AASB 134: Interim Financial Reporting and is presented in United States dollars (US\$). It should be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements to the market made by the entity during the period. The financial statements in this report are 'condensed financial statements' as defined in AASB 134: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report.**

# Appendix 4D

## Condensed consolidated interim financial report

### For the six months ended 31 December 2014

#### Ansell Limited and Subsidiaries

ACN 004 085 330

#### Results for Announcement to the Market

		%		\$USm
Revenue from ordinary activities	up	20.4%	to	847.3
Profit from ordinary activities after tax attributable to members	up	33.7%	to	87.7
Net profit for the period attributable to members	up	33.7%	to	87.7

#### Dividends (distributions)

	Amount per share	Franked amount per share
Dividend	20.0 US¢	Nil
Record date for determining entitlements to the dividend	16 February 2015	

#### Highlights

- Revenue from the sale of goods of US\$847.3 million compared to last year's US\$703.6 million.
- Net profit attributable to members US\$87.7 million compared to last year's US\$65.6 million.
- Basic earnings per share of 57.3 US¢ compared to last year's 49.6 US¢.
- An interim dividend of 20.0 US¢ per share unfranked has been declared payable on 11 March 2015.



## Commentary on Results

### Business Review

Sales increased strongly in the first half of F'15 to \$847.3m up 20% on the first half of F'14 while Profit Attributable to Shareholders (PA) of \$87.7m, was up 34% on F'14's \$65.6m.

Earnings per Share (EPS) based on a higher number of shares on issue rose 16% to US57.3¢. The Board declared an interim dividend of US20¢ a share unfranked and payable on 11 March, 2015, a substantial increase of 18% over the F'14 interim dividend.

Financial Summary	F'14 H1	F'15 H1	Change
Sales (\$M)	703.6	847.3	+ 20%
EBIT (\$M)	82.7	118.3	+ 43%
PA (\$M)	65.6	87.7	+ 34%
EPS (\$)	49.6¢	57.3¢	+ 16%
Free Cash Flow (\$M)	46.2	67.2	+ 45%
Dividend	17.0¢	20.0¢	+ 18%

Strategic growth based on a number of well executed acquisitions, a focus on innovation, a new and more efficient structure and a strengthened team has resulted in an excellent first half.

Particularly pleasing is the improved organic growth coming from the strength of our core brands and the more balanced portfolio we now have as evidenced by the strength of the Single Use GBU's performance.

While the global economic environment continues to be very mixed we are benefiting from improving demand in the US economy and some emerging markets offsetting demand declines in Continental Western Europe, Brazil and Russia. However we believe there is sufficient opportunity for Ansell to grow and succeed in a difficult external environment.

The acquisition of BarrierSafe is delivering strong returns, significantly improving our US market presence while also creating additional opportunity for us to grow the Barriersafe product line globally. The Midas acquisition is also tracking ahead of plan; however the real value add of this acquisition and the subsequent Hands International acquisition completed in this first half, will be seen in future results as we leverage our new in-house capability in yarn wrapping and glove knitting to drive new product development and cost reduction.

While there are still more benefits to be realized from these acquisitions, their successful integration has allowed our balance sheet to strengthen and now positions us well for further strategic acquisition opportunities.

## **Underlying Global Business Unit Performance**

### **Industrial GBU – 41% of revenue and 37% of Segment EBIT**

Sales grew 2.1% and EBIT 8.8%. The Industrial GBU has been most affected by varying global economic conditions. Strong North American organic growth of 7% at constant FX offset weakening conditions in Western Europe, Brazil and Australia. Growth was achieved from strong core brand results, from success with new products and improved performance in the adjacent body protection category, particularly in clothing and boots.

### **Single Use GBU – 19% of revenue and 24% of Segment EBIT**

Sales increased 113.7% and EBIT 315.9%, driven by the BarrierSafe acquisition. Our increased US presence has positioned us well for improved US demand, and demand also remains strong in the verticals serviced by Single Use in European markets, consistent with our belief that the Single Use GBU is less sensitive to the economic cycle. Overall constant currency organic growth was strong at 6%.

