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Ansell



PROTECTION REIMAGINED



2017 Annual Report

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About Ansell

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

Ansell Protects.

Our Purpose and Vision

We enable others to perform better and be more productive; this has earned us a leadership position as well as a track record of impressive growth. By expanding the Company's global reach, category depth and robust innovation pipeline, we support our customers' expansion and provide solutions for emerging needs. This approach allows us to continue to deliver for our customers, employees and shareholders.



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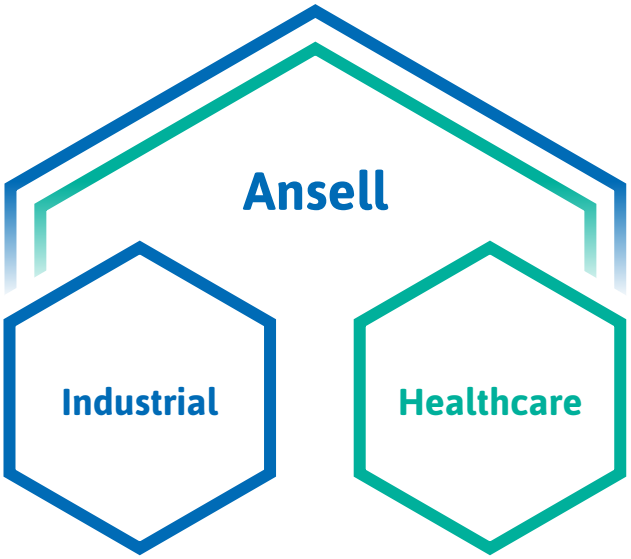
Protection Reimagined

At Ansell, we continue to challenge ourselves on how best to serve our customers. During the next year, Ansell will be simplifying its business structure. Following the sale of the Sexual Wellness business, Ansell will merge its Single Use and Medical GBUs into a single Healthcare GBU. The Industrial GBU will remain largely unchanged. The goal is to deliver a more streamlined business proposition to customers.



Our Values

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

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Financial Summary

	Results in Operating Currency – US Dollars	
	2016 US$m	2017 US$m
Sales	1,572.8	**1,599.7**
EBIT[1]	236.7	**217.8**
Profit Attributable	159.1	**147.7**
Operating Cash Flow[2]	144.8	**146.0**
Earnings Per Share (US cents)	105.1	**100.1**
Dividends Per Share (US cents)	43.5	**44.0**

1. EBIT defined as Earnings Before Tax and Interest.
2. Net cash provided by operating activities per the Consolidated Statement of Cash Flows adjusted for Net Capex and interest received and paid (net interest).

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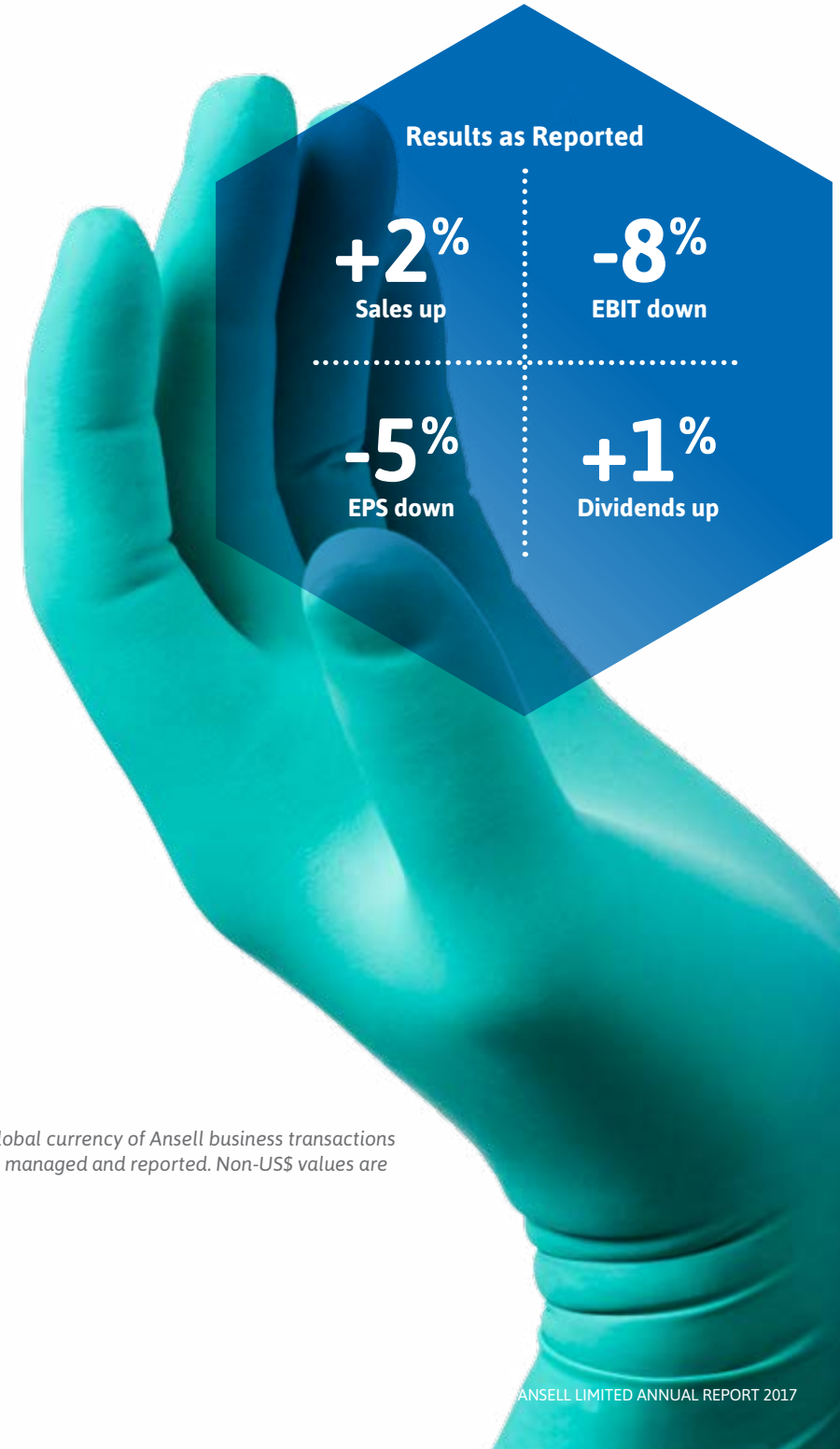
14% Sexual Wellness

25% Medical

Sales by Global Business Unit (GBU)

41% Industrial

20% Single Use



Currency Reporting – United States dollar

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

Financial Summary continued

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Results commentary

Sales growth momentum is improving on new product success. FY17 EBIT benefited from improving sales and product margins, but overall was lower versus last year, with last year benefiting from a gain on sale of the OnGuard footwear business and unusually low incentive expense.



Results in Constant Currency

+3% Sales up

-6% EBIT down

-2% EPS down

+1% Operating Cash flow

17% Sexual Wellness

20% Medical

Segment EBIT by GBU

35% Industrial

28% Single Use

Constant Currency Reporting

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

Chairman's Review



"We concluded a year of major achievements with the most notable being the divestiture of our Sexual Wellness business. Organic growth improved and we developed detailed plans to realise further significant value from our transformation program. We have also put in place our CEO and Board succession plans as we prepare for the future."
Glenn L L Barnes, Chairman

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Dear Fellow Shareholders,

This has been a year of major achievements for our Group on both the strategic and operational fronts. Our strategic portfolio review has resulted in an agreement to divest our Sexual Wellness business to owners who are better placed to leverage its potential and we have developed detailed plans to realise further significant value creation in our Industrial and Medical businesses. Concurrent with these developments, we have also recorded the strongest organic revenue growth for the total business for many years – including a very strong performance from our largest business unit serving the industrial market.

Global Economic Backdrop

Overall economic conditions improved moderately through the course of the year and provided some assistance to business performance in the second half of our fiscal year. Economic activity in North America and European markets showed signs of strengthening through the year, particularly in Western Europe. In emerging markets Ansell performed well both in markets supported by improving economic conditions, such as in Brazil, and in markets, such as China, where economic indicators remained subdued.

The business had to manage the impact of very significant raw material price rises for several months around the turn of the calendar year. Even though these cost pressures have subsequently moderated, raw material costs remain significantly higher year on year. We have notified our customers of necessary price increases that will start going into effect from the beginning of FY18.

Our Results

Overall sales increased 1.7% to $1,600 million. Earnings per Share (EPS) was 5% lower at $1.00, for reasons anticipated at the beginning of the year, including the dilution to EPS from the OnGuard divestment completed in FY16, and the costs of the portfolio review that we announced at the beginning of the year. Higher raw material costs and a reduction in provisions for employee incentives last year also contributed.

It was particularly encouraging to see the demonstration of broad-based improvement in organic revenue growth[1] when measured at constant currency. The company achieved 3.6% growth on this measure overall for the year and 6% in the second half. The improvement in Industrial was the standout performance, Sexual Wellness continued its growth trend, Single Use finished the year strongly and Medical recovered lost ground after difficulties in our Malaysian manufacturing facility last year.

Operating cash flow continued to be strong at $146 million. We maintained a strong balance sheet with a level of gearing well within the range we consider appropriate for our business and consistent with maintaining our investment grade debt rating.

The Board declared a final dividend of 23.75 cents, unfranked, taking the total dividend to 44 cents per share, representing a 1.1% increase on the prior year. The record date for the final dividend is 21 August 2017 and the dividend payment is 8 September 2017. This constitutes the 14th year in a row with an increasing dividend pay-out.

Portfolio Review and Sale of Sexual Wellness business

Whilst the Sexual Wellness business is the oldest part of Ansell, it is also unique as a consumer goods business and one where we are significantly smaller than the global market leader. The other parts of the Ansell portfolio focus on sales to businesses where we have a stronger market position and the go to market model is different. During the year, the Board announced a strategic review of our portfolio and this led to the announcement of an agreement to sell the Sexual Wellness business for $600 million, with closing subject to regulatory approvals and other normal contractual matters. We expect to conclude the transaction by the end of September 2017. This constitutes a good outcome for shareholders and will allow Ansell to now become even more focused on the segments in which we are a global market leader – Industrial and Healthcare hand and body protection.

Transformation Agenda

The portfolio review also identified opportunities to accelerate delivery of the strategic potential inherent in the markets we address and our business model. These opportunities, once realised, will create significant additional value for our shareholders. The plans we have announced have four main objectives: a simplified, lower cost organisation structure that is also more agile and responsive to customer needs; an increased focus on global supply chain excellence; increased investment against our successful organic growth strategy; and finally enhancing returns on capital through improved product cost competitiveness and a more innovative, effective and productive manufacturing base.

Board and CEO Succession Planning

As announced during the year, your Board was delighted to announce that our CEO Mr Magnus Nicolin has agreed to lead the company until the end of the 2021 financial year, with his intention to retire thereafter. This will allow the Board time to further challenge and assess the pool of internal CEO succession candidates to allow the best candidate to develop and emerge.

Furthermore, the Board has continued to evaluate its own succession plans and prepare for future requirements. John Bevan has been announced as Deputy Chairman and as my successor. This gives John the opportunity to play a key role in the shaping of future leadership of the company at both the governance and management levels. We have also reconfirmed that the optimal size of our Board is eight directors and

1. Refers to Organic Constant Currency Revenue growth as described on page 18 – Operating and Financial Review.

Chairman's Review continued

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decided that from time to time this number will need to be increased to nine directors to ensure an adequate balance between corporate experience and the change dynamic.

At this year's AGM Mr Dale Crandall retires after 15 years of service on our Board. Dale was one of a small group of experienced and dedicated directors who joined the Ansell Board at a challenging time in our company's history and led the reshaping of our business strategy and rebuilding of our financial and operational capacity and capability. On behalf of all within the company and our shareholders I would like to thank Dale for his commitment, hard work and many beneficial inputs to our company.

Also at this Year's AGM we are seeking shareholder support for the appointment of Christina Stercken and Bill Reilly to the Board as non-executive Directors. Their respective details are included in the notice of meeting. Your Board believes that the capabilities and experience Christina and Bill bring to the Board will be of significant benefit to the company's future.

Finally, I would like to acknowledge the committed efforts and hard work of the men and women of Ansell. The improved results we are seeing this year are only possible thanks to many years of dedication and sheer hard work by our people as the company faced the post GFC market malaise, built new capability, refined its competitive advantage and ability to grow ahead of market rates. The confidence that the Board has in our people and their ability to continue to execute well against our strategic plan gives us great confidence for the years ahead.



Glenn L L Barnes
Chairman



Chief Executive Officer's Review



"Ansell continues to challenge itself, and the focus on growing our industry leading brands is showing clear evidence of success. The portfolio review that led to the sale of the Sexual Wellness business also identified significant opportunity to accelerate the performance of the Company's continuing businesses. The aim is to achieve this through a transformation program and continued investment in the Ansell business. I'm very proud of the staff in what has been an impressive year, and I'm excited by the prospects going forward."

Magnus Nicolin, Managing Director and Chief Executive Officer

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Keeping our promises

Looking back on FY17, I am pleased to report a year of achievements gained against a series of strategic goals towards which we have been working for a number of years, and with the benefits now clearly showing.

It was decided 12 months ago that there would be three key metrics against which medium-term performance would be targeted: organic revenue growth; EPS growth; and Return on Capital Employed (ROCE). Specifically for FY17, the most important objective was to realise improved organic revenue growth – and the 3.6% achieved is at the upper end of the targeted range for the year. Success was achieved through improved execution against the four key drivers of organic growth outlined opposite.

Looking to FY18 and beyond, I am confident that the right strategies are in place for Ansell to seize the opportunity to refocus on the business to business portfolio and realise the long-term value creation opportunities available.

Achievement Against Strategic Priorities:

Organic Growth Drivers	Update
1. Innovative new products	• 37% growth of new products within Industrial, utilising the patented innovations in yarn and latex formulations. • Successful restoration to growth of the Medical synthetic surgical portfolio, with synthetic surgical up 22%.
2. Gain emerging market share	• Total emerging market sales up 9%, Latin America sales up 18%, and a strong recovery in Russia from a weak FY16.
3. Strong global brands	• Third successive year of HyFlex® growth above 5%, achieving 12% in FY17. Growth brands in total up over 8%, and now representing 62% of total sales.
4. Channel partnerships	• Strong growth with distributor partnerships, realising market share gain targets and 16% year on year growth in the 18 accounts signed.
Profitability and Cash Flow Business Priorities	
Reduce waste in manufacturing	• Manufacturing waste levels were significantly reduced, with combined waste and productivity savings of $5 million.
Realise Capex productivity gains	• Strong results now being achieved on the primary productivity investments in Medical packaging rationalisation and Industrial insourcing of key raw materials, including yarn wrapping. The combined ROCE on both projects exceeded 35% contributing to the positive long term development of our global ROCE.
Capital Deployment	
Strategic, disciplined M&A	• Nitritex was acquired for $56 million, significantly strengthening capability in the Life-Science vertical. • Success in realising growth opportunity arising from earlier acquisitions evident in strong results from Microgard® (sales up 27% in the second half) and growth of Microflex® outside North America (up 19%).
Portfolio review	• The outcome of the portfolio review was very positive – both the price achieved for the Sexual Wellness business and the plans developed to accelerate delivery against strategic objectives for the ongoing business to business portfolio.
Share buy-backs	• Announced a $265 million buy-back program and initiated this in May 2017.

Chief Executive Officer's Review continued

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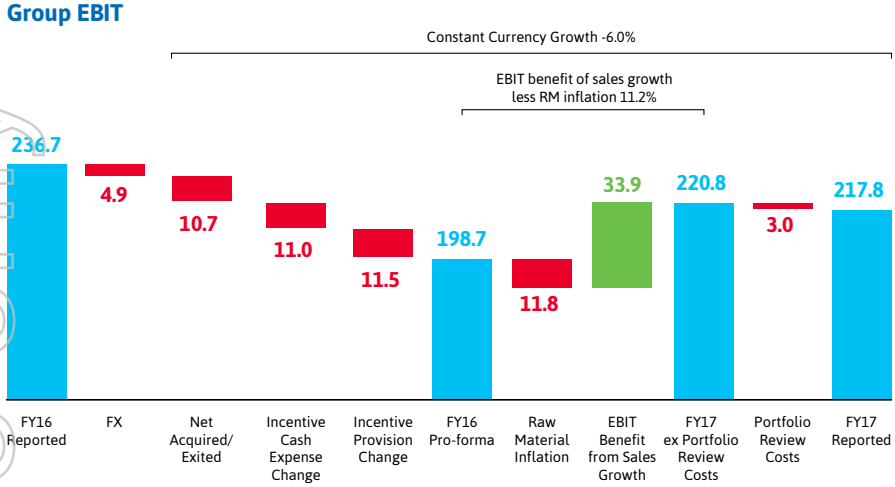
Group EBIT



Sexual Wellness business divestment

The expected completion of the divestment of the Sexual Wellness business is a significant event. The business has achieved excellent results in the last couple of years and maintained that momentum in FY17, despite the uncertainty of the portfolio review. The dynamism and creativity of Jeyan Heper, President SW, and the SW team will be missed; however, ultimately this business can achieve even more under a new owner focused on consumer products. An in-depth process was conducted that involved the evaluation of more than 40 bids from a wide range of potential owners, with the Chinese consortium of Humanwell and CITIC Capital being the successful party. The sale is expected to be completed by the end of September 2017.

Group Results – inclusive of discontinued operations

Overall, sales were up 1.7% in FY17. Organic revenue growth at constant currency was up 3.6%, the strongest organic growth in the last five years.

EBIT at $218 million was $19 million lower than in FY16. The decline was anticipated at the beginning of the year as prior year benefits, from the gain on sale of OnGuard® and a reduction in incentive provisions, were not expected to recur in FY17. These negative effects were partially offset by the benefit to EBIT of sales growth and improving gross margins, achieved even though the prices of key raw materials increased significantly in the second half of the year.

Selling price increases have been implemented, but it will take time for the benefits to be realised. The success of differentiated new products and growth in higher margin end markets were able to offset the impact on gross margins of raw material inflation. The decline in EBIT also resulted in a fall in Return on Capital Employed (ROCE); however, capital productivity measured in proportion to sales revenue improved and this bodes well for future improvement in ROCE.

Industrial GBU

The Industrial GBU is a complex business that serves a wide variety of different end market needs through an extensive product portfolio of over 1,000 different product styles. Effectively managing this complexity is key to the long-term success of Industrial. It is therefore particularly satisfying to see the significant improvement in organic growth achieved in Industrial in FY17 as a result of a multi-year strategy focused on enhancing the long-term growth potential of the business. Success was seen initially as key global brands gained traction. HyFlex®, for example, has now enjoyed its third year of high single or low double-digit growth. The strategy to drive growth through innovation began 6 years ago and started to deliver strong results two years ago, with new product sales up 77% over the last two years. These results were not initially visible as the growth from these initiatives was offset by the continued effects of necessary rationalisation and simplification of the product portfolio and planned exits of non-core markets and product lines such as military gloves and retail offerings.

In FY17, Ansell continued to deliver strong results from new products including an increased contribution from recently acquired product ranges, such as Microgard® chemical protective clothing. The concurrent focus on strengthened partnerships with key distributors and growth in emerging markets with the EDGE brand also contributed. As a result, all components of the growth strategy are now delivering, while the drag from rationalisation is smaller, resulting in the 5% Industrial organic revenue growth achieved in the year.

Single Use

Our Single Use business gained significant momentum in the second half to finish the year with sales revenue ahead of last year. Innovation continued to yield benefits, with sales of the new High Chem® range exceeding first year expectations, whilst growth in emerging markets was also very strong. Moreover, the global expansion of Microflex®, from a traditionally North American brand to other Ansell regions, is generating strong growth (+19%) with more upside forecast. Raw material cost increases placed downward pressure on trading margins during the year, however price increases went into effect from the beginning of FY18 and are expected to benefit margins in the coming fiscal year.

Also contributing to growth was the Nitritex acquisition completed in January 2017, and already exceeding original projections for the business. Plans in place to build on the acquired BioClean® brand, as Ansell's branded offering in the sterile clean room environment, should be well received by customers. Changes to improve Ansell's relevance and customer service to the life science vertical, have been recognised by a number of customer awards from leading global distributors.

Chief Executive Officer's Review continued

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Medical

Ansell's synthetic surgical gloves utilise a patent protected technology to maximise dexterity and comfort for the most important tools that medical professionals have: their hands. During the year, there was an accelerated shift in the industry away from outdated powdered rubber latex surgical gloves towards synthetic surgical gloves in a number of regions. A star performer within the synthetic portfolio was the SENSOPRENE® technology that is unique to Ansell and was up 65% year on year.

This created an opportunity to gain market share. In North America, for example, the Company picked up more than 130 basis points of market share. This growth was possible as capacity constraints seen in FY16 were addressed and there is now significant future potential in the surgical glove area.

Whilst surgicals grew strongly, overall top line growth in Medical was subdued due to continued declines in sales of low margin exam gloves. Initiatives are underway to restore growth in the exam sector through new product launches and a more dynamic sourcing strategy that will improve Ansell's cost competitiveness.

Balance Sheet and Cash Flow

The Group continues to enjoy a strong balance sheet, with net cash provided by operating activities of $216.2 million. Lower requirements for capital expenditure ensured our preferred operating cash flow measure, calculated after deducting capex and net interest payments, improved on the prior year.

Transformation

The portfolio review had two key objectives. The first was to divest the Sexual Wellness business at an attractive valuation, and that was successfully accomplished as described above. The second was to identify a way to realise the full potential of the continuing hand and body protection businesses. In recent announcements a transformation program has been outlined that aims to achieve significantly enhanced performance in these businesses.

As part of this transformation program, Ansell will:

1. Merge the Single Use and Medical GBUs into a new Healthcare GBU, which will leave Ansell with two GBUs (after the Sexual Wellness divestiture). The main benefit of the combined GBU is to integrate product innovation, manufacturing and supply chain strategy to accelerate growth and enhance returns across the full range of exam and surgical product portfolios;
2. Enhance significantly the focus on global supply chain excellence. While Ansell has made significant strides in this area in the last couple of years, supply chain efficiency and effectiveness remain well short of the benchmarks Ansell aspires to. While customers are pleased at the improvements that have been made in service levels, further improvement is possible while also reducing the amount of inventory carried;
3. Step up investment behind new product technologies, improved sales coverage, and expanded production capacity to ensure Ansell remains ahead of market demand while enabling continued improved organic growth performance;
4. Create a multi-year program to bring about significant benefits to the competitiveness of production costs while enhancing returns on the manufacturing asset base from a series of investments that will realise the potential now being seen at the best-performing and lowest-cost sites.

The objective over time is to fully offset the dilution to earnings, from the sale of the Sexual Wellness business, through accelerated organic EBIT growth of the Industrial and Healthcare businesses. In addition, Ansell aims to realise benefits to shareholders from redeploying the estimated $529 million after-tax proceeds from the Sexual Wellness divestment through a continuation of our balanced approach to capital deployment.

Capital Deployment

Ansell remains active in identifying and progressing potential acquisition opportunities whilst maintaining a disciplined approach, and anticipates continuing to pursue a balanced capital deployment strategy incorporating dividends and share buy-backs when that is the best use of surplus capital.

The Nitritex acquisition described above is a good example of how Ansell can leverage smaller acquisitions to strengthen long-term growth potential, a formula that has worked well across a range of recent acquisitions. There are continued opportunities to complete attractive 'tuck-in' acquisitions similar to Nitritex, with a number of larger acquisition opportunities also under evaluation.

The Ansell Team

Finally, I would like to recognise and thank my colleagues and all Ansell employees across the world for an impressive year of accomplishment. The team has worked harder and more effectively than ever, realising strong development of the core business, successfully completing the portfolio review and securing a great outcome for our shareholders, while also developing a compelling plan to bring about the vision of a re-shaped Ansell that will be more focused, more agile, and better positioned for success in the years to come – thank you



Magnus Nicolin Managing Director and Chief Executive Officer

Five-Year Summary

of Ansell Limited and Subsidiaries for the year ended 30 June 2017

	2013 US$m	2014 US$m	2015 US$m	2016 US$m	2017[1] US$m
Income Statement					
Sales	1,373	1,590	1,645	1,573	**1,600**
EBIT	171	84	245	237	**218**
Net financing costs	11	18	21	22	**23**
Income tax expense	17	21	34	53	**45**
Non-controlling interests	4	3	2	3	**2**
Profit attributable to Ansell Limited shareholders	139	42	188	159	**148**
Balance Sheet					
Cash – excluding restricted deposits	306	321	278	270	**314**
Other current assets	523	611	619	577	**546**
Property, plant and equipment	187	206	231	245	**218**
Intangible assets	541	1,068	1,116	1,077	**1,050**
Other non-current assets	147	155	132	122	**122**
Assets held for sale	-	-	-	-	**201**
Total assets	1,704	2,360	2,376	2,291	**2,451**
Current payables	219	243	244	241	**230**
Current interest bearing liabilities	90	14	7	5	**4**
Other current liabilities	72	108	79	69	**86**
Non-current interest bearing liabilities	451	720	734	687	**717**
Other non-current liabilities	98	134	147	152	**142**
Liabilities held for sale	-	-	-	-	**43**
Total liabilities	930	1,219	1,210	1,154	**1,222**
Net assets	774	1,141	1,167	1,137	**1,229**
Issued capital	865	1,227	1,230	1,147	**1,142**
Reserves	37	49	(49)	(88)	**(78)**
Retained Profits/(Accumulated Losses)	(144)	(151)	(29)	62	**147**
Ansell Limited shareholders' equity	758	1,125	1,152	1,121	**1,211**
Non-controlling interests	16	16	15	16	**18**
Total shareholders' equity	774	1,141	1,167	1,137	**1,229**
Total funds employed	1,009	1,555	1,629	1,559	**1,636**
Share information					
Basic earnings per share (cents)	106.5	29.3	122.5	105.1	**100.1**
Diluted earnings per share (cents)	106.1	29.1	121.4	104.5	**98.9**
Dividends per share (cents)	A38.0	US39.0	US43.0	US43.5	**US44.0**
Net assets per share ($)	5.9	7.5	7.6	7.7	**8.3**
General					
Net cash from operating activities	130	221	200	232	**216**
Capital expenditure	40	53	84	67	**51**
Shareholders (no.)	33,126	33,886	36,014	39,884	**36,798**
Employees (no.)	12,596	12,607	14,500	15,890	**15,483**
Ratios					
EBIT margin (%)	12.5	5.3	14.9	15.0	**13.6**
Return on average shareholders' equity (%)	19.1	4.6	16.4	14.1	**12.7**
EBIT return on funds employed (%) – ROCE	16.9	5.4	15.1	14.9	**13.6**
Average days working capital	82.5	85.9	81.4	85.6	**83.2**
Interest cover (times)	15.5	4.6	11.4	10.7	**9.6**
Net liabilities to shareholders' equity (%) – gearing	80.6	78.7	79.8	77.8	**73.9**
Number of shares at 30 June (million)	131	153	153	148	**147**

1. Includes continuing and discontinued operations.

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Operating and Financial Review

The World of Ansell

The world's need for better protection never stops, so we are constantly researching, developing and investing to stay on the cutting edge of product innovation and new technologies. With our global presence, we are a market leader that continues to grow, through new-product development, acquisitions and the expansion of our footprint in emerging markets. Customers in 100 countries around the world trust Ansell and our protection solutions.



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Operating and Financial Review continued



North America

Head office:
Metro Park, New Jersey

Revenue	Assets
$628m	$224m



Latin America and Caribbean (LAC)

Head office:
São Paulo, Brazil

Revenue	Assets
$94m	$49m



Asia Pacific (APAC)

Head office:
Melbourne, Australia and Cyberjaya, Malaysia

Revenue	Assets
$168m	$313m



Europe, Middle East and Africa (EMEA)

Head office:
Brussels, Belgium

Revenue	Assets
$485m	$180m



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Operating and Financial Review continued

Strategy & Focus







Organic Growth

- Grow share in emerging markets
- Build strong global brands
- Innovate and grow new product sales
- Develop stronger channel partnerships in focus verticals

Profitability & Cash Flow

- Leverage core processes for improved customer service
- In-sourcing key materials and technology
- Lean Manufacturing
- Rationalising brands, SKUs, legal entities, sites

Capital Deployment

- High return capex enabling growth and productivity
- Consistent dividend growth
- Strategic, disciplined M&A

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Operating and Financial Review continued

Strategy

Ansell has the global market leading position in single and multi-use hand protection for industrial end-users and in surgical gloves. We also have fast-growing positions in Industrial body protection products, safety solutions to the surgical operating room and an expanded offering in clean room laboratory environments.

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

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

- The breadth and performance of our unmatched product range. Through our focus on R&D and innovation, we created many of these product categories and continue to lead the industry in product performance.
- Our unique material science capability allows us to provide solutions to the needs of protection 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 whilst 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 Guardian® technology (tools that provide comprehensive advice to end users on the right products to use for optimal safety and productivity) and so built strong relationships with end users.
- We are uniquely positioned to provide global solutions as the only industry participant with leading market positions in all our product ranges in all regions.
- Through a disciplined acquisition strategy we have:

  – strengthened our core market positions,

  – increased our ability to differentiate in material science, and

  – added near adjacent product portfolios which we are demonstrating we can grow rapidly on a global basis.

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

- New product development.
- Grow emerging market footprint.
- Stronger brands, by expanding existing growth brands such as HyFlex® as well as recently acquired product ranges such as Microflex® and Microgard® globally.
- Build stronger and deeper partnerships with our key distributor partners.
- As capacity constraints are resolved in Medical, work to resume growth of our leading synthetic surgical range and reduce wastage levels in our key manufacturing plants.
- Continue improvement in 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 past capex investments.
- Engage in a portfolio review of the core business, focusing on the longer term future of the SW business as well as evaluating growth opportunities within our business framework.
- Strategic and disciplined acquisition evaluation.

Our progress on these goals are detailed on the following pages.

Review of Operations

Financial Reporting Presentation – Held for Sale

As a result of the announcement of the divestiture of our Sexual Wellness business ('SW') for $600 million, our reported results have been split between:

- Discontinued Operations – SW held for sale
- Continuing Operations

The sale also has implications for the reported results of the Continuing Operations as the central costs previously absorbed by SW have been allocated to the continuing GBU's. In readiness for the SW sale, the group announced a transformational agenda for FY18 and beyond, which is expected to yield significant benefits from a simplified corporate structure as well as the implementation of other initiatives. These are discussed further in the outlook section and are expected to ensure that the higher cost allocation to Continuing Operations will only be temporary with the transformation program targeting cost savings that will more than offset this impact.

At Ansell, we believe in providing the necessary information to our investors to ensure that our financial statement commentary is meaningful and at all times provides relevant year over year comparatives. Given the above, commentary on the results will be on the group including the SW business, with commentary on EBIT generally on the GBU EBIT before corporate cost allocations as these provide the best like for like comparisons for the year.

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Operating and Financial Review continued

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Financial Summary

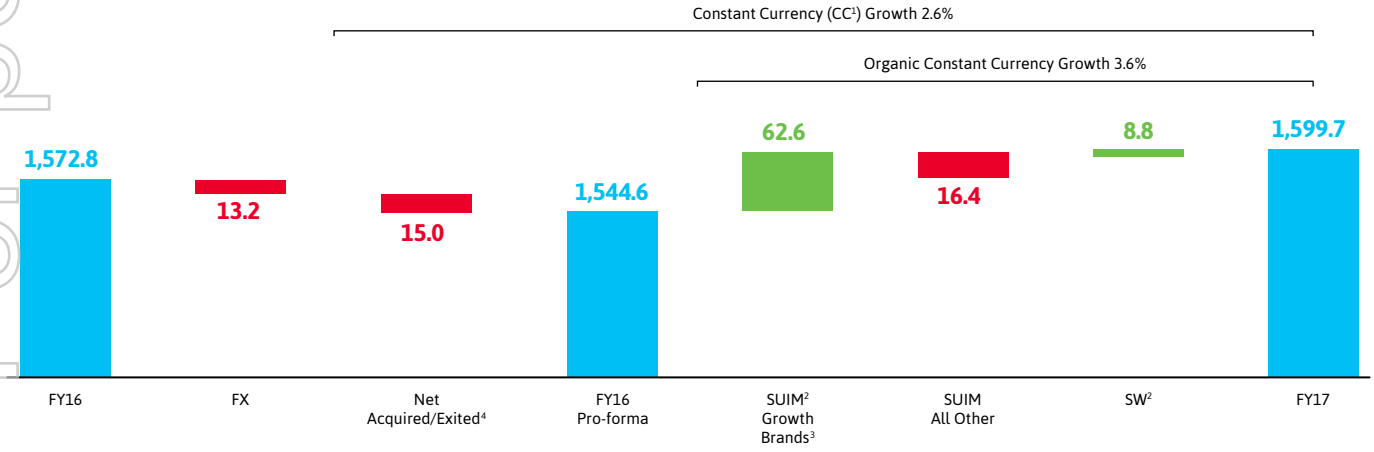
US$ millions	FY16	FY17	% Change	% CC Change[1]
Sales	1,573	**1,600**	+1.7%	+2.6%
Profit before interest and tax (EBIT)[4]	237	**218**	-8.0%	-6.0%
Profit for the period attributable to Ansell Ltd shareholders	159	**148**	-7.2%	-5.0%
EPS (US ¢)	105.1	**100.1**	-4.8%	-2.4%
EPS excluding portfolio review cost[2]		**101.7**	-3.2%	-0.9%
Operating Cash Flow[3]	144.8	**146.0**	+0.8%	
Dividend (US ¢)	43.5	**44.0**		

1. CC denotes Constant Currency – compares FY17 to FY16 results restated at FY17 average FX rates and excludes the value of FX gains or losses in both periods. As such, it is non-IFRS financial information. The Board believes that this provides greater insight into the financial performance of the business by the removal of year on year foreign exchange volatility. The principles of constant currency reporting and its implementation are subject to oversight by the Audit and Compliance Committee of the Board.
2. Portfolio review costs are described in the Group EBIT commentary on the following page.
3. Operating Cash Flow, is Net cash provided by operating activities per the Consolidated Statement of Cash Flows adjusted for net expenditure on property, plant equipment, intangible assets and net interest.
4. EBIT is after corporate costs have been allocated.

Group Sales Commentary

- Sales revenue was 1.7% higher as reported; this reflected an improved rate of organic revenue growth of 3.6% calculated after excluding the negative effect of changes in currency rates on revenue (-0.9%) and divestments and acquisitions (-1%).
- Industrial achieved particularly strong results through the success of Growth Brands[3]. This was achieved through the rapid growth of new products and market share gains through our strengthened partnership with key distributors.
- Medical sales benefited from improved surgical glove revenue, with the business quickly returning to growth following the resolution of the manufacturing issues that limited product availability last year. Our leading synthetic surgical range grew 22%. This was offset somewhat by a decline in sales of lower margin examination gloves in less differentiated end markets.
- Our continued efforts on service and quality delivered a significant improvement in the service metrics important to our customers. We were pleased to see this recognised in a number of customer awards and it has been important to our strengthened strategic customer partnerships.
- The Sexual Wellness division continued its recent track record of strong growth, overcoming the uncertainty caused by the announcement of the portfolio review at the beginning of the year and the subsequent sale process.
- The year over year sales performance is summarised below.

Group Sales Bridge



1. CC denotes Constant Currency – which compares FY17 results to FY16, restated at FY17 average exchange rates and excluding the value of Foreign Currency gains and losses in both periods.
2. SUIM means Single Use, Industrial and Medical GBU. SW means Sexual Wellness GBU.
3. Growth brands composed of Industrial – HyFlex®, ActivArmr®, AlphaTec®, SolVex®, Edge®; Single Use – Microflex®, TouchNTuff®; Medical – GAMMEX®, ENCORE®, MEDIGRIP®, SANDEL®.
4. Net Acquired/Exited refers to the net impact of the FY17 acquisition of Nitritex less the FY16 disposal/exit of the OnGuard, French retail and military businesses.

Operating and Financial Review continued

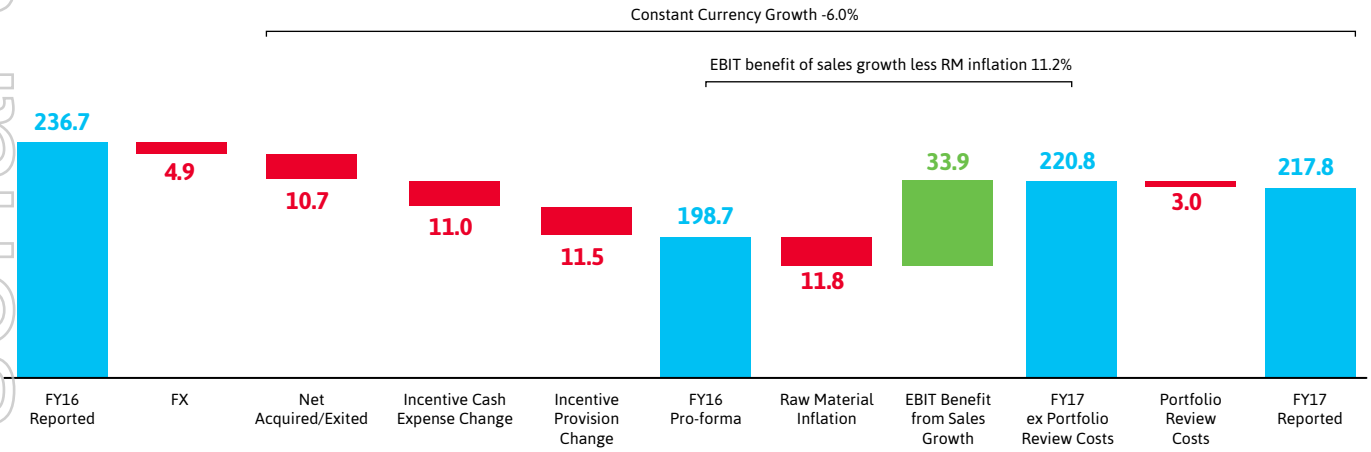
Group EBIT Commentary

EBIT was down 7.5% from $237 million to $218 million for the year. A number of factors explain the decline in EBIT:

1. The net effect of acquisitions and divestments reduced EBIT by $10.7 million against a prior year result that included an $8 million gain recorded on the sale of the OnGuard business in May 2016.
2. Portfolio review costs of $3 million were incurred during FY17. These were one-off costs arising as a result of activities with a particular focus on identifying the optimal strategy for the continuing business and leading to the transformation program subsequently announced.
3. The Group saw significant raw material price increases that adversely affected profitability by $11.8 million. Price increases have now been implemented and are expected to offset this effect in FY18, however they had limited benefit to the current year.
4. Finally, our accrual for short-term and long-term employee incentives increased in comparison to FY16. The FY16 incentive expenses were lower on reduced STI achievement and the reduction in provisions for current and future year expected LTI achievement. Furthermore, the FY17 incentive expense increased on improved STI achievement. The LTI plan vesting in FY17 did not meet threshold, however provisions were made for expected future LTI vesting.

Excluding these factors, the business achieved profit growth arising from manufacturing process improvements, organic sales growth and strong cost control.

A graphical summary of the key profit drivers is shown below.



Borrowing Costs and Taxes

Net interest costs were up $0.5 million or 2.2%. The increase largely reflected the funding of the Nitritex acquisition for $56.1 million during the second half of the year.

Taxation expense of $44.9 million reflected an effective tax rate of 23%, slightly below the 24.5% rate from the prior year. The reduction in the effective rate was largely due to the significant tax expense incurred on the sale of the OnGuard business in FY16.

Cash Flow Commentary

FY17 demonstrated the continued strong cash generation profile of the Group. Net cash provided from operating activities at $216.2 million was lower, however this was more than offset by reduced capital expenditure against FY16. Other factors influencing cash flow included:

- Higher Tax payments as a result of the timing of taxation payments, a large part of which related to the one-off gain on sale of the OnGuard business in FY16.
- Lower net receipts from operations, due in part to increased inventory levels in anticipation of higher go forward sales and also in support of desired customer service levels.

Cash outlays on investing activities were higher than FY16 despite lower expenditure on property, plant and equipment. The main increase related to the $56.1 million outlay for the acquisition of the Nitritex business, which completed in January 2017.

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Operating and Financial Review continued

Industrial – Global Business Unit

+5% Sales (organic constant currency)

0% Reported sales % change

+4% EBIT before corporate costs

-10% Reported EBIT % change



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Operating and Financial Review continued

Industrial – Global Business Unit

	FY16	FY17	% change	CC%
Sales	654.8	655.9	+0.2%	+1.0%
EBIT	89.0	79.8	-10.3%	-8.4%
EBIT/Sales	13.6%	12.2%		

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 & Equipment, Food, Construction, Mining, and First Responders.

Sales Performance

Sales performance has been impacted by the sale of the OnGuard™ business in the prior year. Organic sales grew 5.2% after adjusting for OnGuard™ and constant currency.

- Growth Brands were up 13% on the back of strong gains in HyFlex® and AlphaTec®, whilst Edge® also made strong inroads, particularly in the emerging markets.
- New products grew 37% assisted by our innovative core technology platforms of INTERCEPT™ and FORTIX™.
- Global channel partnership program continues to gain strength and momentum.

EBIT Performance

EBIT was down 10.3% on the prior year as a result of an increased corporate cost allocation including a portion of the costs previously allocated to SW. EBIT before corporate costs was up 4%, with improved margins on the success of new products more than offsetting the negative impact of divestments and exits.

Record new product sales delivered +$128m



HyFlex®

Almost 20 new HyFlex® products launched, including a series of the worlds thinnest cut plus oil protection products HyFlex® 11-93X Series.

$235m

HyFlex® sales up 10%

ACTIVARMR®



Record core brand growth in addition to HyFlex®

$21m

AlphaTec® sales up 16%

$13m

Edge® up 80%

Brands

ACTIVARMR® AlphaTec® HyFlex® Solvex® EDGE® MICROGARD®

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Operating and Financial Review continued

Medical – Global Business Unit

	FY16	FY17	% change	CC%
Sales	396.3	399.6	+0.8%	+1.1%
EBIT	52.3	47.0	-10.1%	-15.4%
EBIT/Sales	13.2%	11.8%		

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

Sales Performance

Significant capacity was added to the production facilities for synthetic and powder-free surgical production lines over the past two years. These investments have seen:

- Surgical gloves up 6% with synthetic surgical gloves up 22%.
- New products grew 17% assisted by the US FDA ban on powdered gloves and growth in the SENSOPRENE® brand of 65%.
- Significant declines observed again in low-margin exam glove sales, particularly in the highly competitive acute vertical.

EBIT Performance

EBIT was down 10.1% on the prior year as a result of an increased corporate cost allocation including a portion of the costs previously allocated to SW. EBIT performance benefited from the plant performance improvements and cost reduction initiatives stemming from the SmartPak packaging improvements. Furthermore, the business continued to effectively control its overheads with discretionary expenditures curtailed wherever possible. Unfortunately, higher raw material costs offset these improvements and EBIT before corporate costs was level with last year.

Core growth brand sales +7%

+10%

GAMMEX®



+27%

ENCORE®



New product sales



+$75m

New products growing 17%

Brands

GAMMEX® SANDEL® MICROTOUCH® ENCORE® MEDI-GRIP® MICROFLEX®

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Operating and Financial Review continued

Medical – Global Business Unit



+1%
Sales (organic constant currency)

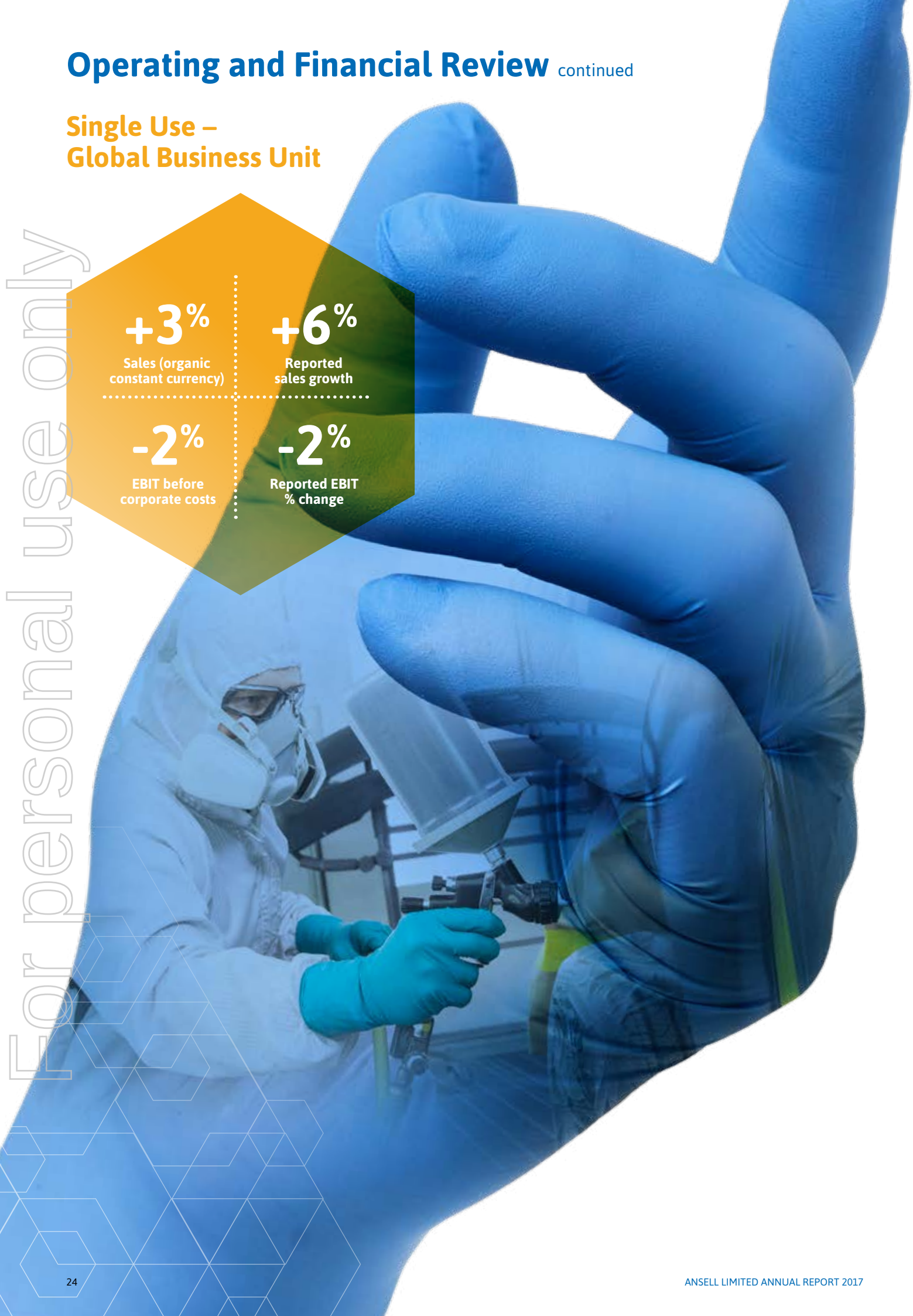
+1%
Reported sales growth

0%
EBIT before corporate costs

-10%
Reported EBIT

Operating and Financial Review continued

Single Use – Global Business Unit



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Operating and Financial Review continued

Single Use – Global Business Unit

	FY16	FY17	% change	CC%
Sales	301.7	319.0	+5.7%	+6.7%
EBIT	64.6	63.1	-2.3%	+0.2%
EBIT/Sales	21.4%	19.8%		

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

Sales Performance

Sales were up 6.7% in constant currency terms, however this included the benefit of the Nitritex acquisition. Underlying organic growth was 3% for the year, with 8% year over year growth in the second half.

Key drivers of the growth included:

- Ongoing global expansion outside of North America. The new Microflex® global expansion products grew 19%.
- New products growing 25%, primarily on the back of the Microflex® global expansion and the new High Chem® launch.
- Emerging markets sales are accelerating strongly with 18% growth over the last three years.

EBIT Performance

EBIT was down 2.3% on the prior year as a result of an increased corporate cost allocation including a portion of the costs previously allocated to SW. Furthermore, higher raw material costs and price reductions implemented earlier in the year also affected the EBIT result. Price increases have been communicated to customers and will begin to go into effect from July 2017.

Expanding Single Use internationally

+19% growth
Sales outside of North America

+18% growth
Emerging markets

High Chem launch
New products



Developing life sciences platform



$100m sales
Ansell global life sciences



Brands

MICROFLEX® TouchNTuff® EDGE® AlphaTec®

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Operating and Financial Review continued

Sexual Wellness – Global Business Unit

	FY16	FY17	% change	CC%
Sales	220.0	225.2	2.4%	4.1%
EBIT	31.0	40.0	29.0%	33.3%
EBIT/Sales	14.1%	17.8%		

The Sexual Wellness GBU (SW) manufactures, sells and markets a range of branded condoms, lubricants, devices and fragrances globally. It sells through retail outlets and also supplies condoms to public health programs globally.
As discussed above, Ansell has reached an agreement to divest the SW business to a consortium consisting of Humanwell and CITIC Capital for $600 million. The sale is anticipated to settle by the end of September 2017.

Sales Performance

The SW business once again delivered solid organic growth of 4.1% on a constant currency basis. Key drivers of growth included:

- Emerging markets growing at 7% with China and Brazil leading the way.
- Growth in China was assisted by e-commerce growth.
- Lubricant products growth under the already successful SKYN® brand.
- New product sales growth at 22%.

EBIT Performance

EBIT was up 29% on the prior year, which included the impact of the SW corporate allocation referred to earlier. EBIT before corporate costs was up 10.4% on the back of higher sales, however trading margins also improved due to the on-going focus on increasing high margin products coupled with strong cost control.

Lubricant sales up 8%





No.1

SKYN® is the No.1 non latex condom in the world

+30% growth

China – SKYN® and e-commerce

+21% growth

Strong demand in Brazil for SKYN® post the Olympics

Brands

SKYN® jissbon® Blowtex LifeStyles® Kama Sutra® MANIX

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Operating and Financial Review continued

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Material Business Risks

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

Risk Management Framework

Risk Appetite

- Management establishes risk appetite (goals, metrics)
- Risk Committee and Board oversight
- Cascades through the organisation

Organisational Alignment

- Identify major risks
- Risk mitigation process
- Risk appetite updated after feedback

Resource and Adherence

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

Communication

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



Operating and Financial Review continued

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Material Risks – Description and Mitigation Actions

Risk	Nature of Risk	Mitigation Actions
Global markets instability	The Group's presence in over 30 countries globally and its growing presence in emerging markets exposes the Company to geopolitical, regulatory and other factors beyond the Group's control.	• Continually monitor the Group's exposure to these risks through our local presence. • Geographic diversification provides protection in itself.
Systems and technology	Ansell relies on Information Technology (IT) platforms. Interruption, compromise to or failure of these platforms could affect Ansell's ability to service its customers effectively.	• Modern ERP systems are in place in the largest regions of North America and EMEA whilst also managing our supply chain. 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.
Major incident at a significant manufacturing site or warehouse	The Group has a number of materially sized manufacturing sites and warehouses. These are vital to the business and financial losses from natural disasters, civil or labour unrest, terrorism, major fire or other incidence are possible.	• The Group has business continuity and disaster recovery plans for all major sites. • Insurance coverage including business interruption cover. • The Group monitors its overall exposure to individual sites and seeks to limit its dependence on any one site through dual sourcing strategies. • Ongoing safety, fire preparedness and local country economic reviews are conducted.
Transformation change management	The Group has announced 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.	• A dedicated project management office has been established reporting to the CEO. • Detailed communication plans are under way to ensure affected staff are clear on new roles and responsibilities. • Contingency and risk management plans have been developed.
Foreign exchange risk	Around half of the Group's revenues and costs are in currencies other than the US$. With volatile foreign exchange markets, significant changes can occur in foreign exchange rates and result in a significant impact on US$ earnings.	• The Group's foreign exchange risks and management strategies are detailed in Note 15 to the financial statements.
Product quality and reputational risk	As a manufacturer, quality is paramount to the Group and failures in this area can have a significant negative effect on results and customer relationships.	• Investment in quality assurance and governance practices, including systematic quality assurance testing during and after the manufacturing and procurement process. • Dedicated team of quality and regulatory staff monitor this.
Loss of a key supplier	Raw materials purchased for manufacturing purposes and buying finished goods exposes the group to the risk of the failure of a supplier to perform leaving the Company short of a vital ingredient or product.	• Utilise dual sourcing strategy wherever feasible. • In recent years there has also been a strategy of vertical integration which reduces dependency on third parties.