### **Medical GBU – 27% of revenue and 29% of Segment EBIT**

Revenue grew 28.3% and EBIT 57.2% as a result of the Barriersafe acquisition, improving margins and strong surgical sales. Growth in both Surgical and Examination products continues to arise from the strength of our synthetic product range, and progress in emerging markets. Our Healthcare Safety Solutions business also continues to develop well, delivering 20% growth in the half. Lower raw material costs continue to be a benefit, however lower pricing as contract renewals take effect is offsetting the raw material gains.

### **Sexual Wellness GBU – 13% of revenue and 10% of Segment EBIT**

After a weak F'14, the business has stabilised with sales up 0.7% and EBIT up 5.0% on improving margins. Constant currency organic revenue growth was 2%. SKYN continues to grow and results are starting to improve in the parts of the business that underperformed in F'14. A new President of the GBU commenced in November and the outlook remains positive for this business going forward.

## **Acquisitions & Divestments**

During the first half of F'15 we completed the acquisition of Hands International a privately owned Sri Lankan company. The acquisition enables Ansell to integrate backwards and largely take in-house the Company's knitting operations for Industrial multi-use gloves. This is particularly important as we strengthen our in house yarn wrapping and other capabilities.

Ansell disposed of its holding in Lakeland Industries during the half for \$10m with the resulting pre-tax \$7.1m gain over the original purchase price recorded in equity rather than the P&L.

As part of the restructuring announcement released on 30 June, 2014 Ansell announced it was looking to exit its military glove business. Ansell has now entered into an agreement to sell Hawkeye, its military glove business, which will be finalized in the coming months.

### **Cash Flow and Financing**

Ansell continues to generate strong cash flow with the half producing a 45% increase in free cash flow to \$67m based on strong EBIT growth. Capital expenditure, Working Capital and interest were higher but partially offset by lower tax payments. The balance sheet remains strong and the company has excellent liquidity levels. Net Debt : Last twelve months EBITDA continues to improve at 1.44x.

The F'14 financings have resulted in an average go forward interest cost of 3.42% and interest cover stands at 12.5 times.

### **Dividend**

An interim dividend of US20¢ (US17¢ in F'14) per share unfranked has been declared, representing an increase of 17.6% over the prior period. For non-resident shareholders, the dividend will not attract withholding tax as it is sourced entirely from the Company's Conduit Foreign Income Account. The record date will be 16th February 2015 and the payment day 11th March 2015.

### **Dividend Reinvestment Plan (DRP)**

As a result of the company's continued strong cash flow and progress in strengthening the balance sheet the DRP will not be offered for the interim dividend.

**ANSELL LIMITED**

**ABN 89 004 085 330**

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**DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

This Report by the Directors of Ansell Limited (**the Company**) is made pursuant to the provisions of the Corporations Act 2001 for the half-year ended 31 December 2014 and is accompanied by the Condensed Consolidated Interim Financial Report of the Company and its subsidiaries (**the Group**), for the half-year ended 31 December 2014, in the form of ASX Appendix 4D.

The information set out in this Report is to be read in conjunction with that appearing in the attached Half-Year Results Announcement and in the Notes to the Condensed Consolidated Interim Financial Report which accompanies this Report.

**1. Directors**

The name of each person who has been a Director of the Company at any time during or since the end of the half-year, is:

Glenn L L Barnes (Chairman)

John Bevan

Ronald J S Bell

L. Dale Crandall

W. Peter Day

Marissa T Peterson

Annie H Lo

Magnus R Nicolin (Managing Director and Chief Executive Officer)

**2. Review and Results of Operations**

A review of the operations of the Group during the half-year ended 31 December 2014 and the results of those operations is contained in the attached Half-Year Results Announcement.

**3. Auditor's Independence Declaration**

A copy of the independence declaration received from the Company's auditor, KPMG, in accordance with section 307C of the Corporations Act 2001, in respect of the audit review undertaken in relation to the Consolidated Interim Financial Report for the half year financial period ending 31 December 2014, is attached.