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Outlook

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



Organic Growth

The Group expects to build on the momentum seen in organic growth particularly in the second half of FY17, through a continuation of its existing growth strategy. New product launches at the end of FY17 and those planned for this year have been well received by customers and the Company expects to build on the success of its innovative Intercept yarn technology while also growing the unique chemically resistant single-use range. Continued growth in synthetic surgical gloves is also a priority.

Continued development and broadening of the distributor channel partnership program is expected to contribute to market share gains, particularly in developed markets. In emerging markets we will continue to increase our sales resource while also launching new products dedicated to emerging market customers.

Successful delivery of announced price increases is a further important objective to offset the impact of higher raw material costs.

Profitability and Cash Flow – Transformation Agenda

The primary driver to strengthened profitability and cash flow performance in the coming years is expected to be successful accomplishment of the transformation plan objectives.

The Group announced a streamlined organisation structure in which the Group would be organised around two Global Business Units (GBUs) being Industrial and Healthcare. Healthcare has been formed through the merger of the former Single Use and Medical GBUs. The simpler GBU structure will enable productivity gains in support functions and in the regional sales organisations while also improving the organisation's agility and responsiveness to customers' demands.

The Group will continue to target strong cash flow performance. A key priority of the transformational agenda is improved supply chain effectiveness, with a new global supply chain function bringing together all sales and operations planning, transportation, and distribution into a single global function. The objectives include further improvements in customer service, reduced distribution cost and cash flow benefits in excess of $30 million from higher inventory turnover.

The Group will seek to optimise its 13 global plants and more closely link them under the two GBU reporting lines. Site productivity initiatives will be implemented and the realignment of product manufacturing locations will ultimately lead to lower costs and improved flexibility and further enhance Ansell's leadership in product performance and quality.

The Group will also accelerate its investments in technology and automation to support its fastest-growing and most innovative products. Step change improvements in manufacturing efficiencies will be implemented while creating the capacity to support continued market share gains in key target market verticals.

The total expenditure on the transformational program will be in the vicinity of $70 million to $100 million. Between $40 million to $50 million of this is targeted towards cost reduction initiatives and these are anticipated to yield annualised benefits of $30 million by FY20. Savings of approximately $5 million to $7 million are expected to be realised in FY18. Non-cash asset write-downs of $20 million to $30 million are also expected in the coming 30 months as older, less productive manufacturing lines are decommissioned. The balance of the investment will be on increased capital expenditure with benefits to be seen primarily in continued rapid growth arising from the Group's product innovation strategy.

Capital Deployment

The Group anticipates that the SW sale will be finalised by 30 September 2017, with net after-tax proceeds estimated to be $529 million. In addition to reducing the net interest expense for Ansell, the proceeds will also be used towards a $265 million share buy-back program that was announced in May 2017.

Furthermore, the Group will continue to carefully evaluate acquisition opportunities, with a number already in the pipeline for consideration.

Corporate Social Responsibility & Sustainability Report

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ANSELL
CORPORATE SOCIAL
RESPONSIBILITY

Introduction

Ansell's commitment to protection goes well beyond the solutions we bring to the market. We seek to lead transformational change within our company and our industry, creating a safer, healthier world. We recognise that our journey is ahead of us but our strategy maintains continuous improvement towards a positive difference.

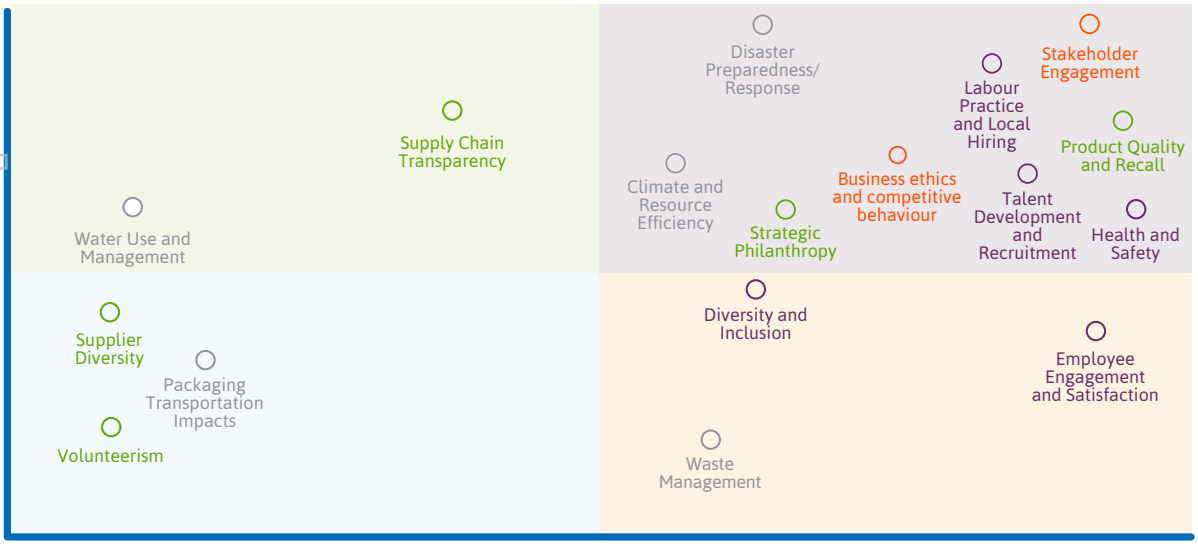
We believe that the pathway to true stewardship is to bring our core values of Integrity, Transparency, Creativity, Involvement, Passion, Agility, Teamwork and Excellence to our commitment of creating a more sustainable future for Ansell.

In September 2015, the UN adopted the Sustainable Development Goals (SDGs), providing a powerful ambition for improving our world. The SDGs comprise 17 goals and 169 targets that seek to end all forms of poverty, fight inequalities, improve health and education, tackle climate change and promote economic growth and prosperity over the next 15 years. Identifying our key sustainability focus areas has enabled us to assess how we can align with the UN Sustainable Development Goals to ensure our sustainability priorities are consistent with these Global Goals.

Refer to http://www.undp.org/content/undp/en/home/sustainable-development-goals.html for more information on the UN Sustainable Development Goals.

Key focus areas	Commitment to the United Nation's sustainable development goals
Business Ethics & Competitive Behavior	16
Climate & Resource Efficiency	6, 7, 12, 13, 15
Disaster Preparedness & Response	
Health & Safety	3, 5
Labour Practice & Local Hiring	8, 10
Product Quality & Recall	
Strategic Engagement	17
Strategic Philanthropy	
Talent Development & Recruitment	4, 5

Materiality Assessment Map



In FY16, Ansell conducted a materiality mapping study to determine the sustainability issues most important to Ansell's stakeholders and that have the greatest influence on business success. While Ansell is cognisant of and addresses all the issues identified on this Materiality Matrix, nine key focus areas, illustrated in the upper right quartile, have received the greatest attention in FY17. These nine key focus areas are firmly embedded in our protection mission and represent both risks and opportunities. In FY17, we developed a process of governance and made progress in implementing actions to address gaps and enhance strengths in these areas but we know that we still have more work to do. Long-term goals will be established and shared in FY18 as we continue our journey to greater sustainability.

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Human Rights

Starting with ethical leadership and continuing along our value chain, Ansell is committed to respecting human rights as established in the United Nations Guiding Principles on Business and Human Rights.

Our People and Human Rights

Ansell operates with a fundamental respect for the people we employ, do business with, and interact with along our value chain and in accordance with local and country governance. In recent years, we have made progress on our sustainability journey on some important issues, most notably the adoption by the Board in FY16 of the Ansell Human Rights Statement (which can be found online at http://www.ansell.com/en/About/Corporate-Responsibility/About.aspx) in accordance with the UN Guiding Principles on Business and Human Rights.

The adoption of the Ansell Human Rights Statement is a call to action for all of us at Ansell as we strive to create open and inclusive workplaces where human rights are respected and all employees are valued.

In FY17, we conducted Human Rights Impact Assessments at manufacturing plants in Malaysia, Sri Lanka and Mexico, along with our third-party partner BSR. Human rights risks impacting production workers were identified through this assessment and from reviews by stakeholders in civil society and Ansell has developed policies and actions to mitigate these risks.

"After successfully launching a number of sustainability initiatives during the first year of our partnership, Ansell has once again demonstrated its leadership in their industry sector by undertaking a Human Rights Impact Assessment to identify, prioritise and remedy human rights impacts across its value chain, moving the needle forward on its commitment to sustainable business practices."

Laura Gitman
Senior Vice President, BSR

A key finding of the Human Rights Impact Assessment concerned production employees working excessive hours. In response to this issue, the Human Resources department implemented online tracking for employee time, attendance, leave and hours of work. This online system went live in June 2017. Overtime hours are now more closely monitored, with monthly reports from the manufacturing plants shared with the head of Human Resources and the Executive Leadership Team, and summary reports provided at Board level.

Additionally, Ansell participated in human rights workshops during FY17 and is in the process of updating and standardising our policies to be more forward looking on human rights issues facing our business today and in future.

Ansell meets or exceeds minimum labour standards and remuneration for its manufacturing organisation and works to ensure that its employees are adequately rewarded for their contributions at, or in most cases, above the prevailing market-rate.

Ansell Code of Conduct

The global Code of Conduct is the foundational policy for the high level of ethical behavior expected by each Ansell employee. Along with other significant policies such as the Ansell Corporate Responsibility Policy and the Modern Slavery Statement, the Code of Conduct can be found online at http://www.ansell.com/en/About/Corporate-Responsibility/About.aspx as well as on the employee Intranet.



If you are viewing this report electronically, click or tap the image above to see what Ansell employees think about Human Rights.

The Code of Conduct outlines the options available to all Ansell employees to report concerns and seek advice without fear of retaliation, and provides information on the additional obligations of supervisors and managers.

The Code of Conduct explains Ansell's fair employment practices. We respect workers' rights to freedom of association as well as collective bargaining in all our businesses. Ansell further ensures freedom of movement for its contract workers. Ansell has a firm policy against child labour and verifies the ages of workers in its operations.

Supplier Accountability

Ansell expects the same degree of respect for human rights from our suppliers. We expect that suppliers will comply with all applicable laws and regulations in the manufacture and distribution of our products, and in providing us their services.

All suppliers are required to review and add their signature to the Ansell Supplier Code of Conduct (which can be found online at http://www.ansell.com/-/media/Corporate/MainWebsite/About/Corporate/Corporate-Governance/Supplier-Code-of-Conduct.ashx?la=en).

We require that all material direct suppliers of Ansell products whose contracts with our Company exceed US$100,000 comply with our Third-Party Social Accountability Policy. These suppliers must demonstrate their compliance with this policy at Ansell's request, and may be subject to audits and self-assessments.

In FY17, Ansell began working with its partner Sedex, a not-for-profit association, on a process to assess risk within our supply chain, verifying the ethical practices of Ansell suppliers, and identifying areas of strength and improvement within the Company's supply chain.

"Ansell's valued membership of Sedex enables them to collaborate with their global supplier base on responsible sourcing practices. We are delighted to support Ansell in their continued strengthening of CSR performance, and to support them, as with all our members, with their continuous improvement programs."

Jonathan Ivelaw-Chapman
CEO, Sedex

Corporate Social Responsibility & Sustainability Report
continued

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Human Rights Day

On December 10, 2016, Ansell employees around the world commemorated Human Rights Day, the day on which, in 1948, the United Nations General Assembly adopted the Universal Declaration of Human Rights. Ansell employees demonstrated their belief that human rights are those basic rights inherent to all human beings that form the foundation for freedom, justice and peace, and which apply equally in all countries.

From 'being treated fairly and with respect and dignity' to 'having a fair say without discrimination,' Ansell employees shared their beliefs via videos responding to the question, "What matters most to me about Human Rights?"

Human Capital Management

The Ansell Human Resources Committee, chaired by a member of the Board of Directors, has oversight for the management of people resources at Ansell. Employees are at the core of our business success and we focus significant resources on workforce acquisition, workforce management and workforce optimisation company-wide. People risks updates are provided to the Board regularly through the Risk Committee, chaired by a member of the Board of Directors. The Executive Leadership Team and the Board Risk Committee provide oversight for the actions and results of the CSR Steering Committee at Ansell.

Programs, policies and procedures are in place to nurture employee engagement. In FY16 Ansell launched a global onboarding program to increase retention and expanded the program to Ansell manufacturing facilities in FY17. Responding to employee feedback from the 2015 Employee Engagement and Culture Survey, Ansell launched and expanded training and management programs in FY 17 to enable employees to develop their professional goals and support their ability to contribute effectively to the organisation.

Recruitment, Talent Development and Retention

At Ansell, we are building a strong global leadership foundation anchored around the Company's core Leadership Competencies. We are introducing new programs and expanding existing programs to better develop Ansell people, those individuals around the world who rise to the challenges of meeting the Company's evolving business needs daily.

Leadership Competencies encourage employee engagement and frame the commitments we make to Ansell's workers, customers, consumers and shareholders. Building on the 2015 Employee Engagement and Culture Survey, several new programs for employees at various levels within the Company have been introduced to increase employee productivity while reinforcing existing skills. At Ansell, we're building leaders.

Demonstrating the Ansell Values of

Integrity
Trustworthiness
Creativity
Involvement
Passion
Agility
Teamwork
Excellence

through an Innovative and Engaging Culture where our leaders are

People Oriented
Bringing out the best in others to work collaboratively in a global environment

Candid & Transparent
Speaking openly with respect for all

Decisive
Taking action with good judgement

Global & Long-Term Oriented
Creating a compelling future and destination

Growth focused
Innovating to be faster, better, smarter

Proactive
Initiating and driving change

Risk Tolerant
Taking calculated risks for disruptive change

Corporate Social Responsibility & Sustainability Report

continued

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Global Supervisor Development

Early in FY17, we set out to create an Ansell-customised leadership development program targeted primarily at people managers in the plants. Leveraging input from many of those supervisors as well as senior leaders, we crafted a 6-day leadership program which is delivered over a 6-month period using a blend of classroom and experiential learning. The Supervisor program covers leadership fundamentals: coaching, delegating, motivating, performance management and communications. The program was piloted at the Bangalore plant and then delivered in Thailand. In FY18, the program will expand to manufacturing plants in Malaysia and Sri Lanka.

Global Manager Development

More than 27 sessions have been held around the Ansell world, training over 500 managers. This interactive and engaging learning experience strengthens the ability of managers to lead and coach direct reports and to collaborate with cross-functional teams in a way that energises and motivates them to higher levels of performance. Managers learn foundational skills that are key not only to the growth of Ansell but to each manager's own professional and personal development as well.

"Being a part of Ansell's Global Management development program has been an amazing experience! As a leader, we challenge ourselves to develop our managerial style to help our employees to be high performers, foster employee engagement, and create a good collaborative working environment. The GMD has helped me to achieve these objectives."

Ornsuma Phatthanasing
Sr Analyst, Finance Lat Krabang

Recognition by Development

Feedback from the 2015 Employee Engagement and Culture Survey indicated that employees were not receiving appropriate recognition (beyond pay and benefits) for their contributions and accomplishments. This half-day program was created for all people managers around the world, led by production line managers in partnership with Human Resources. Eighty percent of all Ansell people managers have completed the program and the 2017 Employee Engagement and Culture Survey showed significant improvement in that specific survey item.

Ansell360 Feedback

Ansell360 is our customised 360 feedback program. The approach leverages the rigor, validity and reliability offered through the technology provided by the Center for Creative Leadership. The Ansell360 is also driven by Ansell's seven Leadership Competencies. Employees who participate in the Ansell360 receive comprehensive development feedback aligned to our Leadership Competencies. To date, nearly 150 leaders, including the Executive Leadership Team, have participated in the Ansell360 process.

Corporate Athlete

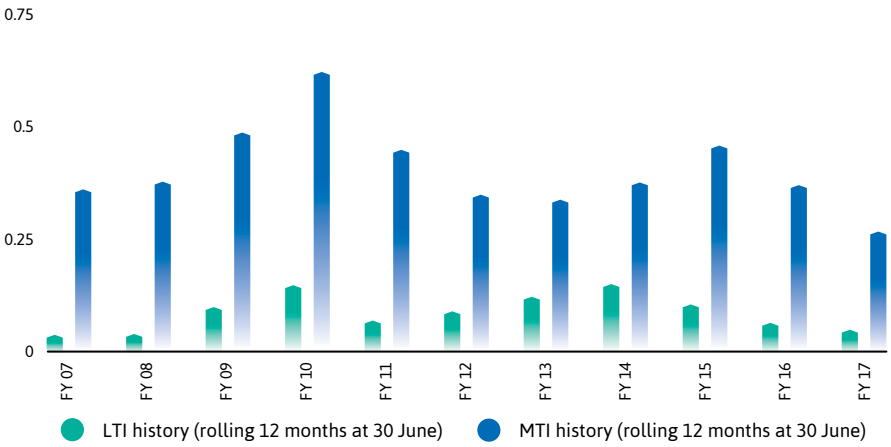
Ansell has partnered with Johnson & Johnson's Human Performance Institute to deliver the Corporate Athlete program. This one-day program, which is facilitated by Ansell, focuses on comprehensive energy management. By integrating the sciences of performance psychology, exercise physiology and nutrition, Ansell is training employees to effectively maximise their energy. In FY17, we delivered the program twice and received outstandingly positive feedback. We plan to deliver 12 additional sessions in FY18.

ANSELL UNIVERSITY

Ansell University provides a way for employees to balance life, work and professional development. In FY17, employees completed just over 10,000 online learning modules anchored around the Ansell Leadership Competencies.

The most-accessed trainings in FY17 included instructor-led Corporate Athlete, Recognition by Development, Global Manager Development and Global Supervisor Development.

Lost Time Injuries (LTIs) and Medical Treatment Injuries (MTIs) per 100 employees per annum. These figures continue to be at historically very low levels.



This chart is current as of 30 June 2017.

Corporate Social Responsibility & Sustainability Report

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Most viewed eLearning courses in FY17 included Distracted Driving, Office Ergonomics, Unconscious Bias, Comprehending Financials: A Guide to Financial Statements, Gender Dynamics & Talent Development and LinkedIn's 'Rock Your Profile,' as well as Ansell Code of Conduct, Internet Security and other mandatory trainings.

I AM ANSELL

Employee Engagement

In FY15, Ansell completed its first ever all-employee engagement and culture survey. Responding to the feedback we received, Ansell launched several initiatives ranging from leadership development training to structural mechanisms to diversity initiatives.

In FY17, Ansell completed its second I AM ANSELL Employee Engagement and Culture Survey of our 15,000+ member workforce. An impressive ninety-one percent of employees responded to the survey and let their voices be heard.

Overall, Ansell's employee engagement score increased two percentage points, to 63%, demonstrating that the initiatives we put into place are having an important impact. In addition, Ansell's engagement score is significantly higher than the benchmark for global manufacturing companies. Ansell is committed to developing key areas of focus, continuing to progress in leading our industry by putting people first.

Employee Health and Safety

As a manufacturer of personal protection equipment, Ansell maintains a sustained focus on EH&S and holds a commitment to a high-level safety and risk management performance on behalf of our employees and contractors around the world. Injury and illness statistics continue at 'World Class' levels and favourably compare to competitors and industry safety leaders.

In May 2016, however, Ansell experienced a loss of life accident at its manufacturing facility in Thailand. In addition to supporting the family of the deceased, Ansell responded by reviewing its safety training policies and procedures and by reinforcing safety awareness for its employees worldwide.

In FY17, to prevent future serious injuries and fatalities, Ansell's Risk Management leadership prioritised 12 high risk areas and has initiated a program to focus special attention on a new safety area every 120 days.



Safety areas surveyed to date include Work at Heights, Lock Out-Tag Out, Safeguarding of Machinery, and Hazardous Substances. The methodology requires completion of a survey, identification of action items to overcome performance gaps, and implementation of the action items. All Executive Leadership Team and plant meetings at Ansell now begin with a moment dedicated to safety awareness.

During Safety Month in June 2017, safety trainings and awareness building initiatives were further highlighted at Ansell locations around the globe as well as online, through Ansell University.

Additionally, in FY17, in our commitment to safeguard workers and protect the Company's business assets, Ansell spent US$0.9 million to install new fire protection systems or upgrade existing fire protection systems at its manufacturing facilities.



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Travel Alert System

At Ansell, employee safety is our highest priority. In FY17, Ansell launched a risk management initiative empowering employees to travel with confidence and receive important updates. As part of a new Ansell risk management program we have partnered with an industry-leading travel risk management company, to ensure greater confidence, both at home and when traveling abroad, by providing security alerts, travel information and health updates via a mobile app.

Employee Turnover Data FY17

	Gender	FY16 (%)	FY17 (%)
Turnover	Male staff	18.0	23.0
Turnover	Female staff	18.8	22.4
Total Turnover		**18.4**	**22.7**

Some degree of employee turnover can be attributed to enhanced automation and new technology that reduces the number of employees required for manufacturing processes. To counter increased employee turnover not attributed to these workplace efficiencies, specific remedies have been placed into action.

An employee onboarding program, introduced in FY16, has been expanded to manufacturing facilities to enhance both integration to Ansell and employee retention. A full benefits review has taken place in Malaysia with changes in FY18 to better align several benefits to market practice. Compensation for production workers in Mexico was reviewed, resulting in some adjustments. Mexico and other plants have had employee engagement activities including enhanced training, including physical therapy exercises, as well as monthly social events such as Mother's Day celebrations, picnics and sporting contests.

All new employees are assigned a 'buddy' to support the new hire through this transition. Human Resources Business Partners conduct 'Walk and Talks' at each site, communicating with workers on the plant floor. Feedback is summarised to the management team, as input for corrective actions.

Turnover status is the topic of a monthly review with each local management team. Workers leaving Ansell are asked to participate in an exit interview, and this feedback is also used for corrective action. A worker referral program rewards employees who introduce a friend or colleague to Ansell, who is hired, and helps to maintain a pipeline of potential new hires.

Diversity and Inclusion

Companies that lead in performance have diverse workforces, supporting the belief that achieving equality and empowerment for women in the workplace makes good business sense. In FY16, the Board confirmed its strategies designed to increase diversity. As part of this drive, the Board agreed on gender diversity objectives to be achieved by 2020.

While the number of women leaders at Ansell remained essentially flat between FY16 and FY17, several new programs have been introduced to improve gender diversity at all levels and especially within the Company's senior leadership ranks. Ansell also maintains a robust pipeline of high-potential women who have the capacity and desire to take charge of positions of increasingly higher responsibility as they become available.

Mentorship Program for Ansell Women

In FY17, Ansell worked to enrich the gender diversity profile of our management employees with the launch of a new mentorship program in North America which attracted 55 female managers seeking mentorship, and 35 mentors.

Aimed at increasing the number of women in top jobs, this mentorship program is being replicated in other Regions at Ansell. Through mentoring, women at Ansell are being motivated, supported, challenged and inspired as they develop personally and professionally.

Creating Better Gender Balance

Women in Leadership Percentages at Ansell	Roles	FY16 (%)	FY17 (%)
Non-Executive Directors	Board of Directors	29.0	29.0
Executive Leadership	Director level and above	19.0	19.9
Management	Manager level through Associate Director	32.0	32.4

Corporate Social Responsibility & Sustainability Report

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Breakthrough Leadership for Women

In FY17, a groundbreaking training course was offered to 22 Ansell women working at different levels of the Company and around the globe.

Highly interactive, the program enhanced each woman's skillset to provide leadership in her current position, expanded each woman's understanding of the requirements for leadership at higher levels, and prepared participants to develop and demonstrate their ability to lead as they move forward at Ansell.

The training included sections on Career Enablers for Leadership, Foundation of Business Acumen, Speaking the Language of Power, Strategic Relationships, PIR: Performance of the Business, and Image, Exposure, Mentoring and Action Planning. Ansell women identified the Missing 33%™, as Ansell consultant Susan Colantuono calls that missing 33% of a woman's background that keeps her from reaching the top.

WOMEN'S LEADERSHIP FORUM

Women's Leadership Forum

Celebrating its two-year anniversary, the Women's Leadership Forum (WLF) at Ansell is addressing issues fueling the leadership gender gap by helping to provide women with the tools needed to develop in preparation for larger roles.

FY17 initiatives include:

- Launching WLF groups in Australia, Brazil, EMEA, Malaysia and North America
- Conducting learning sessions and presentations around the world, including topics such as Unconscious Bias, Speed Networking, and presentations by external speakers and members of Ansell's own Executive Leadership Team
- Providing opportunities for mentoring, financial acumen training, and professional development and growth
- Female Board members held informal learning sessions at each hub.

International Women's Day

#BEBOLDFORCHANGE was the theme of the 2017 International Women's Day on March 8, 2017, a global day celebrating the social, economic, cultural and political achievements of women. This annual observance also marks a call to action for accelerating gender parity.