#### 4. Rounding Off

The Company is of a kind referred to in ASIC class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Consolidated Interim Financial Report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



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G L L Barnes  
Director



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M R Nicolin  
Director

Dated in Melbourne this 9<sup>th</sup> day of February 2015



***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 review for the half-year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Gordon Sangster  
*Partner*

Melbourne  
9 February 2015

## Condensed Consolidated Income Statement

### of Ansell Limited and Subsidiaries for the six months ended 31 December

	Note	2014 US\$m	2013 US\$m
<b>Revenue</b>			
Sales revenue		847.3	703.6
<b>Expenses</b>			
Cost of goods sold		(486.9)	(402.4)
Distribution		(38.4)	(34.0)
Selling and administration		(203.7)	(184.5)
Total expenses, excluding financing costs		(729.0)	(620.9)
Net financing costs		(10.8)	(6.9)
<b>Profit before income tax</b>		<b>107.5</b>	<b>75.8</b>
Income tax expense		(18.6)	(8.7)
<b>Profit for the period</b>		<b>88.9</b>	<b>67.1</b>
<b>Net Profit fo the period is attributable to:</b>			
<b>Ansell Limited shareholders</b>		88.9	67.1
Non-controlling interests		(1.2)	(1.5)
<b>Net profit attributable to Ansell Limited shareholders</b>		<b>87.7</b>	<b>65.6</b>

**cents                      cents**

Earnings per share is based on net profit attributable to Ansell Limited shareholders

Basic earnings per share	5	57.3	49.6
Diluted earnings per share	5	56.8	49.2

## Condensed Consolidated Statement of Comprehensive Income

### of Ansell Limited and Subsidiaries for the six months ended 31 December

	2014 US\$m	2013 US\$m
<b>Profit for the period</b>	<b>88.9</b>	<b>67.1</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of defined benefit pension / post retirement health benefit plans	-	(1.2)
Change in fair value of financial assets fair valued through other comprehensive income	7.8	0.3
Tax (expense)/benefit on items that will not be reclassified to profit and loss	(2.5)	(0.1)
<i>Total items that will not be reclassified to profit or loss</i>	5.3	(1.0)
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Net exchange difference on translation of financial statements of foreign operations	(75.0)	(26.4)
Net movement in effective hedges for period	10.3	(9.4)
Tax expense on items that may subsequently be transferred to profit and loss	0.9	(0.1)
<i>Total items that may be subsequently reclassified to profit or loss</i>	(63.8)	(35.9)
<b>Other comprehensive income for the period, net of income tax</b>	<b>(58.5)</b>	<b>(36.9)</b>
<b>Total comprehensive income for the period</b>	<b>30.4</b>	<b>30.2</b>
Attributable to:		
Members of Ansell Limited	30.2	29.2
Non-controlling interests	0.2	1.0
<b>Total comprehensive income for the period</b>	<b>30.4</b>	<b>30.2</b>

## Condensed Consolidated Statement of Financial Position

### of Ansell Limited and Subsidiaries

	31 December 2014 US\$m	30 June 2014 US\$m
<b>Current Assets</b>		
Cash on hand	0.2	0.2
Cash at bank and on deposit	266.1	320.4
Cash - restricted deposits	3.3	3.6
Trade and other receivables	242.8	276.7
Derivative financial instruments	20.0	6.0
Inventories	330.5	311.5
Other	15.9	13.2
<b>Total Current Assets</b>	<b>878.8</b>	<b>931.6</b>
<b>Non-Current Assets</b>		
Trade and other receivables	2.5	3.1
Derivative financial instruments	5.2	2.3
Investments	-	3.7
Property, plant and equipment	215.5	206.1
Intangible assets	1,049.2	1,067.7
Deferred tax assets	103.4	122.7
Other	23.5	22.7
<b>Total Non-Current Assets</b>	<b>1,399.3</b>	<b>1,428.3</b>
<b>Total Assets</b>	<b>2,278.1</b>	<b>2,359.9</b>
<b>Current Liabilities</b>		
Trade and other payables	244.4	237.0
Derivative financial instruments	9.2	5.6
Interest-bearing liabilities	14.6	14.4
Provisions	65.7	87.5
Current tax liabilities	12.0	20.7
<b>Total Current Liabilities</b>	<b>345.9</b>	<b>365.2</b>
<b>Non-Current Liabilities</b>		
Trade and other payables	6.3	7.6
Derivative financial instruments	4.1	3.0
Interest-bearing liabilities	660.8	720.4
Provisions	4.8	11.8
Retirement benefit obligations	15.3	16.2
Deferred tax liabilities	75.1	75.5
Other	21.0	19.7
<b>Total Non-Current Liabilities</b>	<b>787.4</b>	<b>854.2</b>
<b>Total Liabilities</b>	<b>1,133.3</b>	<b>1,219.4</b>
<b>Net Assets</b>	<b>1,144.8</b>	<b>1,140.5</b>
<b>Equity</b>		
Issued capital	1,229.6	1,226.8
Reserves	(4.2)	49.4
Accumulated losses	(95.9)	(151.2)
<b>Total Equity Attributable to Ansell Limited Shareholders</b>	<b>1,129.5</b>	<b>1,125.0</b>
Non-controlling interests	15.3	15.5
<b>Total Equity</b>	<b>1,144.8</b>	<b>1,140.5</b>

## Condensed Consolidated Statement of Changes in Equity

### of Ansell Limited and Subsidiaries for the six months ended 31 December

	2014 US\$m	2013 US\$m
<b>Total Equity at the beginning of the financial year</b>	<b>1,140.5</b>	<b>773.5</b>
Total comprehensive income for the period attributable to:		
Ansell Limited shareholders	30.2	29.2
Non-controlling interests	0.2	1.0
Transactions with owners attributable to Ansell Limited shareholders:		
Additional shares issued under private placement/Share Purchase plan	-	359.4
Shares issued under Dividend Reinvestment plan	2.3	-
Conversion of Executive Share Plan shares to fully paid and exercise of options	0.5	0.3
Share-based payments reserve	3.1	1.7
Dividends	(31.6)	(26.7)
Transactions with owners attributable to non-controlling interests:		
Dividends	(0.4)	(1.3)
<b>Total Equity at the end of the financial year</b>	<b>1,144.8</b>	<b>1,137.1</b>

#### **Share Capital**

Balance at the beginning of the financial year	1,226.8	864.6
Transactions with owners as owners:		
Additional shares issued under private placement/Share Purchase plan	-	359.4
Shares issued under Dividend Reinvestment plan	2.3	-
Conversion of Executive Share Plan shares to fully paid and exercise of options	0.5	0.3
<b>Balance at the end of the financial year</b>	<b>1,229.6</b>	<b>1,224.3</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Changes in Equity

### of Ansell Limited and Subsidiaries for the six months ended 31 December

	2014 US\$m	2013 US\$m
<b>Issued Capital</b>		
Balance at 1 July	1,226.8	864.6
Additional capital issued/options exercised	2.8	359.7
<b>Total Issued Capital at 31 December</b>	<b>1,229.6</b>	<b>1,224.3</b>
<b>Reserves</b>		
<b>Share-Based Payments Reserve</b>		
Balance at 1 July	41.4	38.2
Charge to the income statement for the period	3.1	1.7
Balance at 31 December	44.5	39.9
<b>Hedging Reserve</b>		
Balance at 1 July	(0.8)	(5.5)
Net movement in effective hedges for the period	11.2	(9.5)
Balance at 31 December	10.4	(15.0)
<b>General Reserve</b>		
Balance at 1 July	10.8	10.2
Transfer from accumulated losses	0.8	0.6
Balance at 31 December	11.6	10.8
<b>Foreign Currency Translation Reserve</b>		
Balance at 1 July	11.4	8.5
Currency translation differences arising during the period	(74.0)	(25.9)
Balance at 31 December	(62.6)	(17.4)
<b>Transactions with Non-Controlling Interests</b>		
Balance at 1 July	(10.9)	(10.9)
Balance at 31 December	(10.9)	(10.9)
<b>Fair Value Reserve</b>		
Balance at 1 July	(2.5)	(3.3)
Change in fair value of financial assets fair valued through other comprehensive income	5.3	0.2
Balance at 31 December	2.8	(3.1)
<b>Total Reserves at 31 December</b>	<b>(4.2)</b>	<b>4.3</b>
<b>Accumulated Losses</b>		
Balance at 1 July	(151.2)	(143.8)
Transfer to reserves	(0.8)	(0.6)
Net profit attributable to Ansell Limited shareholders	87.7	65.6
Items of other comprehensive income recognised directly in accumulated losses		
Actuarial loss on defined benefit pension plans net of tax	-	(1.2)
Dividends to Ansell Limited shareholders	(31.6)	(26.7)
<b>Accumulated Losses at 31 December</b>	<b>(95.9)</b>	<b>(106.7)</b>
<b>Total Equity at 31 December attributable to Ansell Limited shareholders</b>	<b>1,129.5</b>	<b>1,121.9</b>
<b>Non-controlling interests</b>		
Issued Capital	1.5	1.7
Reserves	(2.9)	(2.9)
Retained Profits	16.7	16.4
<b>Total Non-controlling interests</b>	<b>15.3</b>	<b>15.2</b>
<b>Total Equity</b>	<b>1,144.8</b>	<b>1,137.1</b>