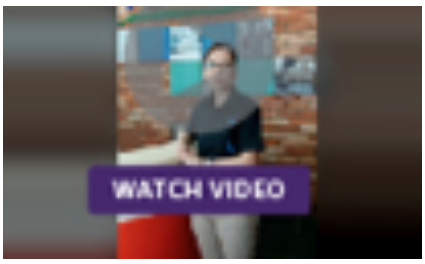
Ansell employees around the world used the occasion to speak up about their own ideas on how to progress gender parity. Using brief handheld videos, employees spoke movingly about their own personal beliefs and how they will commit to taking individual actions to increase gender parity at Ansell.

Click on the images below to see what Ansell employees think about women's rights.





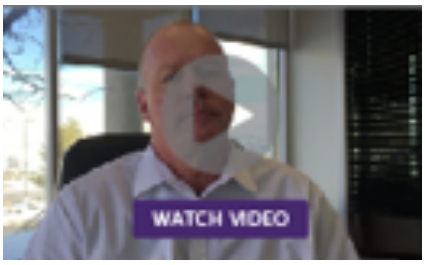
Alin Popesu
Victoria Gardens, Australia



Christina Foo
Melaka, Malaysia



Suraiya Yaacub
Cyberjaya, Malaysia



John Martensen
Reno, Nevada USA

"If you set a flexible and inclusive culture that emphasises productivity over presenteeism (being in the workplace but not fully functioning because of illness, stress or other distraction), that ethic will quickly filter through."

Suraiya Yaacub
Video Participant

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Financial and Business Acumen Training

In FY17, under the auspices of the Women's Leadership Forum, employees in North America, Australia and Brussels were invited to join an interactive Financial & Business Acumen Training Workshop. Hundreds of Ansell employees – both men and women – took advantage of the opportunity to better understand how Ansell business drives and is driven by strategy and finance. In FY18, the training will be extended to Malaysia, with plans for future presentations at additional Ansell sites.

Positive Response to HERhealth Pilot

Workers have embraced the HERhealth pilot that launched earlier this year at Ansell plants in Xiamen, China; Bangalore, India; and Dong Nai Province, Vietnam. HERhealth, which was created by Ansell's partner BSR in 2007, brings important health information and services to women in the workplace.

HERproject programs, which includes HERhealth, have reached over 500,000 women workers around the world, 80% of whom report influencing others, leading to approximately one million beneficiaries.

Over 90% of female employees (and many men!) in the three Ansell plants have engaged in HERhealth education. Ansell employees trained by HERhealth as peer instructors led sessions on general and reproductive health, diet, exercise, preventative care, family health and health misconceptions. Female workers also gain access to important health screenings.

Sessions take place during working hours and have strengthened communication and comradely among workers. The program will continue, educating new female hires.



Thirty workers in Xiamen, China formed the new Happy Jogging Club.



Workers in Bangalore, India learn the importance of starting the day with a healthy breakfast.



A health awareness assessment being conducted with operators in Dong Nai Province, Vietnam.

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Community

Ansell steps in to lend a helping hand when disaster or disease strike. Ansell employees share a commitment to building a better life for people in our hometowns and to creating a safer, healthier world. It's a part of our culture, one that is helping to make us an employer of choice.

Corporate Philanthropy and Community Engagement



Ansell Global Partnership with Operation Smile

In FY16, Ansell announced a global partnership with Operation Smile, a non-profit organisation providing corrective surgery to children born with cleft palate, cleft lip and other facial deformities, bringing smiles to the faces of underprivileged kids. Our support included the donation of nitrile examination gloves and sterile marking pens.

In FY17, Ansell employees went beyond product donations to the heart of the cause, volunteering to assist on a medical mission to West Bengal, India. Joining Team Operation Smile were Anna Lobanova, Director of Emerging Markets for EMEA/APAC region, and Rajat Khosla, Marketing Manager for Indian Sub-Continent.



Earth Day Activities Across Ansell

Demonstrating a commitment to environmental stewardship, several Ansell manufacturing sites shared green initiatives to celebrate Earth Day. Ansell Lat Krabang and Ansell Korea organised Big Cleaning Day and educated employees on individual actions that have environmental impact. Ansell Thailand highlighted a program to recycle ash waste from its biomass boiler into organic fertiliser and soil conditioner. Ansell Vina switched incandescent lighting to LED lighting, reducing energy consumption by 60%. Ansell Suratthani eliminated 1.1 tons of CO_2e annually by adding thicker thermal insulation on its dipping lines. Blowtex Aluminio, in Brazil, upgraded its effluent treatment plant to ensure the quality of the discharge and helping protect the local ecosystem.



Glove Donation in Northern Peru

In March 2017, Peru suffered its worst flooding in decades, in which 94 people lost their lives. More than 115,000 homes and 100 bridges were damaged, and over 700,000 people were left homeless in 12 of the country's 25 regions. Rain storms burst river banks, caused mudslides, closed roads and forced schools and official buildings to close. ActivArmr® gloves were welcome donations for rescue brigades supporting the city of Piura.

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Helping Our Own in Suratthani

From December 2016 through January 2017, devastating floods impacted more than 1.72 million people in Thailand. Roads and bridges were washed out and rail service was inoperable. The homes of many Ansell Suratthani employees were flooded. To help their colleagues, employees from Ansell Lat Krabang rallied together to donate more than a ton of rice plus 7,750 pairs of gloves to help the flood victims. Throughout a two-week period, the Suratthani management team monitored the situation and helped move affected employees and their families, often by boat, to safety.



A Piece of Cake for a Cause in Portugal

Each year, Ansell Portugal employees pick up the challenge to don their "chef's" hats and bake for a cause close to their hearts and communities. In FY17, Ansell Portugal supported 'To Believe,' an association of parents and friends of children with cancer. Donations included a wide assortment of home appliances, school supplies and basic needs.



A Makeover at Ampara Gonagala School in Sri Lanka

With the intention of creating a better learning environment for isolated Gonagala School in Ampara, Sri Lanka, the Global Engineering team from Ansell Lanka helped to meet the school's goals to restore the schoolhouse after it was hit by a series of natural disasters and a 30-year war. The Global Engineering team organised an effort to refurbish the school library, donated stationary, educational supplies and bookbags for each student, plus sports equipment and a sound system for the school's auditorium. Members of the Ansell team also conducted a Mathematics and Science seminar.

Direct Relief
Deliver a world of good.

Product Donations

In the right hands, a pair of gloves can do extraordinary things. In FY17, Ansell donated more than 200,000 pairs of gloves to long-time charitable partner Direct Relief. These product donations were used to help people in need following natural disasters and disease outbreak in Argentina, Armenia, Dominican Republic, Guatemala, Haiti, United States and Venezuela.

Ansell is proud to support Direct "Reliefs" mission to "improve the health and lives of people affected by poverty or emergency situations by mobilising and providing essential medical resources needed for their care."



I AM ANSELL Employee Engagement and Culture Survey Donation

CEO Magnus Nicolin once again posed a challenge to Ansell workers tied to employee survey participation.

Once again surpassing the top percentage of participation, Ansell donated US$25,000 to Direct Relief in FY17.

Trees For Our Future

In FY17, employees Ansell-wide celebrated Earth Day. To mark Earth Day, Ansell Lanka and Ansell Textiles Lanka embarked on a project that engaged each employee, all working together to create an "Ansell Protected World."

Commemorating Earth Day in FY17, the Lanka Management Team distributed more than 3,400 fruit trees, one to each employee, who in turn planted the trees around their homes. These trees will yield both shade and fruit, and represent Ansell's company wide efforts to offset CO_2 levels in the environment.

During the week leading up to Earth Day, employees participated in awareness building sessions on climate change and learned simple "life hacks" to reduce their individual impact on the environment.

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Environment

We are making smart environmental decisions for the future and implementing new climate and resource efficiencies as we manage increased productivity with a commitment to safety and sustainability on behalf of our employees and stakeholders.

Ansell is a world-class manufacturer and in FY17 operated 19 manufacturing sites throughout Asia, the Americas and Europe, and has an extensive third party supply chain. Ansell is committed to sustainable practices in its manufacturing processes and supply chain, demonstrating its environmental stewardship and effectively managing the risk of its operations.

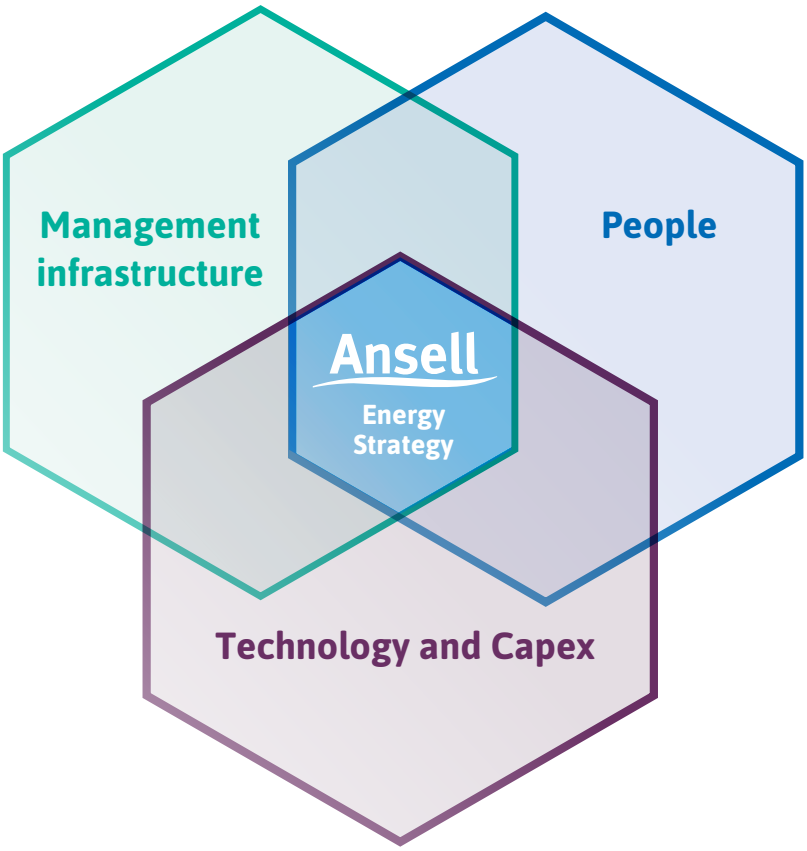
Environmental Management

Ansell manages its environmental impact with policies and systems in place to mitigate risk commensurate with its business, specifically in the areas of water management, hazardous waste management and involvement with toxic materials. The Ansell Board and its Risk Committee continuously monitor the key risks of the Company's operations worldwide, some of which are outlined below.

GHG Strategy and Targets

Ansell invests its human and capital resources to create greenhouse gas (GHG) efficiencies by acquiring or upgrading to new technologies and equipment, adopting new environmental standards, and holding our employees to best practices and continuous improvement in terms of environmental stewardship.

We know that we can't improve what we don't measure, so an important step in FY17 has been to establish standardised online measurement of GHG production in our plants, to the degree of 'by machine' or 'by process area' and 'by energy type'. This new online monitoring system has replaced manual tracking at Ansell plants in Korea, Malaysia and Thailand. Online monitoring is currently in the process of being implemented in Sri Lanka and will then roll out to other Ansell manufacturing locations.



Disaster Preparedness and Prevention

Ansell's major risks and mitigation actions relating to its material business risks are outlined on pages 27 and 28 of the Annual Report under the Operating and Financial Review section.

GHG Third-party Validation

Ansell is playing a more active role in several carbon-emission and energy reduction projects, and in FY17, provided Company data to the Carbon Disclosure Project, a global disclosure system that enables companies like Ansell to better measure and manage their environmental impact.

Also in FY17, Ansell obtained third-party certification of its GHG inventory by Lloyd's Register LRQA, in accordance with the requirements of ISO 14064-3: 2006 and ISO 14064-1: 2006.

Ansell has set new standards to ensure that manufacturing equipment is operated at optimal efficiency, and that energy efficiency is a consideration for all new purchases. Energy meters are installed as part of each new machine installation, and we make sure that energy efficiency performance is visibly displayed at each plant location to engage employees and drive improvement.

Energy KPIs help our managers to track improvements across Ansell manufacturing sites, with a 5% YOY improvement goal for overall energy metrics. Global monthly reporting ensures that operational and engineering actions are aligned with Ansell's energy strategy.

Ansell has developed a program for qualifying secondary and/or alternate suppliers for key supplies and/or materials, and product can be sourced from alternative product facilities or warehouses.

Ansell will continue to invest in people training and education, building management infrastructure and technology to create greater energy conservation awareness and improve energy efficiency.

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Climate Change

Resource Efficiency

This section reviews Ansell's use of key resources. Beginning in FY17, the calculation of CO_2 emissions has been reconfigured for FY16 and FY17 and is based on ISO 14064-1 standards, which provide for qualification and reporting of greenhouse gas emissions and removals. The change to the new ISO 14064 method has resulted in a greater number of inputs being included in the CO_2 emission calculations. This has caused a reported increase for the FY16 base year, despite emissions falling as demonstrated in the graphical analysis.

New Biomass Boiler Will be the Third for Ansell Lanka

During FY17, Ansell invested US$2.7 million to install a third biomass boiler to meet expansion at its Biyagama manufacturing plant in Sri Lanka. The new 12.5MW heater is Ansell's most technology advanced, and is designed with a built-in heat recovery process and online cleaning systems.

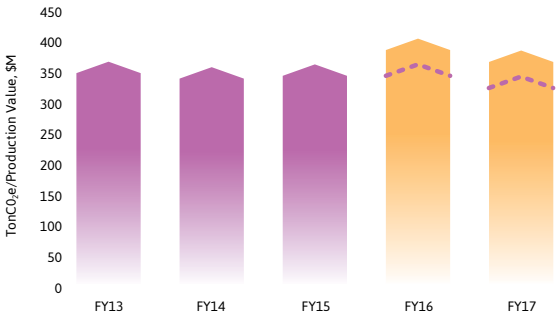
Biomass boilers use bio-fuels to provide clean and renewable energy. Green-thinking companies use bio-fuels to mitigate the impact of manufacturing processes by reducing emissions of greenhouse gases as an offset of fossil fuels.

Greenhouse gas emission reduction forecast from the new biomass heater is 13,000 TCO_2e. Total emission reduction for the three biomass heaters at plants in Sri Lanka and another in Thailand is forecast to be 66,000 TCO_2e per annum. Ansell biomass boilers are fueled by wooden chips. The wood ash generated by this combustion is collected, stored and returned to the earth as a nutrient-rich soil additive and used in the manufacture of bricks and paving blocks.

ISO 14001 Certification and Waste Management

Ansell manufacturing sites, except for Blowtex Alumino in Brazil and Ansell Xiamen in China, are certified to the ISO 14001 Environmental Management System in developing and implementing waste management and all Ansell facilities meet local regulations and requirements. For a manufacturer to hold ISO certification, the site must have an acceptable environmental management system in place to manage its responsibilities in that area. Ansell's Microgard facility in China will receive ISO 14001 certification in early FY19.

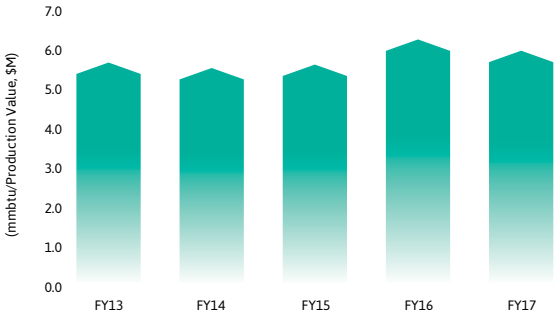
Global CO_2 Emissions Per Production Value



CO_2 Emissions Commentary

As indicated, the change to the new ISO 14064-1 standard has resulted in a restatement of FY16 data and a new calculation methodology for FY17. Had the new standard not been adopted, the data points under the previous methodology would show a continued decline. By way of example, FY15 to FY16 declined by 1.4%.

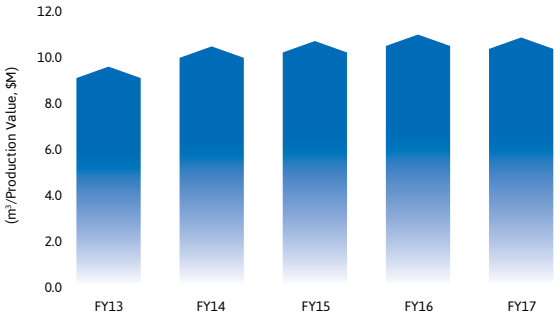
Energy Consumption Per Production Value



Energy Use Commentary

The energy consumption metrics increased in FY16 due to the integration of recent acquisitions, which includes the higher value adding but also more energy intensive yarn technology products.

Water Use Per Production Value



Water Use Commentary

Water use has been steadily increasing due to the shift towards higher water intensive products such as Fortix® and synthetic medical gloves. Ansell has taken measures to improve water use efficiency by installing a 500m³ a day water recycling plant in Sri Lanka. Furthermore, water spray nozzles for our Fortix® manufacturing processes have also been installed. The improvements seen in FY17 are anticipated to continue going forward.

Ansell's significant technology investment in recent years is resulting in improved resource efficiency per production value, and are detailed on the graphs relating to CO_2 and energy consumption. Water consumption per production value is maintained despite product mix shifts towards higher water intensive products.



Ansell Launches Reforestation Project in Sri Lanka and Reaps Carbon Reduction Benefit

Planting the first of thousands of trees in a multi-year commitment commencing in FY18, the Ansell Bio-Link will form a biodiversity corridor within the overall Hiniduma Bio-Link project, linking two large existing rainforests, and will become the country's first ISO-140642 certified Carbon Insetting Project.

Carbon insetting, a climate-conscious business practice, enables Ansell to contribute to sustainable agriculture in Sri Lanka, where it operates two manufacturing facilities, Ansell Lanka and Ansell Textiles Lanka. The project will also create a source of income for local farmers who maintain the trees and harvest their fruit.

Corporate Social Responsibility & Sustainability Report

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Energy Down Case Studies

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Water Efficiency

In FY17, Ansell Lanka began a reverse osmosis pilot to reuse 100m^3 of waste water per day. In early FY18, a rain water harvesting feasibility study will be conducted to continue identifying innovative new ways to better manage natural resources.

Heat Recovery

In FY17, two new projects were completed which capture expended heat from plant chimneys. In Lanka Biyagama, following green energy practices, recovered heat is being used to pre-heat water returned to the manufacturing process, and is forecast to reduce GHG emissions by approximately 1,400 TCO_2e annually. A pilot project to recover heat from waste water was also completed at Lanka Biyagama. This pilot is now being rolled out to three plants in Malaysia and Thailand, and will save more than 300,000 liters of fuel oil, reducing GHG emissions by 800 TCO_2e per annum.

Thermal Energy Efficiency

Improvements in oven insulation in the manufacturing lines in Bangalore, India will save 200,000 kWh per year, and reduce GHG emissions by 160 TCO_2e annually.

Electrical Energy Efficiency

New high efficiency chiller systems were installed at plants in India and Thailand. These new systems are expected to save 2,210,000 kWh per annum, and reduce GHG emissions by 1,430 TCO_2e per year.



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Governance

Ansell is committed to good corporate governance, recognising that an effective and efficient governance framework promotes fairness, transparency and accountability.

The Board, together with the Executive Leadership Team, are leading by example to ensure the highest level of ethical behaviour is adopted throughout Ansell. The Company's governance framework is driven through the organisation with continual communication, training, compliance and ethics.

A report on the Company's Corporate Governance practices for the year ending 30 June 2017 and a checklist summarising the Company's compliance with the ASX Corporate Governance Principles and Recommendations (3rd ed.) (Principles) can be found at www.ansell.com.

Some of the key governance elements are outlined below:

Board and Director Responsibilities

The Board has ultimate responsibility for setting policy regarding the business and affairs of the Ansell Group for the benefit of the shareholders and other stakeholders, and is accountable to shareholders for the performance of the Company.

The Board oversees the Chief Executive Officer and senior management, ensuring that appropriate procedures and controls are in place and the Company operates in an ethical manner on a day-to-day basis. In particular, the Risk Committee is responsible for the identification, monitoring and oversight of the Company's material risks.

The Board has standing Committees, being the Audit and Compliance Committee, the Risk Committee, the Human Resources Committee, and the 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 function to ad hoc Committees of Directors on an 'as needs' basis. Refer to the Company's Corporate Governance Statement for information on the members of each Committee.

Board Composition and Succession

The Board relies upon the Board Charter and the Skills Matrix to ensure that each Director has the necessary international experience and business acumen to oversee Ansell's diverse global businesses. 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 for the Chief Executive Officer) 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. An external review of the Board is also completed every three years.

To ensure appropriate and ongoing renewal of the Board, 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, contributing to strong corporate governance.

As some of the Company's Non-Executive Directors near the end of their tenure, the Board recently approved a succession plan 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.

After nearly fifteen years' service, Mr Dale Crandall will retire from the Board at the 2017 Annual General Meeting. Mr Crandall was appointed as a Non-Executive Director in 2002 at a time when the Company required strong and courageous leadership from the Board as it worked through the legacy issues inherited from the restructuring of the troubled Pacific Dunlop Limited Group. He has provided insightful guidance, sound counsel and unwavering support to the Company throughout the journey to the profitable and stable Ansell of today. The Board and the Management of Ansell Limited wish to acknowledge the extraordinary contribution that Mr Crandall has made to Ansell during his tenure.

Corporate Social Responsibility & Sustainability Report

continued

With Mr Crandall's retirement, Mr William Reilly will seek election to the Board at the 2017 Annual General Meeting. Mr Reilly will bring his 35+ years experience as an in-house lawyer, 17 years of which were with Ansell, to the Board in his new role as a Non-Executive Director. 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 also served with three Chief Executive Officers and has played pivotal roles leading many of Ansell's corporate strategic and legal initiatives, including mergers and acquisitions, 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. The Board looks forward to continued access to Mr Reilly's extensive knowledge of the business and thoughtful counsel as a Director of Ansell.

Mr Ronald Bell has also indicated his plan to retire from the Board at the 2018 AGM, after nearly 13 years' service on the Board. The Board therefore considered it prudent to nominate an additional Non-Executive Director, to ensure a smooth and effective transition.

Mrs Christina Stercken will, therefore, also seek election to the Board as an independent Non-Executive Director. Mrs Stercken is currently partner at EAC – Euro Asia Consulting PartG, a management consultancy firm specialising in internationalisation strategies, M&A and operational excellence. 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. She started her career in Marketing with BMW Pvt Ltd, South Africa. Mrs Stercken will bring a broad range of competencies relevant to the Company's strategies, including mergers and acquisitions, supply chain optimisation and business building in developing markets.

In February 2017, Mr John Bevan was appointed as Deputy Chairman of the Board, and it is intended that Mr Bevan will succeed the current Chairman, Mr Barnes, following the 2019 Annual General Meeting as the Company's Chairman.

The Board is confident that with this well-orchestrated succession plan, the Company will add new skills and experience while maintaining continuity and corporate knowledge.

The Company's Constitution currently provides for a maximum of eight Directors, unless the Company in general meeting resolves otherwise. Given the above mentioned Board succession plans, the Company had intended to seek shareholder approval to temporarily increase the maximum number of Directors to nine, to enable the appointment of both Mr Reilly and Mrs Stercken, until Mr Bell's retirement at the end of FY18.

While the Board is very comfortable that the current size of the Board is both appropriate and optimal at this time, and has no intention to permanently increase the size of the Board, the Board have, however, acknowledged investors' preference for the Company to allow for a 'spare' seat on the Board and the Board wishes to maintain flexibility for succession planning so as to be able to appoint additional Directors to enhance and complement the Board's skill set if required. The Company is therefore proposing at the 2017 AGM that, in accordance with the Constitution, the maximum of Directors permitted be permanently increased from eight to nine. Refer to the Company's Notice of Annual General Meeting 2017 for more details.

This year the Company also took the unusual step of announcing CEO succession plans. The Board has identified potential candidates to make up the next generation senior team and our next CEO, reaffirming our strong commitment to developing internal talent



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Corporate Social Responsibility & Sustainability Report

continued

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People

Our people are central to our success. Ansell recognises that effectively harnessing a talented and diverse global workforce is a key competitive advantage for our business and our success is a reflection of not only the quality and skills of our people, but our ability to channel their backgrounds, experiences, regional points of view and cultural and ethnic differences.

In FY16, the Board endorsed strategies designed to increase gender diversity and agreed on gender diversity objectives. The Board has since committed that Ansell would aim to have women constituting 50% of its Board by 2020. In FY17, women made up 29% of the Board (Non-Executive Directors) and Mrs Stercken's appointment at the 2017 Annual General Meeting will increase this to 38%, demonstrating the Company's commitment to diversity.

Further details on diversity in the Company are provided in the Human Rights section of this CSR and Sustainability Report and in our Corporate Governance Statement found at www.ansell.com.

Human Rights

Ansell believes that human rights are those basic rights inherent to all human beings that form the foundation for freedom, justice and peace, and which apply equally in all countries. As a responsible corporate citizen, Ansell adopted a Human Rights Statement consistent with the United Nations Guiding Principles on Business and Human Rights. Wherever we operate, we will seek to respect human rights in our employment policies and practices, our business operations and our relationships with stakeholders. Our Human Rights Statement can be found at www.ansell.com.

Corporate Conduct

Ansell's Core Values and the global Code of Conduct constitute the platform for all activities, serving as a guide to ethical principles and business conduct at Ansell. The Code of Conduct applies to Directors, executives, management and employees and sets high standards for ethical behaviour and business practice beyond complying with the law. The global Code of Conduct forms part of the induction of new employees and all employees are regularly trained on the global Code of Conduct. In addition, Ansell provides focus specific compliance training. In FY17, the Company launched a global online anti-corruption training for all email-enabled employees, as well as providing targeted internet security training.

Stakeholder Engagement

Ansell recognises the importance of engaging with its stakeholders – which include employees, customers, investors, regulators, suppliers and communities. Ansell keeps its stakeholders updated through a variety of media such as the ASX electronic lodgement platform, periodic updates to shareholders, discussions with large investor groups and proxy analysts, and its Annual General Meeting.