## Condensed Consolidated Cash Flow Statement

### of Ansell Limited and Subsidiaries for the six months ended 31 December

	2014 US\$m	2013 US\$m
<b>Cash Flows Related to Operating Activities</b>		
Receipts from customers	880.5	720.5
Payments to suppliers and employees	(776.1)	(654.8)
Net receipts from customers	104.4	65.7
Income taxes paid	(10.2)	(12.8)
<b>Net Cash Provided by Operating Activities</b>	<b>94.2</b>	<b>52.9</b>
<b>Cash Flows Related to Investing Activities</b>		
Payments for businesses, net of cash acquired	(17.6)	(32.8)
Purchase of property, plant and equipment and capitalised software costs	(38.8)	(20.3)
Proceeds from sale of property, plant and equipment	0.1	3.0
Proceeds from the sale of other investments	11.6	-
<b>Net Cash Used in Investing Activities</b>	<b>(44.7)</b>	<b>(50.1)</b>
<b>Cash Flows Related to Financing Activities</b>		
Proceeds from borrowings	31.6	329.6
Repayments of borrowings	(68.2)	(50.6)
Net (repayments of)/proceeds from borrowings	(36.6)	279.0
Proceeds from issues of shares	0.5	359.7
Dividends paid - Ansell Limited shareholders	(29.3)	(26.7)
Dividends paid - Non-controlling interests	(0.4)	(1.3)
Interest received	2.8	4.7
Interest and financing costs paid	(13.3)	(11.4)
<b>Net Cash Provided by Financing Activities</b>	<b>(76.3)</b>	<b>604.0</b>
<b>Net increase in cash and cash equivalents</b>	<b>(26.8)</b>	<b>606.8</b>
Cash and cash equivalents at the beginning of the period	324.2	309.2
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies at the beginning of the period	(28.3)	(6.4)
<b>Cash and Cash Equivalents at the end of the period</b>	<b>269.1</b>	<b>909.6</b>
<b>Cash and Cash Equivalents at the end of the period comprises:</b>		
Cash on hand	0.2	0.7
Cash at bank and on deposit	266.1	905.7
Cash - restricted deposits	3.3	3.2
Bank overdraft	(0.5)	-
	<b>269.1</b>	<b>909.6</b>

## Notes to the condensed consolidated interim financial statements

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### 1. Summary of Significant Accounting Policies

#### General

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

- Industrial GBU : hand and upper arm and body protective solutions for the industrial market
- Medical GBU : surgical and examination gloves for healthcare professionals and patients
- Single Use GBU : single-use hand protection solutions to a range of vertical markets, with a particular focus on Life Sciences and Automotive Aftermarket
- Sexual Wellness GBU : condoms, lubricants and devices

#### Statement of Compliance

The condensed consolidated half year financial statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 and with IAS 34 Interim Financial Reporting.

The consolidated financial statements were authorised for issue by the Board of Directors on 9 February 2015.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated. A summary of the significant accounting policies of the Group are disclosed below. The accounting policies have been applied consistently by all entities in the Group.

#### Accounting Estimates and Judgements

In preparing these half year financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2014.

#### Significant Accounting Policies

The accounting policies applied in these half year financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 30 June 2014.