All corporate governance documentation, including ASX and media releases, are placed on the Company's website at www.ansell.com and periodically updated.

Ansell's membership with Sedex has enhanced supplier engagement. Sedex is a global not-for-profit membership organisation providing the world's largest collaborative platform for sharing responsible supply chain sourcing data. Other examples of stakeholder engagement include ongoing dialogue with organisations such as Finnwatch, the Swedish County Council, the British Medical Association and responsible corporate sustainability analysis organisations.



Board of Directors

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

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

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

Current Directorships:
Non-Executive Director at Sydney Children's Hospital Foundation, Stronghold Pty Ltd and Barnes Investments Pty Ltd.

Former Directorships:
Chairman of Australian Unity Limited (2012 – 2016).

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

The Board considers Glenn Barnes to be an independent director.



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

Managing Director and Chief Executive Officer since March 2010.

Current Directorships:
Non-Executive Director at FAM AB.

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

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

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

As an Executive Director, Magnus Nicolin is not independent.



John A Bevan
Deputy Chairman
BCom (UNSW)

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

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

Current Directorships:
Chairman of BlueScope Steel Limited (2014 to present), Director of Humpty Dumpty Foundation (2017 to present).

Former Directorships:
Non-Executive Director of Nuplex Industries Limited (2015 – 2016) and 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 United Kingdom.

The Board considers John Bevan to be an independent Director.



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

Appointed Non-Executive Director in August 2005.

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

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

The Board considers Ronald Bell to be an independent Director.

Board of Directors continued

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L Dale Crandall

Non-Executive Director

CPA, MBA (UC Berkeley)

Appointed Non-Executive Director in November 2002.

Member of the Audit and Compliance Committee, Risk Committee and M&A Sub-Committee. Special Advisor for mergers and acquisitions.

Current Directorships: Director of Bridgepoint Education Inc. (2008 to present) and Endurance International Group, Inc (2013 to present).

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

The Board considers Dale Crandall to be an independent Director.



W Peter Day

Non-Executive Director

LLB (Hons), MBA (Monash), FCPA, FCA, FAICD

Appointed Non-Executive Director in August 2007.

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

Current Directorships: Alumina Limited (2014 to present), Australian Unity Investment Real Estate Limited (2015 to present), Boart Longyear Limited (2014 to present).

Former Directorships: 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 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.



Leslie A Desjardins

Non-Executive Director

B. Industrial Admin (Kettering), MS (MIT)

Appointed Non-Executive Director in November 2015.

Member of the Audit and Compliance Committee, Human Resources Committee, Governance Committee and M&A Sub-Committee.

Former Directorships: Aptar Group (2012 – 2015) Mrs Desjardins is an experienced international finance executive with a focus on business performance and growth. Mrs Desjardins was formerly a Director of Aptar Group and Chief Financial Officer for Amcor Limited. Mrs Desjardins held various executive roles at General Motors Corporation, including Chief Financial Officer, General Motors Holden and Controller for General Motors North America. She has extensive experience in finance, strategy, government relations and global operations. Mrs Desjardins currently serves on the Terry Fox Cancer Foundation Audit Committee.

The Board considers Leslie Desjardins to be an independent Director.



Marissa T Peterson

Non-Executive Director

BSc (MECH), MBA (Harvard), Hon Doctorate (MGMT)

Appointed Non-Executive Director in August 2006.

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

Current Directorships: Chair of Oclaro Inc. (2011 to present) and Director of Humana Inc. (2008 to present) Mrs Peterson currently runs Mission Peak Executive Consulting, an executive coaching and consulting firm specialising in helping develop, grow and scale leaders in the high technology space. Mrs Peterson retired from full-time executive roles in 2006, having spent 18 years with Sun Microsystems in senior executive positions. She has extensive experience in supply chain management, manufacturing and quality, logistics, information technologies, customer advocacy and leadership development.

The Board considers Marissa Peterson to be an independent Director.

Executive Leadership Team



Magnus Nicolin
Managing Director and Chief Executive Officer
BA, MBA



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



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



William Reilly
Senior Vice President Corporate General Counsel
BA, JD



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



Darryl Nazareth
Senior Vice President Global Operations and R&D
BS, MS, MBA



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



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

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Executive Leadership Team continued



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



Debbie Lynch
Chief Human Resources Officer
BS, MS, PhD



Chrystelle Fontan
Senior Vice President Quality
BS, MS



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



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



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

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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 2017. The information set out below is to be read in conjunction with the:

- Remuneration Report appearing on pages 55 to 88.
- Notes 20 and 21 to the financial statements, accompanying this Report.

Directors and Secretary

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

- Glenn L L Barnes (Chairman)
- Magnus R Nicolin (Managing Director and Chief Executive Officer)
- John A Bevan (Deputy Chairman)
- Ronald J S Bell
- L Dale Crandall
- W Peter Day
- Leslie A Desjardins
- Marissa T Peterson

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 46 and 47.

Details of meetings of the Company's Directors (including meetings of Directors) and each Director's attendance are also set out on page 51.

The Company Secretary was Alistair Grant, BA/LLB, LL. M, FGIA until his resignation effective 5 May 2017. Mr Grant was appointed to that position in October 2013. Mr Grant joined the Company in 2009, and has a legal background. He has held senior positions in the Corporate Head Office, including the position of Asia Pacific Regional Legal Counsel. Catherine Stribley, B.Com/LLB (Hons), was appointed as Company Secretary on 18 April 2017. Ms Stribley first joined the Company in 2010, and has held legal positions in both Australia and the United States, 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 gloves market, as well as the sexual wellness category worldwide. In FY17, Ansell operated in four main business segments: Medical, Industrial, Single Use and Sexual Wellness.

Operating and Financial Review

The Operating and Financial Review for the Group for the financial year is set out on pages 14 to 29, and forms part of this Report.

State of Affairs

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

Likely Developments

Likely developments in the operations of the Group are referred to on page 29 of this Report. In the opinion of the Directors, the disclosure of any further information about likely developments in the operations of the Group has not been included in the Report because disclosure of this information would likely result in unreasonable prejudice to the Group.

Significant Events Since Balance Date

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

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Report by the Directors continued

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Dividends and Share Issue

The final dividend of US 23.5 cents per share (unfranked) in respect of the year ended 30 June 2016 was paid to shareholders on 8 September 2016. An interim dividend of US 20.25 cents per share (unfranked) in respect of the half-year ended 31 December 2016 was paid to shareholders on 10 March 2017. A final dividend of US23.75 cents per share (unfranked) in respect of the year ended 30 June 2017 is payable on 8 September 2017 to shareholders registered on 21 August 2017. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2017 and will be recognised in subsequent financial reports. On 19 July 2016 the Company issued 4,000 shares; and on 29 June 2017 the Company issued 1,000 shares, each such issue being in respect of the conversion of partly-paid shares to fully paid shares under the Executive Share Plan. On 9 September 2016, the Company issued 132,678 shares under its Dividend Reinvestment Plan. On 10 March 2016, the Company issued 104,391 shares under its Dividend Reinvestment Plan. Details of unissued shares under option at the date of this Report and shares issued during or since the end of the financial year as a result of the exercise of options are set out in Note 13 to the financial statements, which accompany this Report.

Interests in the Shares of the Company

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

G L L Barnes	63,478^
J A Bevan	18,728^
R J S Bell	18,740
L D Crandall	22,077
W P Day	28,838^
L A Desjardins	4,230
M T Peterson	23,647
M R Nicolin	251,783^

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

Directors' Meetings

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

	Board		Audit and Compliance Committee		Risk Committee		Human Resources Committee		Governance Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
G L L Barnes	7	7					6	6	3	3
R J S Bell[1,2,3]	7	7	1	1	1	1	4	4	2	2
J A Bevan	7	7	4	4			6	6	3	3
L D Crandall	7	7	4	4	4	4				
W P Day	7	7	4	4	4	4				
L Desjardins[4,5]	7	7	4	4	3	3	2	2	1	1
M T Peterson[6,7]	7	7	3	3	4	4	2	2		
M R Nicolin	7	7								

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.

In February 2017, the Board made changes to the Chairs and Members of the Board Committees for the purposes of both planning for the future and refreshing the Committees. The above table incorporates these changes.

1. Mr Bell was Chair of the Human Resources Committee and remained a member until 10 February 2017.
2. Mr Bell was appointed Chair of the Risk Committee and a member of the Audit & Compliance Committee on 10 February 2017.
3. Mr Bell was a member of the Governance Committee until 10 February 2017.
4. Mrs Desjardins was a member of the Risk Committee until 10 February 2017.
5. Mrs Desjardins was appointed to the Human Resources Committee and the Governance Committee on 10 February 2017.
6. Mrs Peterson was Chair of the Risk Committee and a member of the Audit & Compliance Committee until 10 February 2017.
7. Mrs Peterson was appointed Chair of the Human Resources Committee on 10 February 2017.

In June 2016, the Board resolved to form a Sub-Committee of the Board lead by Mr John Bevan and comprised of Mr Glenn Barnes, Mrs Leslie Desjardins, Mr Dale Crandall and Mr Magnus Nicolin to review M&A and divestment opportunities – including related business transformation. This Sub-Committee met 12 times during FY17. All M&A Sub-Committees are excluded from the number of meetings noted above.

Audit and Compliance Committee, Risk Committee and Human Resources Committee meetings were attended by all Directors.

Report by the Directors continued

Corporate Governance

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

Performance in Relation to Environmental Regulations

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

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

Indemnity

Upon their appointment to the Board, each Director enters into a Deed of Access, Indemnity and Insurance with the Ansell Group. These Deeds provide for indemnification of the Directors to the maximum extent permitted under law. They do not indemnify for any liability involving a lack of good faith. No Director or officer of the Group has received the benefit of an indemnity from the Group during or since the end of the year. Rule 61 of 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.

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Auditor Independence

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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 2017 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

Alison Kitchen
Partner

Melbourne
14 August 2017

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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	$132,016
Taxation and other services	$6,647
Other audit and assurance services	$2,140

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

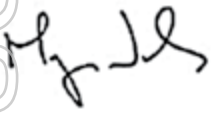
Rounding

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

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



G L L Barnes
Director



M R Nicolin
Director

Dated in Melbourne this 14 day of August 2017

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Remuneration Report

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Remuneration Report

Chairman's letter

Dear Shareholders

On behalf of the Board of Directors, we are pleased to present Ansell's Remuneration Report for the financial year ended 30 June 2017.

The remuneration of Ansell's Key Management Personnel (KMP) for FY17 is detailed in the following pages.

Looking Back on the Changes Made in the 2017 Financial Year

Last year we announced a number of important changes to Ansell's remuneration policy. The objectives of these changes were to:

- better align incentives with our strategic objectives;
- have a remuneration framework that operates and is competitive in the global environment;
- continue to attract, retain and reward our executive team; and
- take into account feedback from our shareholders.

These changes included:

- deferral of a portion of STI awards into equity restricted for two years – ensuring that the short term performance that resulted in the STI outcomes was achieved in a sustainable manner;
- more challenging vesting schedules for the STI and LTI plans where vesting reward levels of performance now starts at 0% of base salary;
- all LTI awards being delivered in equity for all Executive KMP participants to provide greater alignment with shareholders;
- the introduction of new LTI performance measures and a revised performance gateway more focused and aligned with our long term goals; and
- the assessment of performance measures on a constant currency basis to not reward or unduly penalise for currency fluctuations that may otherwise mask underlying performance.

These changes were successfully implemented in FY17.

Company Performance and Remuneration in the 2017 Financial Year

The Ansell Board is committed to transparency around our remuneration practices and ensuring that shareholders are made fully aware of the link between financial results, performance against our long term strategic goals and executive remuneration outcomes.

Despite a continued uneven economic backdrop across our global markets and continued political uncertainties, the Ansell business has continued to make significant strategic progress and has recorded solid business results.

The outcomes of our FY17 STI program for our executive KMP reflected our performance against targets set for performance on sales, EBIT, Profit Attributable, Inventory turns and Operating Cash Flow. Recognising that the proceeds from selling the Sexual Wellness (SW) business will not be recorded until FY18 and in order to not unfairly penalise management, transaction costs related to the portfolio review and SW sale that were incurred in 2017 have been excluded from the financial measures (as applicable) used to determine the STI outcomes this year.

Disappointingly our earnings per share growth over the past three years did not meet the threshold of the FY15 LTI grant targets, and accordingly executives will receive no payout from that grant.

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Structural Change in the Size and Profile of the Group and its Effect on Remuneration

The 2017 financial year was a significant one in terms of the direction of Ansell. The following major announcements were made:

- in May 2017, Ansell announced that it has executed a binding agreement for the sale of its SW business for US$600 million to Humanwell Healthcare (Group) Co. Ltd. and CITIC Capital China. We expect to conclude the transaction by September 2017;
- the acquisition of Nitritex in January 2017 for approximately $56 million.

As a first step in business transformation, the company announced on 20 July 2017 a new organisational and operational structure that will create the necessary focus on key drivers of growth and profitability while also reducing overhead cost and redirecting resources towards the most important priorities.

It should be noted that the divestment is expected to generate a sizeable statutory profit in FY18 which is of significant benefit to our shareholders. The Board could, had it determined remuneration outcomes in an unadjusted manner, provided management with a sizeable windfall gain in terms of the assessment of performance. While management have successfully sold this one hundred year old business, its value is attributable to all of the hard work of Ansell employees over the past century and it seemed unfair to allow the last Ansell management team to oversee this business, to benefit from that sizeable profit.

The Board have therefore determined that the gain will be excluded from the assessment of the FY18 incentive awards.

The Board has however, determined that the plans on foot, being the FY16 and FY17 grants, be adjusted to reflect the planned divestment of the SW business. This is explained in detail on page 74.

Ansell – An Australian Listed, Global Organisation

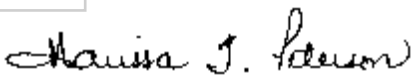
In reading our report, we encourage our shareholders to remember that Ansell is one of a small group of ASX listed companies that is highly global in its structure and operations and its executive remuneration framework must take this into account. While Australian listed:

- Ansell has four management hubs in the United States, Belgium, Malaysia and Australia;
- Ansell operates in local currencies, reports in US dollars and usually remunerates executives in the local currencies in which the Executive is located (exposing Ansell and its executives to international currency fluctuations); and
- Consistent with the fact that 95% of Ansell revenue and all products are manufactured outside Australia, all of Ansell's Executive KMP are located outside of Australia, as are nearly all our employees and our operations.

Ansell's performance is affected by global (in addition to Australian) economic conditions including currency fluctuations. Attracting, motivating and retaining a talented global workforce requires our remuneration practices to be globally competitive, regionally appropriate and flexible.

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 anything in the report.

On behalf of the Directors, we look forward to welcoming you to the 2017 AGM.



Marissa Peterson
Chairman of the HR Committee
Ansell Limited

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Remuneration Report continued

Section 1 – At a Glance

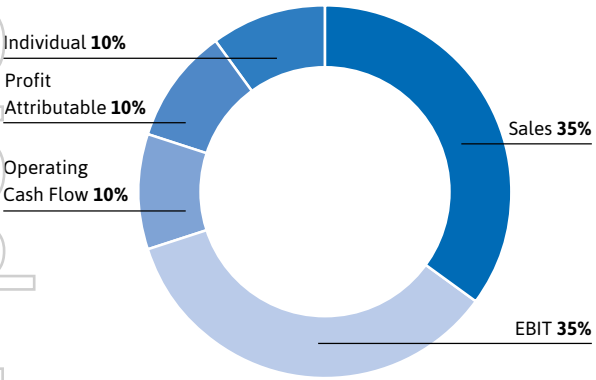
Ansell's Remuneration Practice for FY17

The table below sets out how the pay policy was operated during FY17

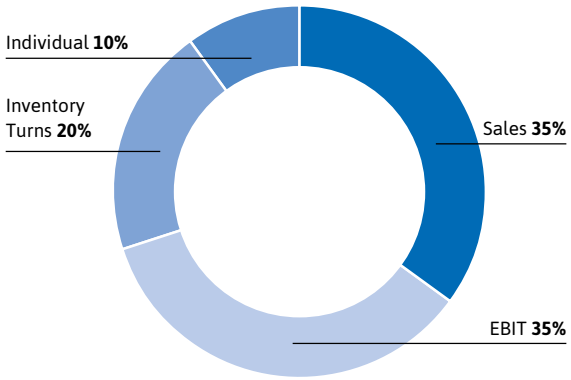
Element of pay	Objective	How we implemented policy for FY17
Base salary	Provide market-competitive base salaries, which reflect the skills and experience of the individual.	Increases in the range of 0% to 5% were made effective October 2016.
Retirement and other benefits	Provide cost-effective retirement provisions and other benefits which reflect the market norms in the jurisdiction in which the individual is based.	Contributions to relevant pension plans. Benefits vary depending on location and the circumstances of the individual.
STI	Incentivise and reward for the delivery of annual performance goals.	Based on financial measures; Sales, EBIT, Operating Cash Flow, Profit Attributable Inventory targets and individual objectives. Part payable in cash with the remainder deferred into shares, with restrictions for two years.
LTI	Incentivise and reward for long-term, sustained performance, aids retention and aligns participants with shareholders.	Three year performance period, subject to three performance measures; EPS, (with ROCE gateway) Organic Growth, and ROCE. The LTI is payable in shares.
Shareholding requirements	Align interests with shareholders and encourage long-term thinking.	Progress towards targets is monitored.

FY17 STI Performance Measures and Weights

CEO & CFO



Other KMP



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Remuneration Report continued

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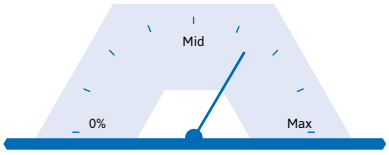
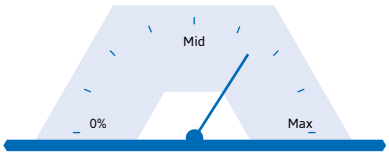
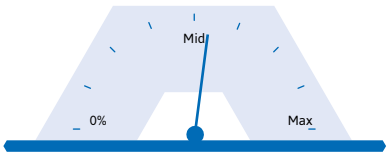
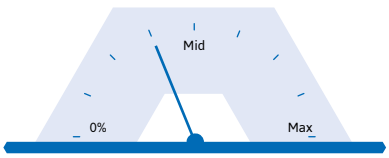
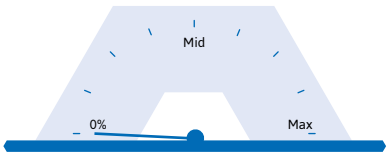
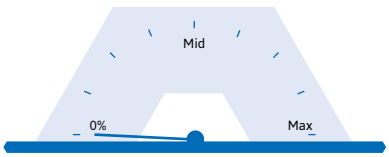
FY17 STI Outcomes

Metric	Performance	FY17 STI Payout Realised
Sales (all KMP)		**Magnus R Nicolin** 67% of max **Neil Salmon** 65% of max **Peter Dobbelsteijn** 52% of max **Steve Genzer** 53% of max **Jeyan Heper** 55% of max **Joe Kubicek** 52% of max **Anthony Lopez** 51% of max **Mark Nicholls** 52% of max
EBIT (all KMP)		
Operating Cash Flow (CEO & CFO only)		
Profit Attributable (CEO & CFO only)		
Inventory Turns (KMP excluding CEO & CFO)		

Performance Outcomes Under the FY15 LTI (Performance Measured FY15-17)

Awards granted in FY15, were subject to a three-year EPS growth measure, which was assessed based on performance ended FY17. Based on the EPS performance of the Group for FY17, nothing is deemed to be payable under this award and it therefore lapses for all participants.



Remuneration Report continued

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Section 2 – Remuneration governance

Introduction

The Directors of Ansell Limited (Ansell) present the Remuneration Report (Report) prepared in accordance with Section 300A of the Corporations Act for the Group for the financial year ended 30 June 2017. 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.

Role of the Human Resources Committee

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

Our governance framework for determining executive remuneration is outlined below:

Board
The Board is responsible for:

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

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

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

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

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

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

Consultation with Shareholders and Other Stakeholders

Remuneration Consultants and Other External Advisors

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

Remuneration Consultants and Other External Advisors

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

Remuneration Report continued

KMPs Comprising The Board of Directors and Executives

The following table details Ansell's Board of Directors and KMP during FY17:

Non-Executive Directors	Location of Board Member	Role
Glenn L L Barnes	Australia	Chairman, Independent Non-Executive Director
John Bevan	Australia	Deputy Chairman, Independent Non-Executive Director
Ronald J S Bell	United Kingdom	Independent Non-Executive Director
L Dale Crandall[1]	United States	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

Executive Director	Location of Executive	Role
Magnus R Nicolin	Belgium	Managing Director (MD) and Chief Executive Officer (CEO)

Other KMPs	Location of Executive	Role
Neil Salmon	Belgium	Chief Financial Officer (Finance and IT)
Peter Dobbelsteijn	Belgium	Chief Commercial Officer EMEA and APAC Region and Ansell Global Guardian
Steve Genzer	United States	President and General Manager Industrial Solutions GBU
Jeyan Heper	Belgium	President and General Manager Sexual Wellness GBU
Joe Kubicek	United States	President and General Manager Single Use GBU
Anthony Lopez	United States/Belgium	President and General Manager Medical GBU
Mark Nicholls	United States	Chief Commercial Officer Americas

1. Will retire on 20 October 2017.

External consultants

From time to time during the financial year ended 30 June 2017, the Group engaged external consultants to provide insights on remuneration trends, regulatory and governance updates and market data in relation to the remuneration of Non-Executive Directors, the CEO and Other Executives. During the year the HRC engaged 3 Degrees to provide independent advice on the overall pay policy, advice on the drafting of the Remuneration Report and ad-hoc advice on market practice and regulatory trends.

3 Degrees was acquired by KPMG, the Group's external auditor, effective April 2017. The Board considered the independence of 3 Degrees (now KPMG) and the potential for any conflict and determined there was no compromise of audit independence.

Shareholder engagement

The HRC maintains a regular dialogue with major shareholders and relevant institutional investor bodies. 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.

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Remuneration Report continued

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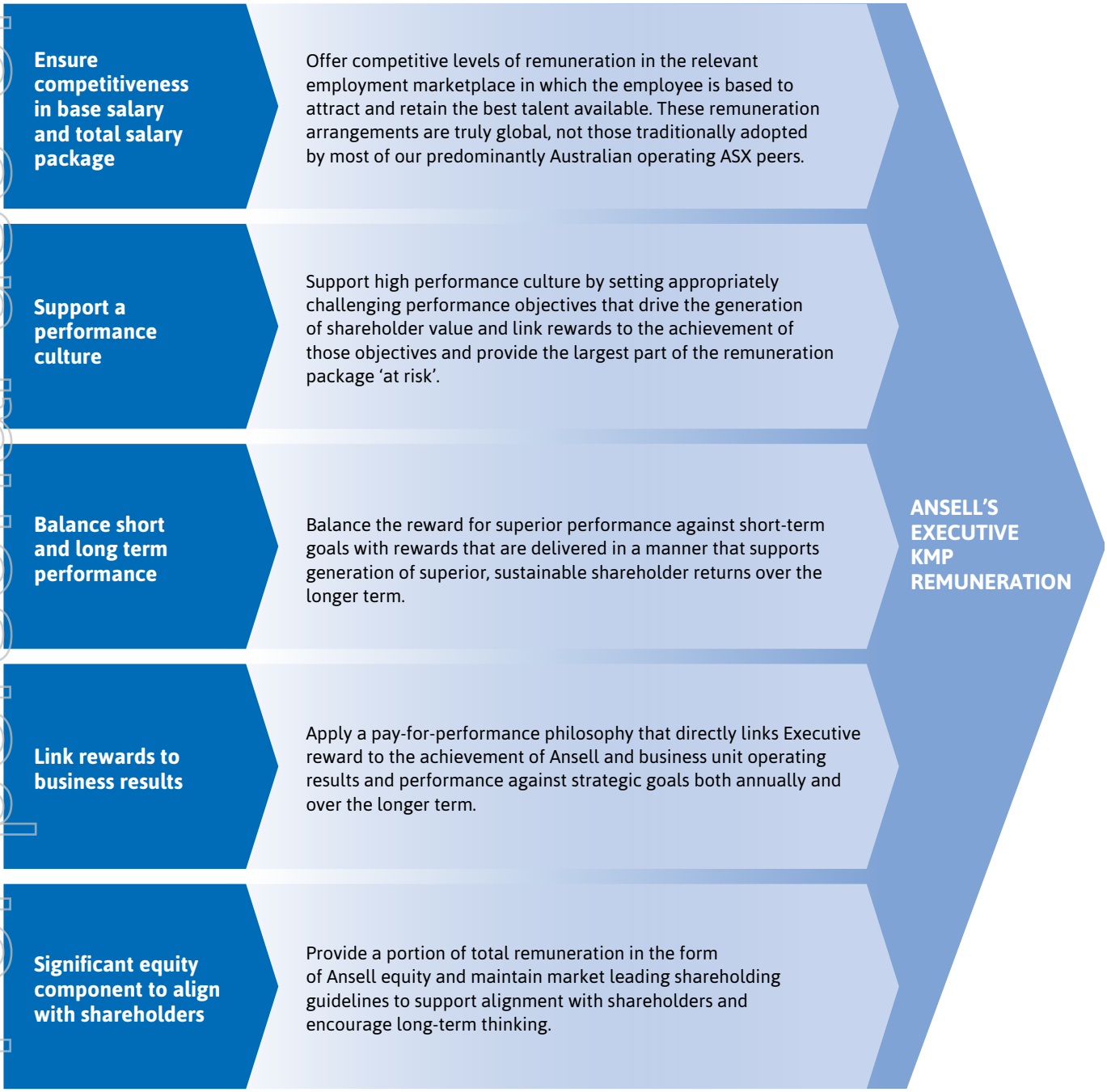
Section 3 – Remuneration policy

Philosophy and strategy

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

Our governing principles are summarised below:



Remuneration Report continued

The remuneration design and quantum for our Executives is determined by fit for purpose contemporary criteria as well as reviewing what is generally paid for similar roles in similar businesses in the relevant geographic locations – the locations where the Executives reside and work. While Ansell is publicly listed on the ASX, it generates returns across many currencies and reports in US dollars, more than 95% of its revenue is derived outside of Australia and it is active in a diverse range of geographies. None of our Executives are based in Australia, with their locations being our Global Hubs in the United States and Belgium. As such, the mix of remuneration for individual Executives aims to be reflective of prevailing best practice and market conditions in the region in which the Executive is based. When setting the appropriate pay structure and quantum the Board will consider data from multiple sources covering different geographies (including Australia, Europe and the US). On occasion this may result in packages which have a higher potential quantum than those in a purely Australian focused company of a similar size, but the Board considers that this is both necessary and appropriate to recruit, retain and motivate high caliber individuals in the markets in which Ansell operates.

The policy set out on the following pages is cascaded to other members of the senior management team as appropriate. For those operating in individual units, there will be some reference to regional or business unit financial performance, but they will retain a link to Group level results. The LTI is targeted at those key individuals who have the potential to influence Group level performance.

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

Remuneration framework components

Our executive remuneration framework which was used for FY17 and will be followed for FY18 consists of the following components:

- base salary, pension contributions and other employment benefits, collectively known as Fixed Annual Remuneration (FAR);
- a Short Term Incentive (STI) plan; and
- a Long Term Incentive (LTI) plan.

The diagram on the following page outlines the link between the components of remuneration for Executives, the relevant performance conditions and the strategic objectives of Ansell which these components were designed to achieve. Further information on each of these components can be found in Section 4.

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Remuneration Report continued

Component	Operation and Performance Measure	Strategic Objective/ Performance Link
Fixed Annual Remuneration (FAR) Base salary plus contributions to retirement plans and other benefits.	Base salary takes into account responsibilities, qualifications, experience, performance, location and market rate for a comparable role (similarly sized companies, operating in similar jurisdictions). Pension, statutory and other benefit provisions which reflect local market cultural norms and relevant legislation.	FAR set at competitive levels in the market to attract, retain and engage talented executives to achieve results (including being competitive internationally for talent). The broad aim is to position base pay +/-10% of the relevant benchmark median. Increases are linked to the performance of the individual, the organisation he/she leads and, indirectly, the overall business.
STI Awards granted as cash and, for above mid-point performance, shares in Ansell which will be restricted from trading for two years from date of grant.	Based on a combination of financial and non-financial performance metrics, set each year to reflect the key priorities of the business. Performance will be weighted more towards performance against stated financial KPIs (not less than 80% of the award).	The Board will use performance measures (both financial and non-financial) which are appropriately aligned with the Group's short-term objectives of delivering profitable growth and improving shareholder return. Executives have a clear line of sight to the targets and are able to affect results through their actions. Deferring part of the award in shares ensures that there is no incentive to exceed short term target at the expense of longer term sustainable performance.
LTI Awards granted as rights to receive fully paid ordinary shares in Ansell which will vest subject to achieving pre-set performance conditions.	3 year performance and vesting period. Performance to be assessed based on a combination of key financial and shareholder value measures.	The Board will select the performance measures at the start of each award based on the key priorities at that time. Measures used will be chosen on the basis they provide: • a relevant indicator of increases in shareholder value; and • a target that provides a suitable line of sight to encourage and motivate executive performance. A performance gateway is used to ensure reasonable outcomes.
TOTAL REMUNERATION	The total remuneration mix is designed to attract, retain and motivate a highly capable executive team, encourage and drive leadership performance that reinforces Ansell's short and long term strategic objectives and provide a common interest between Executives and shareholders by linking the rewards that accrue to Executives to the creation of value for shareholders.	

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Remuneration Report continued

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Remuneration Mix

Ansell's mix of fixed and at risk pay components is shown in the table below, based on an assumed mid-point level of performance and at maximum levels based on remuneration potential for FY17. The balance of remuneration paid in cash (or near cash equivalent for FAR) and equity is also shown.

		FAR %	STI %	LTI %	Total %	Cash %	Equity %	Total %
CEO	Mid-point	33	26	41	100	59	41	100
	Max	20	31	49	100	35	65	100
CFO	Mid-point	38	21	41	100	59	41	100
	Max	24	25	51	100	36	64	100
Average other KMP	Mid-point	56	15	30	100	70	30	100
	Max	39	20	41	100	49	51	100

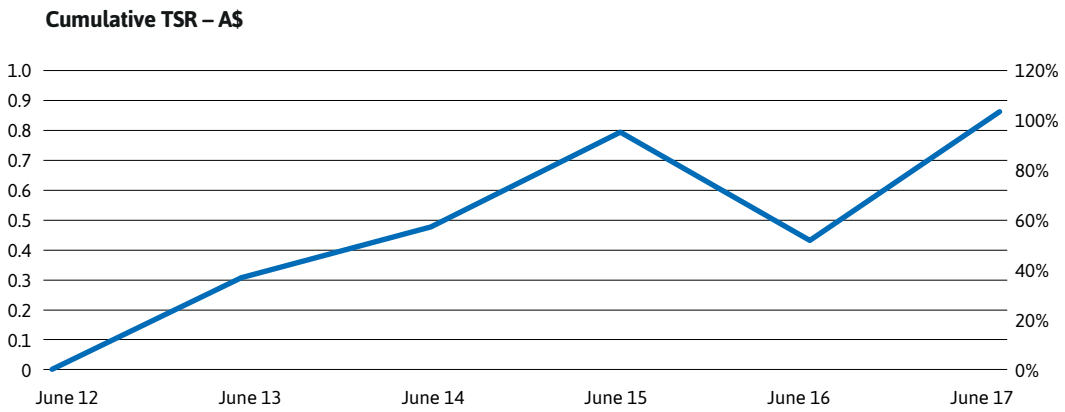
Section 4 – Group performance and remuneration outcomes

Group performance

The five year performance history of the Group shows progression in top line sales and underlying profitability from FY13 to FY15, before a decline in FY16 and subsequent return to growth in FY17. The primary reasons for the decline in FY16 were the adverse impact of foreign currency translation, a sluggish world economy and an increased tax rate for the Group. Furthermore, manufacturing issues in our medical division temporarily increased costs and affected supply. During FY17, the group returned to top line growth, but profitability fell due to increased raw material costs and non recurring FY16 gains (due to asset sales and lower employee incentive expenses).

	2013 US$m	2014 Underlying[1] US$m	2015 US$m	2016 US$m	2017 US$m[5]	2017 vs 2016 CC%[4]
Income Statement						
Sales	1,372.8	1,590.2	1,645.1	1,572.8	**1,599.7**	+2.6%
EBIT	170.5	206.5	245.3	236.7	**217.8**	-6.0%
Profit for the period attributable to Ansell shareholders	139.2	156.9	187.5	159.1	**147.7**	-5.0%
Share information						
Basic earnings per share ($US cents)	106.5	110.0	122.5	105.1	**100.1**	-2.4%
Dividends per share[2] (A$ or $US cents)	A38.0	US39.0	US43.0	US43.5	**US44.0**	+1.1%
Ansell Share Price (A$)	17.63	19.83	24.09	18.17	**22.68**	
Ratios						
Return on average shareholders' equity (%)	19.1	15.7	16.4	14.1	**12.7**	

Table 4.1(b) – Cumulative Total Shareholder Return (TSR)[3]



STI/LTI payouts as percentage of maximum

CEO incentive outcomes	FY13	FY14	FY15	FY16	FY17
STI (% of Maximum)	32%	49%	36%	29%	**67%**
LTI grant (% of Maximum)	100%	82%	50%	0%	**0%**

1. During FY14, the Group acquired BSSI and restructured its business, which involved significant non-cash write-downs as well as cash expenses total $122 million. The underlying results exclude this charge.
2. Dividends have been declared in US$ since Ansell adopted the US$ as reporting currency in FY14.
3. Cumulative Total Shareholder Return (TSR) is the cumulative financial return which an investor received from holding shares in Ansell, assuming dividends paid are reinvested in Ansell shares. It is expressed as a cumulative percentage change from a starting value at 1 July 2012 and finishing on 30 June 2017.
4. CC denotes Constant Currency.
5. The FY17 results include both continuing and discontinued operations as per note 2 – segment information of the Financial Statements.

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Remuneration Report continued

Realised pay (Non-Statutory Remuneration Disclosure)

The table in this section uses non-IFRS financial information to detail realised pay earned by the CEO and Other Executives during FY17. This is a voluntary disclosure and is supplemental information to the statutory remuneration disclosure prepared in accordance with statutory requirements and accounting standards as detailed in Section 5 of this Remuneration Report. A description of how to calculate the non-IFRS financial information is set out below and in the footnotes to the tables. Realised pay includes cash salary and fees, retirement benefits, non-cash benefits paid/payable in relation to the FY17 year and the full value of incentive payments earned in relation to the performance period ended 30 June 2017. 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.

Our reporting currency is US$ and the CEO and a number of members of the KMP are paid in US$. For other executives the reported numbers in the statutory and realised pay tables are subject to translation differences from year to year.

Table 4 a) – Realised Pay Summary (all shown in US$)

						2017 STI[4]		2016 SIP[5]	LTI		
US$ Name	Year	Base salary ($)[1]	Retirement Benefits ($)[2]	Other ($)[3]	Cash ($)	Restricted shares ($)	Restricted shares ($)	Cash ($)	PSRs[6] ($)	Total Earnings ($)
Executive Director											
Magnus R Nicolin	**2017**	**1,059,500**	**312,171**	**152,627**	**1,199,251**	**400,749**	**-**	**-**	**-**	**3,124,298**
	2016	1,030,000	367,842	95,156	600,000	-	499,200	-	-	2,592,198
Other Executives											
Neil Salmon[7]	**2017**	**497,277**	**48,597**	**149,191**	**373,188**	**111,210**	**-**	**-**	**-**	**1,179,463**
	2016	490,738	76,718	108,450	196,682	-	150,645	-	-	1,023,233
Peter Dobbelsteijn[8]	**2017**	**384,174**	**37,977**	**401,525**	**192,206**	**8,265**	**-**	**-**	**-**	**1,024,147**
	2016	385,114	38,456	458,240	124,141	-	93,105	-	-	1,099,056
Steve Genzer	**2017**	**414,732**	**44,115**	**2,000**	**207,366**	**13,064**	**-**	**-**	**-**	**681,277**
	2016	412,699	74,818	2,222	119,443	-	99,536	-	-	708,718
Jeyan Heper	**2017**	**293,222**	**28,444**	**52,256**	**148,467**	**15,292**	**-**	**-**	**-**	**537,681**
	2016	277,446	27,500	26,736	127,512	-	n/a	n/a	n/a	459,194
Joe Kubicek	**2017**	**391,000**	**37,645**	**21,113**	**195,500**	**8,407**	**-**	**-**	**-**	**653,665**
	2016	378,250	66,475	10,137	125,120	-	78,200	-	-	658,182
Anthony Lopez[9]	**2017**	**378,420**	**42,712**	**765,712**	**189,210**	**4,352**	**-**	**-**	**-**	**1,380,406**
	2016	376,565	70,693	134,899	108,985	-	90,821	-	-	781,963
Mark Nicholls[10]	**2017**	**350,000**	**39,542**	**1,871**	**175,000**	**7,525**	**-**	**-**	**-**	**573,938**
	2016	175,000	34,221	563	56,000	-	n/a	n/a	n/a	265,784
Total	**2017**	**3,768,325**	**591,202**	**1,546,295**	**2,680,188**	**568,864**	**-**	**-**	**-**	**9,154,875**
	2016	3,525,812	756,723	836,403	1,457,883	-	1,011,507	-	-	7,588,328

1. Base salary includes all of the base salary earned by the individual in FY17. The increases in Base salary for Executives are based on external benchmarking of similar positions in the jurisdictions in which the executives are based. As a result, whilst the CEO increase was 2.5% with effect from 1 October 2016, increases for Other Executives' pay were either lower or higher depending upon their benchmarking of similar positions as well as by reference to their performance against their personal objectives in their respective role, but ranged from 0% to 5%.
2. Retirement Benefits includes all of the retirement benefits earned by the individual in FY17.
3. Other includes the cost to the company of cash benefits such as motor vehicle, executive expatriation and relocation allowances, executive insurance, expat tax equalisation payments and other amounts. Significant year over year variations in other benefits above are detailed below.
4. 2017 STI represents amounts payable under the 2017 STI plan.
5. 2016 SIP represents amounts payable under the one-off SIP – refer to 2016 Remuneration Report. These were awarded as restricted shares, which are bought on market by the Group with recipients being unable to sell the shares for a period of two years from the issue date.
6. The PSR's relate to the FY15 grant, for which nothing is deemed to be payable given the FY17 results.
7. Mr Salmon relocated to Belgium during FY16 and his other benefits include relocation expenses.
8. Mr Dobblesteijn is Chief Commercial Officer for EMEA and APAC and so is required to travel extensively in his role. As a result he is potentially exposed to various complex income tax issues. During FY16, and following a review by relevant authorities of his previous tax returns, Mr Dobblesteijn was assessed to owe additional tax liabilities to the Belgian authorities. These were reimbursed by Ansell pursuant to the terms of his employment agreement. These amounts have been included in the other benefits category above.
9. Mr Lopez re-located to Belgium during FY15 and FY16 before returning to the USA in FY17. Relocation and tax equalisation costs were incurred as a result. These represent the majority of the higher Other benefits paid or payable in FY17.
10. Mr Nicholls was appointed as a KMP on 1 January 2016. Mr Nicholls was not a participant of the FY14 LTI grant. As such, he was not entitled to participate in the 2016 SIP. His pay details for FY16 represent the 6 months of realised pay for his time following his commencement as KMP.

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Remuneration Report continued

How the remuneration policy was operated for FY17

During FY16 the HRC engaged extensively with stakeholders and made a number of significant changes to the policy in response to those discussions.

For FY17 the HRC reviewed the revised policy and determined that on the whole it was working appropriately and therefore did not require material changes. As such, the HRC has approved only minor changes to the operation of the policy for FY18.

Set out below are the details of how the policy works in practice, how it was operated for FY17 and any proposed changes for FY18:

Element of pay

Base salary

How the policy was operated for FY17 and any changes for FY18

The HRC will normally review base salaries annually. During FY17, the Board approved salary increases for the KMP ranging from 0% to 5%. When making these increases, the HRC considered a number of reference points including internal relativities, changes in scope of responsibilities, local market inflation and the wider macro-economic environment. External market data was sourced during the year but was used for reference only.

As a result of the increases the base salaries for the KMP, effective 1 October 2016 were:

Executive	Base Salary	Increase
Magnus R Nicolin	$1,066,000	2.5%
Neil Salmon	€456,500	0%
Peter Dobbelsteijn	€352,671	0%
Steve Genzer	$414,732	0%
Jeyan Heper	€272,041	5%
Joe Kubicek	$391,000	0%
Anthony Lopez	$378,420	0%
Mark Nicholls	$350,000	0%

The CEO's base salary was set at a level which reflects the skills, experience and performance of the individual in the role. As a global company, the HRC feels it is important to be competitive across the jurisdictions in which it operates, not just against Australian focused ASX listed companies of a similar size, to attract and retain the best talent.

Our incentive plan quantum is based on a percentage of base salary (not a percentage of FAR).

FY18
The next Base Pay review is due in September 2017.

Retirement provisions

Retirement plan benefits include contributions to US benefit or non-qualified pension plans and to an Australian superannuation fund as applicable.

FY18 – No changes proposed.

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Other benefits

The provision of other benefits may vary between executives, depending on their local market and their particular circumstances. Where necessary the company will make provision for benefits such as motor vehicle, executive expatriation/ repatriation and relocation allowances, executive insurance, expat tax equalisation payments and other amounts.

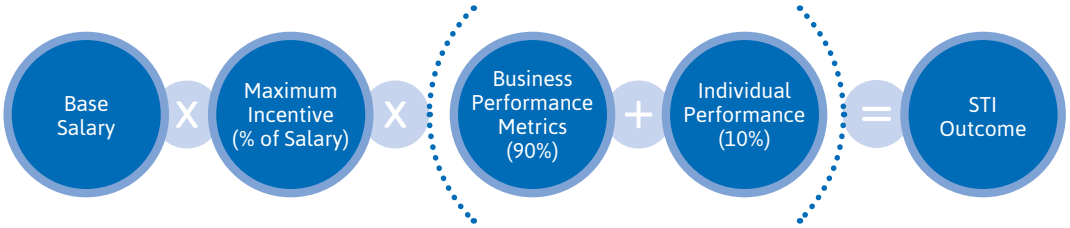
The level and type of benefits will reflect the Company's overall policy on international mobility which is regularly reviewed to ensure it complies with best practice.

FY18 – No changes proposed.

STI – structure and quantum

All Executives may participate in the plan whereby they have the opportunity to earn an annual award payable part in cash and part in restricted shares. This remuneration is 'at risk' as it requires the achievement of pre-set performance targets directly linked to Ansell's business strategy.

How the STI is determined:



The table below shows the maximum award potential and the weighting of performance measures for the FY17 STI. The measures were chosen to provide a balanced view of overall Group performance that was aligned to our objective to deliver profitable growth and improve shareholder returns.

		Performance measures and relative contribution to STI						
Executive	Opportunity Range (% of Salary)	Sales	EBIT	Inventory Turns	Operating Cash Flow After Capex Pre Tax	Profit Attributable	Individual Objectives	Total
CEO	0% – 225%	35%	35%	-	10%	10%	10%	100%
CFO	0% –150%	35%	35%	-	10%	10%	10%	100%
Other Executives	0% – 100%	35%	35%	20%	-	-	10%	100%

The financial performance measures were chosen to reflect the key financial priorities including profitability, cash generation and Inventory efficiency. The individual objectives include metrics on safety and customer satisfaction which are reflective of broader non-financial measures of corporate performance.

To help provide a longer-term focus, any part of the STI award above the mid-point will be deferred in the form of restricted shares. Restricted shares are awarded in place of cash to place a part of the reward at continued risk against future share price movements. The restriction will see the shares held for a minimum period of two years from when the shares are granted.

FY18

There are no proposed changes to the structure or quantum of the STI for the CEO or CFO for FY18. As a result of the recalibration of the KMP for FY18 and the additional scope and responsibilities of Steve Genzer and Joe Kubicek, these Executives will have a maximum STI opportunity of 130% of base salary for FY18. The HRC believes that this change is important to recognise the importance of these roles in driving group performance.

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STI – performance conditions and outcomes

Hurdles are set by the Board at the start of each financial year. The target setting process considers the prior year base figure (adjusted to exclude divestments and other one-off items and restated at constant currency) and then determines growth targets for Sales and EBIT with reference to external growth benchmarks and specific Ansell initiatives including a requirement for adequate returns on key investments made or planned. Generally this is consistent with a 'top down' approach where hurdles are driven by the Board's target setting process. Performance is measured on a Constant Currency basis. Non-financial hurdles are assessed against quantitative data where possible, but by their nature, may require a more subjective qualitative assessment.

Performance was assessed during August following the completion of the audit of the financial statements.

The performance outcomes reflect the following:

- Sales were $1,599.7 million and were up 3.6% in organic constant currency terms, which exceeded the Target.
- EBIT was $217.8 million, down on the prior year FY16, with the prior year EBIT benefiting from the gain on sale of OnGuard and reduced incentive provisions. These items were adjusted for when setting the original targets for FY17. Against the target expectation, EBIT performance benefited from the organic revenue growth noted and improving operating margins on improved manufacturing efficiencies that more than offset the impact of higher raw material costs.
- Operating Cash flow after Capex and Interest was $146 million and exceeded FY16 by 0.8% and was above target (CEO/CFO only).
- Inventory turns were 2.6 times and were below the threshold targets (executive KMP excluding the CEO and CFO.)
- Profit Attributable (for CEO/CFO only) was $147.7million, which was above the minimum but below the mid point performance targets.

The final outcomes above have been adjusted for constant currency, divestitures, one-off gains and losses, net foreign exchange/losses as well as normalistion of employee incentives. When considering adjustments to actual numbers, the Board is guided by an established policy to ensure any use of discretion is applied appropriately and consistently. The Board is satisfied that the adjustments noted above are in line with the policy and provide a fair reflection of the performance outcomes in the year.

Individual objectives were set based on broad topics but were then tailored to each role as appropriate.

For other executives, the CEO will make an assessment of the individual's performance and this is reviewed and approved by the Board. If objectives are fully met, this element of the bonus is paid in full. If partially met, then a sliding scale will be used as appropriate. For the CEO, the performance assessment is made by the Board.

The HRC considered individual performance against objectives at the August 2017 committee meeting and following a comprehensive review approved the assessments noted below.

Magnus R Nicolin	• Exceeded agreed objectives in all five agreed focus areas; Transformation, People Development, Operations, Quality and Supply Chain.
Neil Salmon	• Managed outstanding result while executing Sexual Wellness divestiture & work on transformation.
Peter Dobbelsteijn	• Affected strong recovery in EMEA-APAC while pushing through price-increases across the board.
Steve Genzer	• Drove 5% YoY organic growth through innovation led acceleration.
Jeyan Heper	• Strong leadership in execution of business goals despite the challenges of the divestiture process.
Joe Kubicek	• Delivered on all three strategic priorities for the SU GBU; Core brand, emerging markets and International sales acceleration.
Anthony Lopez	• Solid progress in improving quality, supply and profitability in the medical business.
Mark Nicholls	• Took North America back to growth while expanding the LAC region by more than 20%.

STI – performance conditions and outcomes continued

For the FY17 STI the Board approved the following payments to the KMP:

	Maximum Targets			FY17 Actual Outcome		
Executive	**Financial (90%)**	**Individual (10%)**	**Total (100%)**	**STI Payable**	**Cash Payable[1]**	**Restricted Shares[2]**
Magnus R Nicolin	2,158,652	239,850	2,398,502	1,600,000	1,199,251	400,749
Neil Salmon	671,323	74,591	745,915	484,398	373,188	111,210
Peter Dobbelsteijn	345,757	38,417	384,174	200,471	192,206	8,265
Steve Genzer	373,259	41,473	414,732	220,430	207,366	13,064
Jeyan Heper	263,899	29,322	293,222	163,759	148,467	15,292
Joe Kubicek	351,900	39,100	391,000	203,907	195,500	8,407
Anthony Lopez	340,578	37,842	378,420	193,562	189,210	4,352
Mark Nicholls	315,000	35,000	350,000	182,525	175,000	7,525
Total	**4,820,369**	**574,696**	**5,355,965**	**3,249,052**	**2,680,188**	**568,864**

1. The 2017 STI was determined in conjunction with the finalisation of the FY17 results. Cash amounts will be paid in September 2017.
2. Restricted shares will be granted in August/ September 2017 and are subject to a two year sale restriction. Awards are subject to clawback in the event of fraud or dishonesty.

The Board may adjust incentive outcomes to ensure they are aligned to the shareholder experience. The Board is satisfied that the outcomes noted above fairly reflect performance delivered in the year.

In October 2016, the HRC approved a retention plan for selected members of the Sexual Wellness team, which included Jeyan Heper. The plan was intended to focus leadership on driving business performance during a time of disruption and uncertainty, following the portfolio review. The plan is contingent on a successful completion of a sale of the Sexual Wellness business. On the basis that any sale is not expected to complete until FY18, there was no additional bonus to be paid in relation to FY17. The total amount payable in FY18 is expected to be US$108,000, equivalent to five month's salary.

FY18

No changes are proposed to the performance measures to be used for FY18.

The same target setting process as outlined above will be used and performance hurdles will be disclosed in next year's report.

LTI – awards granted during the year

All KMP Executives are eligible to participate in the LTI Plan. Awards that are granted will vest after three years subject to the achievement of the performance conditions and continued service. Our LTI awards are entirely in the form of Performance Share Rights (PSRs). The HRC believes that equity based awards of this type help align the interests of Executives and shareholders and promote a focus on long-term, sustainable performance.

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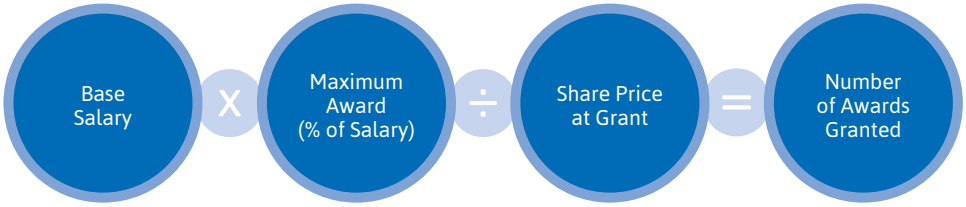
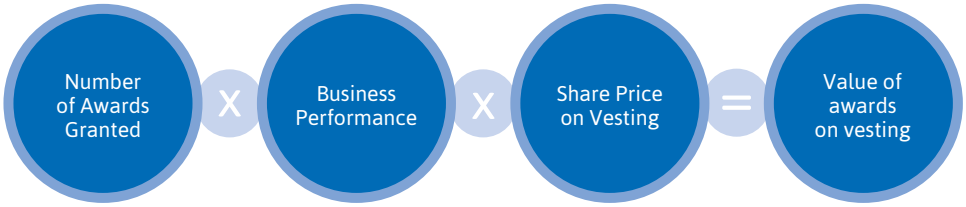
How awards are granted:



How awards will vest:



For FY17 the LTI maximum was based on a percentage of salary. The actual amount payable will be calculated on a sliding scale, with 0% payable for Minimum target performance, rising on a straight-line basis to the maximum potential set out in the table below:

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

The scale is significantly more challenging than Australian norms which typically provide for 50% of target to vest at threshold. This is consistent with our pay for performance culture. Participants are prohibited from hedging against awards.