## Notes to the condensed consolidated interim financial statements

### 2. Operating Segments

The Group comprises the following main operating segments:

Industrial GBU : hand and upper arm and body protective solutions for the industrial market

Medical GBU : surgical and examination gloves for healthcare professionals and patients

Single Use GBU : single-use hand protection solutions to a range of vertical markets, with a particular focus on Life Sciences and Automotive Aftermarket.

Sexual Wellness GBU : condoms, lubricants and devices

The comparative information for December 2013 has been restated to reflect the new GBU structure implemented during the previous financial year.

	Operating Segments				Total Segments US\$m	Corporate US\$m	Total Group US\$m
	Industrial US\$m	Medical US\$m	Single Use US\$m	Sexual Wellness US\$m			
<b>31 December 2014</b>							
Sales Revenue	349.5	228.8	160.3	108.7	847.3	-	847.3
Profit/(loss) before net financing costs and income tax expense	44.4	34.9	28.7	12.7	120.7	(2.4)	118.3
Net financing costs						(10.8)	(10.8)
Profit before income tax expense	44.4	34.9	28.7	12.7	120.7	(13.2)	107.5
Income tax expense						(18.6)	(18.6)
Profit after income tax	44.4	34.9	28.7	12.7	120.7	(31.8)	88.9
Non-controlling interests						(1.2)	(1.2)
Net profit attributable to Ansell Limited shareholders	44.4	34.9	28.7	12.7	120.7	(33.0)	87.7

	Operating Segments				Total Segments US\$m	Corporate US\$m	Total Group US\$m
	Industrial US\$m	Medical US\$m	Single Use US\$m	Sexual Wellness US\$m			
<b>31 December 2013</b>							
Sales Revenue	342.2	178.4	75.0	108.0	703.6	-	703.6
Profit before net financing costs and income tax expense	40.8	22.2	6.9	12.1	82.0	0.7	82.7
Net financing costs						(6.9)	(6.9)
Profit before income tax expense	40.8	22.2	6.9	12.1	82.0	(6.2)	75.8
Income tax expense						(8.7)	(8.7)
Profit after income tax	40.8	22.2	6.9	12.1	82.0	(14.9)	67.1
Non-controlling interests						(1.5)	(1.5)
Net profit attributable to Ansell Limited shareholders	40.8	22.2	6.9	12.1	82.0	(16.4)	65.6

	Assets Employed		Liabilities	
	December 2014	June 2014	December 2014	June 2014
	US\$m	US\$m	US\$m	US\$m
<b>Operating segments</b>				
Industrial	668.2	677.9	93.2	131.9
Medical	473.9	464.8	110.7	85.1
Single Use	479.5	492.7	31.2	36.1
Sexual Wellness	199.9	207.6	36.6	45.4
<b>Total operating segments</b>	<b>1,821.5</b>	<b>1,843.0</b>	<b>271.7</b>	<b>298.5</b>
Corporate	456.6	516.9	861.6	920.9
<b>Total consolidated</b>	<b>2,278.1</b>	<b>2,359.9</b>	<b>1,133.3</b>	<b>1,219.4</b>

## Notes to the condensed consolidated interim financial statements

### 2. Operating Segments (continued)

#### Regional Information

The allocation of Operating Revenue and Operating Results reflect the geographical regions in which the products are sold to external customers. Assets Employed (excluding goodwill and brand names) are allocated to the geographical regions in which the assets are located.

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

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

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

North America - manufacturing facilities in USA and Mexico and sales activity.

	Sales Revenue		Regional Assets	
	December	December	December	June
	2014 US\$m	2013 US\$m	2014 US\$m	2014 US\$m
<b>Regions</b>				
Asia Pacific	134.2	130.7	334.6	321.0
Europe, Middle East and Africa	294.7	296.8	196.6	218.1
Latin America and Carribean	54.7	56.9	55.7	66.3
North America	363.7	219.2	232.9	219.7
Total Regions	<b>847.3</b>	<b>703.6</b>	<b>819.8</b>	<b>825.1</b>

#### Country of Domicile

The Company's country of domicile is Australia. The Operating Revenue and Assets Employed for the Australian trading operations reported within the Asia Pacific region) are as follows:

	31 December 2014	31 December 2013
	US\$m	US\$m
Operating Revenue	58.4	57.8
	<b>December</b>	<b>June</b>
	<b>2014</b>	<b>2014</b>
	<b>US\$m</b>	<b>US\$m</b>
Assets Employed	51.7	54.3

### 3. Issued Capital

	31 December 2014	31 December 2013
	No. of Shares	
<b>Movement in shares on issue</b>		
<b>Fully Paid Ordinary Shares</b>		
Balance at 1 July	152,937,881	130,617,963
Issue of new shares through private placement/Share Purchase plan	-	22,113,482
Issue of new shares under Dividend Reinvestment plan	133,952	-
Conversion of performance share rights and exercise of options	64,091	25,697
Conversion of Executive Share Plan shares to fully paid	4,000	5,000
Balance at 31 December	<b>153,139,924</b>	<b>152,762,142</b>
<b>Executive Share Plan Shares</b>		
Balance at 1 July	62,900	67,900
Conversion of Executive Share Plan shares to fully paid	(4,000)	(5,000)
Balance at 31 December	<b>58,900</b>	<b>62,900</b>

## Notes to the condensed consolidated interim financial statements

### 4. Dividends Paid and Declared

	31 December 2014 US\$m	31 December 2013 US\$m
<b>Dividends Paid</b>		
A final dividend of US22.0 cents per share unfranked for the year ended 30 June 2014 (June 2013 - 22.0 Australian cents unfranked) was paid on 24 September 2014 (2013 - 26 September 2013)	31.6	26.7

#### Dividends Declared

An interim dividend for the year ended 30 June 2015 of US20.0 cents per share unfranked, has been declared and is payable on 11 March 2015.

The balance of available franking credits in the franking account as at 31 December 2014 was Nil (2013 - Nil).

### 5. Earnings per Share (EPS)

	31 December 2014 US\$m	31 December 2013 US\$m
<b>Earnings Reconciliation</b>		
Net profit	88.9	67.1
Less Net profit attributable to non-controlling interests	(1.2)	(1.5)
<b>Earnings used in calculation of Basic and Diluted EPS</b>	<b>87.7</b>	<b>65.6</b>

<b>Weighted average number of ordinary shares used as the denominator</b>	<b>No. Shares</b>	<b>No. Shares</b>
<b>Number of ordinary shares for basic earnings per share</b>	153,049,120	132,438,377
Effect of partly paid Executive Plan shares, Options and Performance Share Rights	1,339,859	946,039
<b>Number of ordinary shares for diluted earnings per share</b>	<b>154,388,979</b>	<b>133,384,416</b>

Partly paid Executive Plan shares, Options and Performance Share Rights have been included in diluted earnings per share in accordance with applicable Australian accounting standards.

<b>Earnings per share</b>	<b>US cents</b>	<b>US cents</b>
Basic earnings per share	57.3	49.6
Diluted earnings per share	56.8	49.2

### 6. Net Tangible Asset backing

	31 December 2014 US\$m	US\$m US\$m
Shareholders' Equity attributable to Ansell Limited shareholders	1,129.5	1,121.9
Less Intangible Assets	(1,049.2)	(545.8)
<b>Net Tangible Assets</b>	<b>80.3</b>	<b>576.1</b>
	<b>No. Shares</b>	<b>No. Shares</b>
Total fully paid ordinary shares on issue (millions)	153.1	152.8
Net tangible asset backing per ordinary share	\$0.52	\$3.77

## Notes to the condensed consolidated interim financial statements

### 7. Financial Instruments

#### Financial risk management

Ansell has a range of financial policies designated to enable management to ensure financial risk (including foreign exchange and interest rate exposures) does not negatively affect the Group's results. These policies remain consistent with those disclosed in the consolidated financial statements for the year ended 30 June 2014.

#### Financial instruments carried at fair value

##### Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different 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)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	31 December 2014			Total US\$m
	Level 1 US\$m	Level 2 US\$m	Level 3 US\$m	
Derivative financial assets	-	25.2	-	25.2
Other financial assets designated as at fair value through OCI	-	-	-	-
Derivative financial liabilities	-	13.3	-	13.3

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.

Following a strategic review of its investments in equity instruments the Group disposed of its investment in Lakeland Industries during the six months to 31 December 2014. The fair value of the investment at the date of disposal was \$3.6 million and the cumulative net gain on disposal was \$5.2 million.

### 8. Acquisition of Subsidiaries and Businesses

Effective 1 November 2014, Ansell Limited acquired 100% of Hands International, a privately held company, located just outside of Colombo, Sri Lanka. Hands International is a manufacturer and supplier of personal protective equipment, with approximately 1500 employees and annual sales of \$30 million the majority of which are to Ansell group companies. The Company specializes in producing knitted glove liners, but also manufactures certain coated, cut and sew styles and liner cotton fabric materials. The acquisition will increase the Group's knitting and cut and sew manufacturing capabilities. The interim condensed consolidated income statement includes the results of Hands International from the acquisition date.

In the two months to 31 December 2014, Hands International has contributed revenue of US\$0.1 million and profit of \$0.3 million to the Group's result. The consolidated results of the Group for the six months to 31 December 2014 would not have been significantly impacted had the acquisition been completed effective 1 July 2014.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Hands International with those of the Group. The goodwill is not deductible for income tax purposes.

## Notes to the condensed consolidated interim financial statements

### 8. Acquisition of Subsidiaries and Businesses continued

The following fair values of the identifiable assets and liabilities of Hands International as at acquisition have been determined on a provisional basis:

	<u>US\$m</u>
<b>Assets</b>	
Cash and cash equivalents	2.5
Property, plant and equipment	2.0
Inventories	3.4
Other assets	0.3
	<u><b>8.2</b></u>
<b>Liabilities</b>	
Trade and other payables	4.0
Provisions and other liabilities	1.5
	<u><b>5.5</b></u>
Total identifiable net assets at fair value	2.7
Goodwill on acquisition	17.4
<b>Consideration paid</b>	<u><b>20.1</b></u>
<b>Analysis of cash flows on acquisition</b>	
Net cash acquired with the subsidiary	2.5
Cash paid	(20.1)
<b>Net cash outflow on acquisition</b>	<u><b>(17.6)</b></u>

The acquisition accounting for the following acquisitions made during the previous financial year was finalized during the current year.

#### **Midas**

The acquisition accounting for Midas, acquired effective 1 November 2013, was completed during the six months to 31 December 2014 with no change to the previously reported goodwill.

#### **BarrierSafe (BSSI)**

BSSI was acquired effective 2 January 2014 and the completion of the acquisition accounting during the six months to 31 December 2014 resulted in a reduction to goodwill of \$1.5 million. The goodwill adjustment relates to additional inventory provisions of \$0.4 million offset by reductions in other provisions of \$1.9 million.

### 9. Performance Share Rights

Ansell Limited has incorporated the granting of Performance Share Rights (PSRs) to the Managing Director and certain senior executives in its Long Term Incentive Plan. The first PSRs were granted in the 2013 financial year and will vest in the current financial year. Further grants of PSRs were made in August 2013 and August 2014 and will vest during the 2016 and 2017 financial years respectively. The value of these PSRs has been calculated by an external valuations expert and the related cost is being amortised over the three year vesting periods.

**ANSELL LIMITED**

**ABN 89 004 085 330**

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**Directors' Declaration**

In the opinion of the Directors of Ansell Limited (**the Company**):

1. the Condensed Consolidated Interim Financial Report (including the notes to the Condensed Consolidated Interim Financial Report) of the Company and its subsidiaries (**the Group**), for the half-year ended 31 December 2014, in the form of ASX Appendix 4D, is in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the Group as at 31 December 2014 and of its performance for the half-year ended 31 December 2014; and
  - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001.
2. as at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



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G L L Barnes  
Director



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M R Nicolin  
Director

Dated in Melbourne this 9<sup>th</sup> day of February 2015.



## **Independent auditor's review report to the members of Ansell Limited**

### **Report on the financial report**

We have reviewed the accompanying half-year financial report of Ansell Limited, which comprises the condensed consolidated balance sheet as at 31 December 2014, condensed consolidated income statement and condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Ansell Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

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



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ansell Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Gordon Sangster  
*Partner*

Melbourne  
9 February 2015