Performance measures for FY17 awards

Performance Measure*	Weight	Minimum	Maximum
EPS Growth	**33.3% of Award** Also subject to gateway condition being ROCE in year 3 >=15%	**12.5% growth by year 3** (4% Compound Average Growth Rate – CAGR)	**33.1% growth by year 3** (10% CAGR)
Organic Revenue Growth	**33.3% of Award**	**6.1% Growth by year 3** (2% CAGR)	**15.8% growth by year 3** (5% CAGR)
ROCE (Return on Capital Employed)	**33.4% of Award**	**15% in year 3**	**16.5% in year 3**

* EPS, Organic Revenue Growth and ROCE as defined in the Glossary on pages 87 and 88.

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As Ansell has continued to invest capital in acquiring businesses which we believe complement or augment our existing businesses, we have used multiple measures to give a broader focus on long-term financial performance and value creation.

As communicated previously, the Board believes Ansell's specific characteristics (in terms of being Australian listed but a global company, not having many global listed competitors and being of a different size to many of them), prevent us identifying an appropriate comparator group for use in a relative TSR measure. The Board is still of this view but will keep the matter under review for future years if it is possible to construct a relevant peer group.

Approach to setting performance hurdles

Performance hurdle ranges, which determine the minimum to maximum incentive range for EPS, Organic Growth and ROCE, are set each year with reference to expected economic conditions and strategic priorities of the business.

The hurdle range has been set on a challenging, yet realistic, basis. The lower end of the range should be considered attainable in the current environment, but the upper end would require excellent performance. Achieving full vesting against all three measures would be considered an exceptional achievement.

The hurdle range is set using constant currency to eliminate the impact of currency fluctuations. The HRC is of the view that the use of constant currency is appropriate in light of the global nature of the business to prevent management from being favoured or penalised as the result of fluctuations outside of their control.

In line with standard practice, the HRC has discretion to make adjustments in calculating the applicable performance conditions to:

- exclude matters that are beyond the reasonable control or foresight of management; and
- include matters that are within management control or should reasonably have been foreseen to ensure no unfair advantage or penalty in incentive outcomes when viewed in light of shareholder value creation.

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FY18
No changes are proposed to the structure or quantum for FY18. However, the Board will recalibrate the LTI performance measures of organic growth, EPS and ROCE to recognise the new organisational structure due to the expected sale of the SW business and the resulting dilution. The intention is to use the same performance measures for awards granted in FY18, albeit with performance hurdles reflective of the current market environment. The HRC believes that the hurdles set below are as equally challenging as those set previously when taking into account the current growth prospects of the business.

Adjustments to current LTI plans
The successful divestment of the SW business, expected to complete by the end of September 2017, will result in the company's new profile being focused on its core Industrial and Healthcare businesses. In anticipation of this significant change, it is necessary to make adjustments to calculation of performance against target for the calculation of payment outcomes against the LTI plans that will be tested for vesting at the end of FY18 and FY19.

The Committee has decided to follow the approach described below in calculating performance against existing plan targets. The intent of this approach is to neutralise the impact of the one off divestment and to require operating performance consistent with the original business portfolio targets, so as to permit an appropriate achievement opportunity for incentive outcomes. The expected gain on sale of the business will also be excluded from calculation of incentive outcomes.

The original growth targets for EPS were expressed as an EPS CAGR against a base period EPS. To facilitate performance measurement, this target has now been converted into the equivalent EPS Growth in cents, with performance then measured against the required EPS growth target as below.

Performance will be assessed as follows:

- The period up to end of FY17 will be judged as normal on the total business portfolio including the actual operating performance of SW.
- The previously agreed adjustments to EPS for LTI performance measurement will continue to be applied as in past years
- See Table 4 b) for the calculation to end FY17 of 'Achieved EPS growth'.

For performance from FY18 and beyond this will be assessed in two components:

- The continuing business will be measured on its actual performance against the restated FY17 continuing business EPS as disclosed in the annual accounts.
- In addition, the forecast growth of the SW business as contained in the projections formally shared with buyers as part of the sale process, will also be added to the calculation of performance achieved in FY18 and FY19, the 'SW Growth Projection'.

The Committee believes that as the Ansell shareholder benefited from the expected future performance of the business through the mechanism of the selling price achieved for the business, management should benefit accordingly in their potential LTI incentive outcomes, via the performance achieved in actual performance to date and the forecast targets now effectively realised through the SW sale process.

For the benefit of Shareholders, Table 4 c) shows the calculation of the required performance in the remaining years of the existing plans. This is shown as the 'to go EPS Growth' that would be required to reach minimum and maximum performance levels as set originally for these plans.

As noted above achievement against the remaining 'to go' target will be measured for the continuing business only against the FY17 continuing business results as disclosed in the FY17 Financial Statements.

For the FY17-19 LTI plan, the Committee also addressed the measurement of performance against the organic revenue growth and ROCE performance measures.

For organic revenue, this will continue to be measured in each year excluding the effects of acquisitions and divestments and the combined 3 year performance on this basis measured against the original performance range for organic revenue CAGR of 2% at minimum and 5% at maximum.

For ROCE, the Committee recognised that the Sale of SW will be dilutive to ROCE and therefore the ROCE measure should be adjusted down by the expected effect of the SW divestment which is a reduction to Ansell ROCE of 180 basis points in the vesting year. The targeted ROCE range has therefore been adjusted down by 180 basis points to a minimum of 13.2% and a maximum of 14.7% for ROCE in FY19.

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Table 4 b) – Calculating EPS Growth on Total Portfolio (Including SW) for Existing LTI Plans

	FY16		FY17	
Prior year reported	122.5		105.1	
Prior year EPS at Constant Currency (CC)	106.7	*a*	103.3	***c***
Current year EPS	105.1	*b*	100.1	***d***
Prior year EPS at CC after prior year LTI Adjustments	102.5	*h=(a+e)*	99.2	***j=(c+f)***
Current year EPS after current year LTI Adjustments	101.0	*i=(b+f)*	101.1	***k=(d+g)***
'Achieved EPS Growth' for LTI Measurement	-1.5	*l=(i-h)*	1.9	***m=(k-j)***

LTI Adjustments

Adjustments – EPS impact	**FY15**		**FY16**		**FY17**	
Shah Alam Sale: Note 1	-10.3					
Restructuring FY15: Note 3	8.9		-3.0		**-3.0**	
Exclude gain/loss on Australian c/f tax loss accounting: Note 4	-2.3		0.5		**3.3**	
Previously deducted DTAs expensed in current year	1.1					
Other: Note 2	-1.6		-1.6		**-1.6**	
Exclude net FX gain/loss in reported EPS: Note 5					**0.7**	
Exclude portfolio review costs: Note 6					**1.6**	
EPS impact total adjustments	-4.2	*e*	-4.1	*f*	**1.0**	***g***
			0.1		**5.1**	

Notes on LTI Adjustments

1. Refers to target set for the gain on the sale of the Shah Alam property in Malaysia that was initiated as part of the FY14 restructuring program. The targeted gain served to reduce the targeted net cost of the FY14 restructuring program. With the gain having now been realised in FY15, the targeted gain has been excluded from FY15 EPS for LTI calculation purposes.
2. Includes the agreed amortisation of the post-tax cost of the cash related elements of the FY14 restructuring program, consistent with the treatment described for these items in the FY14 annual report.
3. Excludes the post-tax cost in FY15 of the restructuring program announced in June 2015. And in subsequent years includes an adjustment to EPS for LTI calculation purposes representing an amortisation of the restructuring cost over the next three years beginning in FY16.
4. Consistent with prior practice, the impact of carried forward Australian tax losses has been excluded from EPS for LTI purposes, including the recognition of the DTA asset up until end FY15 and from FY16 on the effect of recording a tax charge on Australian income following full recognition of the tax losses.
5. Consistent with the policy to measure performance for incentive plans on a constant currency basis, P&L gains or losses arising from FX movements are also excluded from reported EPS
6. As detailed elsewhere in this report, the Board has elected to exclude the costs of the portfolio review to be consistent with the exclusion of the gain on sale on divestment of Sexual Wellness, anticipated in FY18

Table 4 c)

FY16 – FY18 LTI Plan	**Threshold**	**Target**	**Stretch**
EPS Growth CAGR	7%	8%	12%
(1) CC EPS Growth (cents)	26.6	30.7	47.9
(2) FY16 – FY17 2 year 'achieved growth'	0.4	0.4	0.4
(3) FY18 'SW Growth Projection'	1.5	1.5	1.5
'To Go' EPS Growth (cents) = (1-2-3)	**24.7**	**28.8**	**46.0**

Note: 2 year achieved growth is sum of l+m from table 4 b)

FY17 – FY19 LTI Plan	**Min**	**Max**
EPS Growth CAGR	4%	10%
EPS Growth Total	12.5%	33.1%
(1) CC EPS Growth (cents)	13.1	34.8
(2) 17 1 year achieved growth	1.9	1.9
(3) FY18 – FY19 'SW Growth Projection'	4.5	4.5
'To Go' EPS Growth (cents) = (1-2-3)	**6.7**	**28.4**

Note: 1 year achieved growth is labelled m from table 4 b)

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Performance measures for FY18 awards

Performance measure and weighting	Minimum Hurdle (0% Vesting)	Maximum Hurdle (100% Vesting)
Organic Growth (one-third)	2%	5%
EPS (one-third)	4%	10%
ROCE (one-third)	14%	15.5%

LTI outcomes under the FY15 LTI grant

In FY15, the CEO was granted PSRs, which was approved at the Company's 2014 Annual General Meeting (AGM). Senior Executives were granted an equal proportion of cash and PSRs. The remainder of the management team participating in the LTI Plan were granted cash-based awards. The awards were subject to the achievement of a ROE gateway and a three year earnings growth target based on EPS performance.

The gateway condition was calculated at 1.5 times the Company's WACC when the plan vests. The ROE gateway condition, calculated at 1.5x WACC was 11.2%. The Company's actual ROE for FY17 was 12.7%, exceeding the gateway condition.

The performance hurdle is based on growth in the Company's EPS over the three year performance period to 30 June 2017.

EPS Growth	PSRs and Cash Award Grant that Vest (%)
Threshold (7% p.a. CAGR)	25%
Target (8% p.a. CAGR)	50%
Stretch (12% p.a. CAGR)	100%
Awards vest on a sliding scale between each point	

As previously disclosed, the Board selected US 105 cents EPS (being the underlying EPS for FY14 excluding the impact of deferred tax asset adjustments and non-operational tax items) as the base EPS for FY14 (Base Point). Accordingly, the targets are US 128.0 cents (Threshold), US 132.3 cents (Target) and US 147.5 cents (Stretch).

For the FY15 LTI Grant, the Board has excluded the effect of net changes in capital when measuring EPS performance.

On this basis the actual FY17 EPS of US 100 cents means that 0% of these awards will vest.

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

Name	Date Award Granted	Maximum Cash Opportunity (US$)	Maximum Value of PSRs Granted (US$)	Cash Award Vested (US$)	Number of PSRs Vested (Shares)	Amount of Cash Forfeited (US$)	Number of PSRs Forfeited (Shares)
Executive Director							
Magnus R Nicolin	14-Aug-14	0	1,870,000	0	0	0	225,986
Other Executives							
Neil Salmon	14-Aug-14	440,000	660,000	0	0	440,000	39,867
Peter Dobbelsteijn	14-Aug-14	435,200	435,200	0	0	320,000	26,202
Steve Genzer	14-Aug-14	380,000	380,000	0	0	380,000	22,954
Jeyan Heper	14-Aug-14	306,000	306,000	0	0	225,000	18,424
Joe Kubicek	14-Aug-14	340,000	340,000	0	0	340,000	20,538
Anthony Lopez	14-Aug-14	350,000	350,000	0	0	350,000	21,142
Mark Nicholls	14-Aug-14	110,000	110,000	0	0	110,000	6,645

Awards continue to be subject to clawback in accordance with the rules of the plan, but typically related to acts of fraud, dishonesty or serious breach of obligations.

Board discretion	*Exercise of discretion by the Board* Our remuneration policy aims to link management incentive outcomes to performance against strategic objectives that drive long term shareholder value creation. In certain circumstances, events or accounting rules (such as the recognition of previously unrecognised tax losses as deferred tax assets) can create a favourable or unfavourable effect on earnings for a single year that may cause a misalignment between incentive outcomes and shareholder value creation. Similarly, changes in accounting policy as recommended by the Audit and Compliance Committee and approved by the Board may be subject to discretionary exclusion. In these circumstances the Board retains its discretion to incorporate adjustments to the calculation of incentive outcomes. The HRC has developed a policy that will guide it in applying this discretion and that will be applied consistently. The policy covers individually material items including restructuring charges, acquisitions and divestments and equity capital issuance and repurchase. For FY17, the Board exercised discretion to exclude costs related to the portfolio review. The HRC will continue its practice of clearly explaining in its annual remuneration report the basis and calculation of any adjustments made that have influenced incentive outcomes.
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 target 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 which has expired. Any restricted shares under the STI will be converted into ordinary shares, unless the Board determines otherwise.
Clawback	From FY18, the recovering and withholding provisions will be broadened and will now be applied consistently across both the STI and LTI. The Board will have the ability to clawback incentives for a period of up to three years from the date of payment/vesting and will cover the following events: • Material misstatement of the financial statements • Misconduct • Error in calculation of the performance condition • Serious reputational damage to the Group
Leaver treatment	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). 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 a pro-rated award in certain circumstances such as death, disability, retirement or any other reason approved by the Board.

Section 5 – Statutory Information

Executive Service Agreements

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

Chief Executive Officer

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

- does not specify a fixed term of engagement;
- provides that the Group may terminate the CEO's engagement upon giving 12 months' notice or payment in lieu, and may terminate immediately in the case of willful 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;

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- requires the CEO to give the Group at least six months' notice of termination of services; and
- in order to protect the Group's business interests, prohibits the CEO from engaging in any activity that would compete with the Group for a period of 12 months following termination of his engagement for any reason.

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

Other Executives

N 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.

S Genzer and M Nicholls, who are based in the United States, and A Lopez, who was seconded to the Group's office in Brussels (returning to the US in FY17), are employed 'at will' and as such, their service agreement does not specify a fixed term of employment. These executives are 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.

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

J Heper is a Belgium based executive who is employed by the Group for an unlimited duration. He is eligible for 10 week severance benefits upon termination by the Group in accordance with applicable Belgian laws and regulations. He is required to give 5 weeks' notice to the Group if he wishes to resign.

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

Mandatory Shareholding Policy

Ansell has, for some years, been committed to encouraging strong alignment with shareholder interests. To encourage such alignment, the Company has adopted a mandatory shareholding policy, known as the Share Purchasing Policy, which requires Directors and Executives to purchase a multiple of their Director's fees/base salary in Ansell shares over a set period.

The current level of mandatory shareholding requirement (applicable from FY17) are:

- CEO – 3 x base salary
- Executives – 1 x base salary
- Non-Executive Directors – 2 x annual Director's fees

Executive and Non-Executive Directors are expected to achieve the above shareholdings within 10 years from its inception in 2013 or within 10 years of becoming a KMP if after 2013.

Vested but unexercised awards (such as restricted shares granted under the FY17 STI and FY16 SIP which are subject to holding requirements) will be included in assessing whether an Executive meets the mandatory shareholding targets. Unvested equity rights held pursuant to the incentive plans are not included in the target assessment.

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

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.

Share Trading Policy

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

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Remuneration Report continued

The movement in the number of shares held by each KMP and the progress of each KMP during FY17 in achieving their respective share ownership goals is as follows:

Table 5 a)

	Held at 1 July	Purchases	Granted Under Awards	Net Movement Due to Other Changes	Held at 30 June	% of Share Ownership Goals Met[3]	Target Year to Comply	Target Year Projected to Comply
Non-Executive Directors								
Glenn L L Barnes								
FY17	**61,748**	**1,730**	**n/a**	**0**	**63,478**	**162%**	**2023**	**COMPLY**
FY16	41,509	20,239	n/a	0	61,748	129%	2023	
Ronald J S Bell								
FY17	**15,429**	**3,311**	**n/a**	**0**	**18,740**	**99%**	**2023**	**2018**
FY16	10,568	4,861	n/a	0	15,429	69%	2023	
John Bevan								
FY17	**17,402**	**1,326**	**n/a**	**0**	**18,728**	**98%**	**2023**	**2018**
FY16	11,320	6,082	n/a	0	17,402	78%	2023	
L Dale Crandall								
FY17	**20,680**	**1,397**	**n/a**	**0**	**22,077**	**113%**	**2023**	**COMPLY**
FY16	18,585	2,095	n/a	0	20,680	86%	2023	
W Peter Day								
FY17	**27,540**	**1,298**	**n/a**	**0**	**28,838**	**142%**	**2023**	**COMPLY**
FY16	17,361	10,179	n/a	0	27,540	111%	2023	
Leslie A Desjardins[1]								
FY17	**1,961**	**2,269**	**n/a**	**0**	**4,230**	**23%**	**2025**	**2025**
FY16	0	1,961	n/a	0	1,961	9%	2025	
Marissa T Peterson								
FY17	**20,133**	**3,514**	**n/a**	**0**	**23,647**	**119%**	**2023**	**COMPLY**
FY16	14,896	5,237	n/a	0	20,133	84%	2023	
Executive Director								
Magnus R Nicolin[2]								
FY17	**229,030**	**0**	**22,753**	**0**	**251,783**	**135%**	**2023**	**COMPLY**
FY16	65,665	0	233,897	(70,532)	229,030	78%	2023	
Other Executives								
Neil Salmon								
FY17	**30,130**	**0**	**5,559**	**0**	**35,689**	**123%**	**2023**	**COMPLY**
FY16	14,917	0	15,213	0	30,130	43%	2023	
Peter Dobbelsteijn								
FY17	**13,627**	**0**	**4,969**	**0**	**18,596**	**83%**	**2023**	**2018**
FY16	5,308	1,480	10,151	(3,312)	13,627	25%	2023	
Steve Genzer								
FY17	**15,648**	**0**	**4,537**	**0**	**20,185**	**83%**	**2023**	**2018**
FY16	6,493	1,151	12,702	(4,698)	15,648	27%	2023	
Jeyan Heper								
FY17	**0**	**1,500**	**0**	**0**	**1,500**	**9%**	**2024**	**2028**
FY16	0	0	0	0	0	0%	2024	
Joe Kubicek								
FY17	**66,981**	**0**	**3,565**	**0**	**70,546**	**308%**	**2024**	**COMPLY**
FY16	30,000	10,000	26,981	0	66,981	124%	2024	
Anthony Lopez								
FY17	**12,373**	**0**	**4,140**	**0**	**16,513**	**75%**	**2023**	**2019**
FY16	2,885	1,360	12,898	(4,770)	12,373	23%	2023	
Mark Nicholls								
FY17	**12,000**	**0**	**1,097**	**0**	**13,097**	**64%**	**2026**	**2024**
FY16	0	12,000	0	0	12,000	24%	2026	

1. Leslie Desjardins was appointed as a Non-Executive Director on 30 November 2015, and in accordance with the policy, is required to be compliant with the policy within a 10 year period.
2. In FY16 Magnus Nicolin sought leave to sell a portion of his shareholdings to pay for tax liabilities on past PSR awards and the Board authorised the sale in accordance with the Group's share trading policies.
3. The percentage of ownership goals met are based upon a multiple of an individual's base pay or directors fees (as applicable).

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Remuneration Report continued

Executive statutory remuneration

Table 5 b)

			Short Term Employee benefits		
US$	FY	Base Salary[1] $	Share Based STI[2] $	Cash Based STI	Other Benefits[3] $
Executive Director					
Magnus R Nicolin	**2017**	**1,059,500**	**400,749**	**1,199,251**	**152,627**
	2016	1,030,000	-	600,000	95,156
Other Executives					
Neil Salmon	**2017**	**497,277**	**111,210**	**373,188**	**149,191**
	2016	490,738	-	196,682	108,450
Peter Dobbelsteijn	**2017**	**384,174**	**8,265**	**192,206**	**401,525**
	2016	385,114	-	124,141	458,240
Steve Genzer	**2017**	**414,732**	**13,064**	**207,366**	**2,000**
	2016	412,699	-	119,443	2,222
Jeyan Heper	**2017**	**293,222**	**15,292**	**148,467**	**52,256**
	2016	277,446	-	127,512	26,736
Joe Kubicek	**2017**	**391,000**	**8,407**	**195,500**	**21,113**
	2016	378,250	-	125,120	10,137
Anthony Lopez	**2017**	**378,420**	**4,352**	**189,210**	**765,712**
	2016	376,565	-	108,985	134,899
Mark Nicholls	**2017**	**350,000**	**7,525**	**175,000**	**1,871**
	2016	175,000	-	56,000	563
Total Executive Remuneration	**2017**	**3,768,325**	**568,864**	**2,680,188**	**1,546,295**
	2016	3,525,812	-	1,457,883	836,403

1. Base Salary includes the base salary earned by the individual in FY17. The increases in base salary for Executives are made following a broad review which considered pay increases in each jurisdiction, external benchmarking data and wider economic considerations. Increases for FY17 were 2.5% for the CEO and 0% to 5% for other executives.
2. STI represents amounts payable under the 2017 Short Term Incentive Plan.
3. Other includes benefits such as motor vehicle, executive expatriation and relocation allowances, executive insurance, expat tax equalisation payments and other amounts.
4. Retirement benefits includes retirement benefits earned by the individual in FY17.
5. Share based payment expenses includes amounts provided in respect of the Group's shared based LTI Plan. Primarily as a result of the cancellation of the FY14 grant, the Group reversed previously expensed amounts relating to these plans in FY16. As such, these reversals are being reflected in the negative amounts shown above for FY16, even though such amounts are not receivable from the participants.
6. Cash based payment expenses includes amounts provided in respect of the Groups cash based LTI Plans. The negative amounts shown are due to the same factors as note 5) above (share based LTI). Based on the FY17 results, nothing is considered payable under the remaining cash based LTI grants.
7. SIP represents amounts payable under the one-off Special Incentive Plan – which was explained in detail in the 2016 Remuneration Report.

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Remuneration Report continued

Post-employment Benefits	Share Based Payment Expense[5]	Cash[6]		
Retirement Plan Benefits[4]	LTI	LTI	SIP[7]	Total
$	$	$	$	$
312,171	**669,705**	**-**	**-**	**3,794,002**
367,842	(1,042,559)	0	499,200	1,549,639
48,597	**268,275**	**-**	**-**	**1,447,739**
76,718	(154,445)	(132,987)	150,645	735,801
37,977	**138,138**	**-**	**-**	**1,162,285**
38,456	(56,182)	(55,725)	93,105	987,149
44,115	**144,733**	**-**	**-**	**826,010**
74,818	(105,021)	(110,609)	99,536	493,088
28,444	**101,482**	**-**	**-**	**639,162**
27,500	(24,611)	(24,341)	0	410,242
37,645	**136,450**	**-**	**-**	**790,114**
66,475	66,110	(63,890)	78,200	660,402
42,712	**132,060**	**-**	**-**	**1,512,466**
70,693	(101,208)	(106,360)	90,821	574,395
39,542	**122,142**	**-**	**-**	**696,080**
34,221	0	0	0	265,784
591,202	**1,712,984**	**-**	**-**	**10,867,860**
756,723	(1,417,916)	(493,912)	1,011,507	5,676,500

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Remuneration Report continued

Equity instruments

The below table details the movement in the number of Performance Rights (PRs) and PSRs over ordinary shares of Ansell Limited by the CEO and Other Executives during the 2017 financial year.

Table 5 c)

	Held at 1 July 2016 or Date Appointed	PSRs Granted during the Year	PRs/PSRs Vested During the Year	PRs/PSRs Lapsed/Forfeited During the Year	Held at 30 June 2017
Performance Rights					
Magnus R Nicolin					
2017	**0**	**0**	**0**	**0**	**0**
2016	104,357	0	-104,357	0	0
Neil Salmon					
2017	**0**	**0**	**0**	**0**	**0**
2016	15,213	0	-15,213	0	0
Joe Kubicek					
2017	**0**	**0**	**0**	**0**	**0**
2016	26,981	0	-26981	0	0
Performance Share Rights					
Magnus Nicolin					
2017	**435,230**	**296,834**	**0**	**0**	**732,064**
2016	701,136	209,244	-129,540	-345,610	435,230
Neil Salmon					
2017	**76,400**	**118,908**	**0**	**0**	**195,308**
2016	67,830	36,532	0	-27,962	76,400
Peter Dobbelsteijn					
2017	**46,144**	**61,228**	**0**	**0**	**107,372**
2016	64,624	19,942	-10,151	-28,271	46,144
Steve Genzer					
2017	**44,388**	**64,150**	**0**	**0**	**108,538**
2016	69,966	21,434	-12,702	-34,310	44,388
Jeyan Heper					
2017	**31,528**	**44,980**	**0**	**0**	**76,508**
2016	18,424	13,104	0	0	31,528
Joe Kubicek					
2017	**38,462**	**60,480**	**0**	**0**	**98,942**
2016	38,495	17,924	0	-17,957	38,462
Anthony Lopez					
2017	**40,700**	**58,534**	**0**	**0**	**99,234**
2016	68,544	19,558	-12,898	-34,504	40,700
Mark Nicholls					
2017	**13,038**	**54,138**	**0**	**0**	**67,176**
2016	6,644	6,394	0	0	13,038

1. PSR's were granted during FY17 pursuant to the FY17 LTIP. The Fair Values and factors and assumptions used in the determining the fair values of the PSRs applicable for FY17 are summarised in Table 5d) below.

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Table 5 d) – PSR Fair Values at Grant Date

	Grant Date	Vesting Date	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
FY15 LTIp PSRs	14/8/2014	30/6/2017	A$17.73	A$19.05	n/a	2.5%
FY16 LTIp PSRs	13/8/2015	30/6/2018	A$18.53	A$20.20	n/a	3.0%
FY17 LTIp PSRs	11/8/2016	30/6/2019	A$17.95	A$19.49	n/a	2.9%

Awards that do not vest as at Vesting date automatically lapse.

Section 6 – Non-Executive Directors

Policy and approach to setting fees

Overview of policy

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

To reflect the global representation that exists in the composition of the current Board (which includes Australian, US and UK resident directors), Directors fees are payable in US dollars, however Directors may elect to be paid in their local currency of choice. Thus Directors may be subject to currency fluctuations as their payment is done by converting their US dollar fees into their local currency using the applicable monthly spot exchange rates at the time of payment.

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

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

Aggregate fees approved by shareholders

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

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Remuneration Report continued

Base fees for 2017

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

Fees for Non-Executive Directors during FY17 were as follows:

Base fees (Board)	
Non-Executive Chairman	US$320,000
Non-Executive Deputy Chairman	US$160,000
Non-Executive Director	US$116,500

Committee fees	**Committee Chair (Pre-February 2017)**	**Committee Chair Post-February 2017)**	**Committee member**
Audit and Compliance Committee	US$30,000	US$30,000	US$12,000
HR Committee	US$24,000	US$30,000	US$12,000
Risk Committee	US$24,000	US$30,000	US$12,000

The Board resolved, effective February 2017, that the appropriate fee for each Chair role was $30,000. This reflects the time commitment and level of responsibility now associated with these roles.

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

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

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

Superannuation contributions are made on behalf of the Non-Executive Directors at a rate of 9.5% 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.

FY18
The fees noted above will remain in place for FY18.

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Remuneration Report continued

Non-Executive Directors' statutory remuneration

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

Table 5 e)

Non-Executive Directors	Year	Directors Fees[1] $	Superannuation[2] $	Total $
G LL Barnes (Chairman)	**2017**	**335,000**	**0**	**335,000**
	2016	335,000	0	335,000
J A Bevan (Deputy Chairman)[3]	**2017**	**148,664**	**14,441**	**163,105**
	2016	143,311	12,189	155,500
R J S Bell	**2017**	**160,401**	**2,119**	**162,520**
	2016	153,685	1,815	155,500
L D Crandall	**2017**	**165,326**	**2,174**	**167,500**
	2016	165,722	1,778	167,500
W P Day	**2017**	**158,138**	**15,362**	**173,500**
	2016	159,749	13,751	173,500
L A Desjardins[4]	**2017**	**153,401**	**2,099**	**155,500**
	2016	90,708	0	90,708
A H Lo[5]	**2017**	n/a	n/a	**n/a**
	2016	64,054	738	64,792
M T Peterson	**2017**	**167,353**	**2,487**	**169,840**
	2016	165,722	1,778	167,500
Total Non-Executive Directors' Remuneration	**2017**	**1,288,283**	**38,682**	**1,326,965**
	2016	1,277,951	32,049	1,310,000

1. 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 (as documented on page 84), the Fees have changed as compared with the prior year. The methodology of converting the Fees into the base currency of the Directors has not changed.
2. 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.
3. Following his appointment as Deputy Chairman on 10 February 2017, the Board resolved to pay Mr J Bevan a fee equivalent to half the Chairman's fee. This fee, plus travel allowances, represents the entire Board and Committee fees earned by Mr J Bevan.
4. Mrs L Desjardins was appointed on 30 November 2015 and her Directors fees and associated entitlements reflects a part year entitlement in FY16 from her appointment.
5. Mrs A Lo retired from the Board on 30 November 2015 and her Directors fees and associated entitlements reflects a part year entitlement up to her retirement date in FY16.

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

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Non-Executive Directors' Shares

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

Shares were purchased on market (at no discount) on behalf of the Directors throughout FY17 pursuant to the Voluntary Share Purchasing Plan at the following prices per share. The second table shows the total number of shares purchased by the directors, both under the Voluntary Share Purchasing Plan and individual purchases in compliance with the Share Trading Policy.

Month	Share Price
July 2016	19.40
August 2016	22.46
September 2016	23.15
October 2016	21.62
November 2016	22.63
December 2016	24.76
January 2017	23.79
February 2017	21.24
March 2017	24.16
April 2017	n/a*
May 2017	n/a*
June 2017	n/a*

Director	Total Purchased in FY17
Glenn L L Barnes	1,730
Ronald J S Bell	3,311
John Bevan	1,326
L Dale Crandall	1,397
W Peter Day	1,298
Leslie A Desjardins	2,269
Marissa Peterson	3,514

* Voluntary Share Purchasing Plan suspended in compliance with continuous disclosure obligations.

Section 7 – Glossary

Board means the Board of Directors of Ansell Limited.

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

Constant Currency financial reporting is supplemental information. It is provided using the best estimate of the prior year results translated at the foreign currency exchange rates applicable to the current period and compared to the financial performance for the current year. As such, it is non-IFRS financial information.

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

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

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

EBITDA means EBIT before Depreciation and Amortisation.

EMEA means Europe, Middle East and Africa.

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

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

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 net receipts from customers per the Consolidated Statement of Cash Flows adjusted for Capex (see above), and Interest received and paid (Net Interest).

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

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.

PSRs means Performance Share Rights.

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

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 which vested in relation to the completion of the relevant financial year.

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).

ROE Gateway means the return on equity required for the successful achievement of the relevant award.

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

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

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

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

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

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

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Consolidated Income Statement

of Ansell Limited and Subsidiaries for the year ended 30 June 2017

	Note	2017 US$m	2016^ Restated US$m
Continuing operations			
Revenue			
Sales revenue		**1,374.5**	1,352.8
Expenses			
Cost of goods sold		**(833.3)**	(827.9)
Distribution		**(60.7)**	(60.9)
Selling, general and administration		**(302.7)**	(258.3)
Total expenses, excluding financing costs		**(1,196.7)**	(1,147.1)
Net financing costs	3	**(22.7)**	(22.2)
Profit before income tax		**155.1**	183.5
Income tax expense	4(a)	**(33.9)**	(43.5)
Profit from continuing operations		**121.2**	140.0
Discontinued operations			
Profit from discontinued operations, net of tax	18(b)	**29.0**	21.9
Profit for the period		**150.2**	161.9
Profit for the period is attributable to:			
Ansell Limited shareholders		**147.7**	159.1
Non-controlling interests		**2.5**	2.8
Profit for the period		**150.2**	161.9

		2017 US cents	2016 US cents
Earnings per share from continuing operations:			
Basic Earnings Per Share	5	**81.0**	91.5
Diluted Earnings Per Share	5	**80.0**	91.0
Earnings per share from discontinued operations:			
Basic Earnings Per Share	5	**19.1**	13.6
Diluted Earnings Per Share	5	**18.9**	13.5

^ In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* prior year comparatives have been restated to be consistent with disclosures for 30 June 2017. Refer to Note 18(b) Disposal Group held for sale.

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

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Consolidated Statement of Comprehensive Income

of Ansell Limited and Subsidiaries for the year ended 30 June 2017

	2017 US$m	2016 US$m
Profit for the period	150.2	161.9
Other comprehensive income		
Items that will not be reclassified to the Income Statement:		
Retained earnings		
Remeasurement of defined benefit superannuation/post retirement health benefit plans	2.9	(3.8)
Tax (expense)/benefit on items that will not be reclassified to the Income Statement	(1.5)	1.3
Total items that will not be reclassified to the Income Statement	1.4	(2.5)
Items that may subsequently be reclassified to the Income Statement:		
Foreign currency translation reserve		
Net exchange differences on translation of financial statements of foreign subsidiaries	5.0	(30.9)
Hedging reserve		
Net movement in effective hedges for year	0.4	(6.4)
Tax expense on items that may subsequently be reclassified to the Income Statement	(0.3)	(0.5)
Total items that may subsequently be reclassified to the Income Statement	5.1	(37.8)
Other comprehensive income for the period, net of tax	6.5	(40.3)
Total comprehensive income for the period	156.7	121.6
Attributable to:		
Ansell Limited shareholders	154.1	119.7
Non-controlling interests	2.6	1.9
Total comprehensive income for the period	156.7	121.6
Attributable to Ansell Limited shareholders:		
From continuing operations	124.6	104.1
From discontinued operations	29.5	15.6
Total comprehensive income for the period, attributable to Ansell Limited shareholders	154.1	119.7

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

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Consolidated Balance Sheet

of Ansell Limited and Subsidiaries for the year ended 30 June 2017

	Note	2017 US$m	2016* US$m
Current assets			
Cash and cash equivalents	6(a)	**316.6**	272.7
Trade and other receivables	7(a)	**189.9**	223.5
Derivative financial instruments	15(c)	**4.6**	8.2
Inventories	7(b)	**331.9**	322.8
Other current assets		**16.8**	19.4
Assets held for sale	18(b)	**200.9**	–
Total current assets		**1,060.7**	846.6
Non-current assets			
Trade and other receivables		**2.7**	2.6
Derivative financial instruments	15(c)	**4.0**	4.9
Property, plant and equipment	8	**217.9**	245.0
Intangible assets	9	**1,049.8**	1,077.3
Deferred tax assets	4(b)	**88.5**	90.6
Other non-current assets		**26.9**	23.6
Total non-current assets		**1,389.8**	1,444.0
Total assets		**2,450.5**	2,290.6
Current liabilities			
Trade and other payables	7(c)	**222.5**	235.2
Derivative financial instruments	15(d)	**7.9**	5.8
Interest bearing liabilities	10	**3.8**	5.0
Provisions	11	**56.7**	48.8
Current tax liabilities		**29.0**	19.9
Liabilities held for sale	18(b)	**42.8**	–
Total current liabilities		**362.7**	314.7
Non-current liabilities			
Trade and other payables		**1.3**	4.1
Derivative financial instruments	15(d)	**0.8**	5.0
Interest bearing liabilities	10	**716.7**	686.6
Provisions	11	**8.2**	10.6
Retirement benefit obligations	12(a)	**19.0**	23.1
Deferred tax liabilities	4(c)	**89.9**	89.5
Other non-current liabilities		**23.2**	20.3
Total non-current liabilities		**859.1**	839.2
Total liabilities		**1,221.8**	1,153.9
Net assets		**1,228.7**	1,136.7
Equity			
Issued capital	13(a)	**1,142.2**	1,146.9
Reserves		**(78.2)**	(88.3)
Retained profits		**146.9**	62.4
Total equity attributable to Ansell Limited shareholders		**1,210.9**	1,121.0
Non-controlling interests		**17.8**	15.7
Total equity		**1,228.7**	1,136.7

* In accordance with AASB 5 *Non-current Assets held for Sale and Discontinued Operations* prior year comparatives have not been restated for the impact of the Disposal Group held for sale. Refer to Note 18(b) Disposal Group held for sale.

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

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Consolidated Statement of Changes in Equity

of Ansell Limited and Subsidiaries for the year ended 30 June 2017

	2017 US$m	2016 US$m
Total equity		
Balance at the beginning of the financial year	**1,136.7**	1,166.6
Total comprehensive income for the period attributable to:		
Ansell Limited shareholders	**154.1**	119.7
Non-controlling interests	**2.6**	1.9
Transactions with owners attributable to Ansell Limited shareholders:		
Shares issued under Dividend Reinvestment Plan	**4.0**	5.4
Share buy-back	**(8.7)**	(88.1)
Share-based payments reserve	**4.7**	(2.2)
Dividends	**(64.3)**	(65.6)
Transactions with owners attributable to non-controlling interests:		
Dividends	**(0.4)**	(1.0)
Total equity at the end of the financial year	**1,228.7**	1,136.7
Share capital		
Balance at the beginning of the financial year	**1,146.9**	1,229.6
Transactions with owners as owners:		
Shares issued under Dividend Reinvestment Plan	**4.0**	5.4
Share buy-back	**(8.7)**	(88.1)
Balance at the end of the financial year	**1,142.2**	1,146.9

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

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Consolidated Statement of Changes in Equity continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2017

	2017 US$m	2016 US$m
Reserves		
Share-based payments reserve		
Balance at the beginning of the financial year	**43.0**	45.2
Transactions with owners as owners:		
Charge/(credit) to the Income Statement	**4.7**	(2.2)
Balance at the end of the financial year	**47.7**	43.0
Hedging reserve		
Balance at the beginning of the financial year	**(2.2)**	4.7
Comprehensive income for the period:		
Net movement in effective hedges	**0.1**	(6.9)
Balance at the end of the financial year	**(2.1)**	(2.2)
General reserve		
Balance at the beginning of the financial year	**11.7**	11.6
Transfer from retained profits	**0.3**	0.1
Balance at the end of the financial year	**12.0**	11.7
Foreign currency translation reserve		
Balance at the beginning of the financial year	**(132.5)**	(102.5)
Comprehensive income for the period:		
Net exchange differences on translation of financial statements of foreign subsidiaries	**5.0**	(30.0)
Balance at the end of the financial year	**(127.5)**	(132.5)
Transactions with non-controlling interests		
Balance at the beginning of the financial year	**(10.9)**	(10.9)
Balance at the end of the financial year	**(10.9)**	(10.9)
Fair value reserve		
Balance at the beginning of the financial year	**2.6**	2.6
Balance at the end of the financial year	**2.6**	2.6
Total reserves at the end of the financial year	**(78.2)**	(88.3)
Retained profits		
Balance at the beginning of the financial year	**62.4**	(28.5)
Transfer to reserves	**(0.3)**	(0.1)
Comprehensive income for the period:		
Net profit attributable to Ansell Limited shareholders	**147.7**	159.1
Remeasurement of defined benefit superannuation/post retirement health benefit plans net of tax	**1.4**	(2.5)
Dividends paid	**(64.3)**	(65.6)
Balance at the end of the financial year	**146.9**	62.4

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

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Consolidated Statement of Cash Flows

of Ansell Limited and Subsidiaries for the year ended 30 June 2017

	Note	2017 US$m	2016* US$m
Cash flows related to operating activities			
Receipts from customers		**1,607.6**	1,583.4
Payments to suppliers and employees		**(1,355.6)**	(1,321.3)
Net receipts from operations		**252.0**	262.1
Income taxes paid		**(35.8)**	(29.8)
Net cash provided by operating activities	6(b)	**216.2**	232.3
Cash flows related to investing activities			
Payments for businesses, net of cash acquired		**(56.1)**	–
Payments for property, plant, equipment and intangible assets		**(51.0)**	(67.2)
Payments for transaction costs associated with disposal group held for sale		**(2.9)**	–
Proceeds from the sale of a subsidiary		**–**	41.5
Proceeds from the sale of property, plant and equipment		**2.1**	2.0
Net cash used in investing activities		**(107.9)**	(23.7)
Cash flows related to financing activities			
Proceeds from borrowings		**74.2**	44.8
Repayments of borrowings		**(49.9)**	(81.0)
Net proceeds from borrowings		**24.3**	(36.2)
Payments for share buyback		**(8.7)**	(88.1)
Dividends paid – Ansell Limited shareholders		**(60.3)**	(60.2)
Dividends paid – Non-controlling interests		**(0.4)**	(1.0)
Interest received	3(a)	**3.6**	4.1
Interest and financing costs paid		**(24.9)**	(26.4)
Net cash used in financing activities		**(66.4)**	(207.8)
Net increase in cash and cash equivalents		**41.9**	0.8
Cash and cash equivalents at the beginning of the financial year		**272.7**	281.4
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies at the beginning of the financial year		**2.0**	(9.5)
Cash and cash equivalents at the end of the financial year	6(a)	**316.6**	272.7

* In accordance with AASB 5 *Non-current Assets held for Sale and Discontinued Operations* prior year comparatives have not been restated for the impact of the Disposal Group held for sale. Refer to Note 18(b) Disposal Group held for sale.

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

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Notes to the Financial Statements

1. Summary of Significant Accounting Policies

General

Ansell Limited ('the Company') is a Company domiciled in Australia. The Company and its subsidiaries (together referred to as the 'Group') is a global leader in protection solutions. The Group is a for-profit entity and designs, develops and manufactures a wide range of hand and arm protection solutions and clothing and is organised around three Global Business Units ('GBUs') as detailed in Note 2:

- **Industrial GBU;**
- **Medical GBU; and**
- **Single Use GBU.**

As a result of the execution of a binding agreement for the sale of the Sexual Wellness business the results of this business are reported as a Discontinued Operation. Refer to Note 18(b) Disposal Group held for sale.

Statement of compliance

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

The consolidated financial statements were authorised for issue by the Board of Directors on 14 August 2017.

Basis of accounting

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

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

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

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

New accounting standards issued but not yet applied

IFRS 15/AASB 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18/AASB 118 Revenue, IAS 11/AASB 111 *Construction contracts*, and IFRIC 13/Australian Interpretations 13 *Customer Loyalty Programmes*. IFRS 15/AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018 (financial year commencing 1 July 2018 for the Group), with early adoption permitted. The Group has assessed the impact on its consolidated financial statements resulting from the application of IFRS 15/AASB 15 and has determined that this will have no material impact.

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

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***1. Summary of Significant Accounting Policies** continued*

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 or qualifying net investment hedges.

Translation

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

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

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

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

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

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

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

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Accounting estimates and judgements

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

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

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

Business combinations

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

Current asset provisions

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

Property, plant and equipment and definite life intangible assets

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

Impairment of goodwill and brand names

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

Income tax

The 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 advisors.

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.

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2. Segment Information

The Group comprises the following main operating segments:

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

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

Single Use GBU: single use industrial application gloves.

As a result of the execution of a binding agreement for the sale of the Sexual Wellness business the results of this business are reported as a Discontinued Operation. Refer to Note 18(b) Disposal Group held for sale.

	Operating Segments						
2017	**Industrial US$m**	**Medical US$m**	**Single Use US$m**	**Corporate US$m**	**Continuing Operations US$m**	**Discontinued Operations US$m**	**Total Group US$m**
Sales revenue	**655.9**	**399.6**	**319.0**	**–**	**1,374.5**	**225.2**	**1,599.7**
Profit/(loss) before net financing costs and income tax expense[1]	**79.8**	**47.0**	**63.1**	**(12.1)**	**177.8**	**40.0**	**217.8**
Net financing costs				**(22.7)**	**(22.7)**	**–**	**(22.7)**
Profit before income tax expense	**79.8**	**47.0**	**63.1**	**(34.8)**	**155.1**	**40.0**	**195.1**
Income tax expense					**(33.9)**	**(11.0)**	**(44.9)**
Profit after income tax					**121.2**	**29.0**	**150.2**
Non-controlling interests					**(1.7)**	**(0.8)**	**(2.5)**
Net profit attributable to Ansell Limited shareholders					**119.5**	**28.2**	**147.7**
Segment assets	**735.2**	**480.8**	**552.2**	**481.4**	**2,249.6**	**200.9**	**2,450.5**
Segment liabilities	**119.8**	**74.0**	**40.4**	**944.8**	**1,179.0**	**42.8**	**1,221.8**
Segment depreciation and amortisation	**19.5**	**10.4**	**4.5**	**6.4**	**40.8**	**4.1**	**44.9**
Segment capital expenditure	**29.6**	**14.3**	**1.6**	**0.8**	**46.3**	**4.7**	**51.0**

1. The current year's results of continuing operating segments have been impacted by the absorption of corporate costs that were allocated to the Sexual Wellness (Discontinued) operating segment in the prior year.

2016[2]							
Sales revenue	654.8	396.3	301.7	–	1,352.8	220.0	1,572.8
Profit/(loss) before gain sale of a subsidiary and net financing costs and income tax expense	89.0	52.3	64.6	(8.3)	197.6	31.0	228.6
Gain on sale of a subsidiary	–	–	–	8.1	8.1	–	8.1
Net financing costs				(22.2)	(22.2)	–	(22.2)
Profit before income tax expense	89.0	52.3	64.6	(22.4)	183.5	31.0	214.5
Income tax expense					(43.5)	(9.1)	(52.6)
Profit after income tax					140.0	21.9	161.9
Non-controlling interests					(1.5)	(1.3)	(2.8)
Net profit attributable to Ansell Limited shareholders					138.5	20.6	159.1
Segment assets	704.8	468.7	474.8	437.8	2,086.1	204.5	2,290.6
Segment liabilities	107.6	78.7	28.0	889.7	1,104.0	49.9	1,153.9
Segment depreciation and amortisation	16.1	8.9	4.2	4.9	34.1	3.9	38.0
Segment capital expenditure	25.2	22.5	3.5	7.2	58.4	8.8	67.2

2. In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* prior year comparatives have been restated to be consistent with disclosures for 30 June 2017. Refer to Note 18(b) Disposal Group held for sale.

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Regional information

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

Assets (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, China and Vietnam.
Europe, Middle East and Africa: manufacturing facilities in Lithuania and Portugal.
Latin America and Caribbean: manufacturing facilities in Brazil.
North America: manufacturing facilities in USA and Mexico.
The table set out below summarises:
(i) Regional sales revenue from continuing operations.
(ii) Regional assets related to continuing operations at 30 June 2017 and all operations at 30 June 2016.

	Sales Revenue		Regional Assets	
	2017 US$m	2016^ Restated US$m	2017 US$m	2016 US$m
Regions				
Asia Pacific	**168.4**	159.6	**312.8**	376.4
Europe, Middle East and Africa	**485.0**	484.1	**180.4**	187.8
Latin America and Caribbean	**93.6**	75.8	**49.4**	49.4
North America	**627.5**	633.3	**223.8**	213.2
Total Regions	**1,374.5**	1,352.8	**766.4**	826.8

Country of domicile

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

(i) Sales revenue from continuing operations.
(ii) Assets related to continuing operations at 30 June 2017 and all operations at 30 June 2016.

		2016^		
	2017 US$m	Restated US$m	2017 US$m	2016 US$m
Sales Revenue	**116.6**	96.3		
Assets			**47.4**	47.6

3. Profit Before Income Tax

This table summarises expenses by nature from continuing operations:

	2017 US$m	2016^ Restated US$m
(a) Profit before income tax has been arrived at after charging/(crediting) the following items:		
Interest expense	**23.3**	23.7
Other financing costs	**3.0**	2.6
Interest income	**(3.6)**	(4.1)
Net financing costs	**22.7**	22.2
Research and development costs expensed as incurred	**11.0**	10.5
Previously capitalised development costs written off	**0.2**	0.9
Research and development costs	**11.2**	11.4
Bad debts written off	**–**	0.1
Provision for impairment of trade receivables – recognised	**–**	0.1
Net bad debts expense and provision for impairment of trade debtors	**–**	0.2

^ In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* prior year comparatives have been restated to be consistent with disclosures for 30 June 2017. Refer to Note 18(b) Disposal Group held for sale.

3. *Profit Before Income Tax* *continued*

	2017 US$m	2016^ Restated US$m
Wages and salaries	**222.7**	202.4
Increase in provision for employee entitlements	**11.3**	12.3
Defined contribution superannuation plan expense	**13.7**	13.0
Defined benefit superannuation plan expense	**0.3**	2.8
Equity settled share-based payments expense	**4.7**	(2.2)
Employee benefits expense	**252.7**	228.3
Net foreign exchange loss/(gain)	**1.2**	(0.7)
Loss/(profit) on the sale of property, plant and equipment	**0.1**	(1.1)
Gain on the sale of a subsidiary	**–**	(8.1)
Operating lease rentals	**24.7**	23.5
Write-down in value of inventories	**4.9**	5.9

^ In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* prior year comparatives have been restated to be consistent with disclosures for 30 June 2017. Refer to Note 18(b) Disposal Group held for sale.

(b) Recognition and measurement

Sales revenue

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

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4. Income Tax

	2017 US$m	2016^ Restated US$m
(a) Income tax expense		
***Prima facie* income tax calculated at 30% (2016: 30%) on profit before income tax**	**46.5**	55.1
Reduced taxation arising from:		
Investment and export incentive allowances	**(9.3)**	(8.9)
Net (lower)/higher overseas tax rates	**(0.4)**	0.8
Utilisation/recognition of previously unbooked tax losses	**(2.6)**	(7.3)
Other permanent differences	**(0.3)**	3.8
Income tax expense attributable to profit before income tax	**33.9**	43.5
Income tax expense attributable to profit before income tax is made up of:		
Current year income tax	**35.4**	27.7
Deferred income tax attributable to:		
Increase in deferred tax liability	**0.4**	4.5
(Increase)/decrease in deferred tax asset	**(1.9)**	11.3
	33.9	43.5

^ In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* prior year comparatives have been restated to be consistent with disclosures for 30 June 2017. Refer to Note 18(b) Disposal Group held for sale.

	2017 US$m	2016 US$m
Income tax benefit/(expense) recognised in other comprehensive income		
Remeasurement of defined benefit superannuation/post retirement health benefit plans	**1.5**	(1.3)
Movement in effective hedges for year	**0.3**	0.5
	1.8	(0.8)

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4. Income Tax continued

The following summarises deferred tax assets and liabilities related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

	2017 US$m	2016 US$m
(b) Deferred tax assets		
Deferred tax assets arising from:		
Deductible temporary differences	51.8	45.2
Accumulated tax losses	36.7	45.4
	88.5	90.6
Deferred tax assets are attributable to the following:		
Trading stock tax adjustments	5.9	6.4
Provisions	19.6	19.9
Accruals	7.1	6.0
Amortisation of intangible assets	11.5	12.9
Assets/liabilities held for sale	7.7	–
Accumulated tax losses	36.7	45.4
Total deferred tax assets	88.5	90.6
Details of the movement in the balance of deferred tax assets are as follows:		
Balance at the beginning of the financial year	90.6	101.2
(Over)/under provision of prior year balance	(0.1)	1.6
Amount charged to the Income Statement	1.9	(11.3)
Amount (charged)/credited to other comprehensive income	(1.8)	0.8
Reclassification to assets held for sale	(4.1)	–
Net exchange differences on translation of foreign subsidiaries	2.0	(1.7)
Balance at the end of the financial year	88.5	90.6
(c) Deferred tax liabilities		
Deferred tax liabilities are attributable to the following:		
Depreciation on plant and equipment	4.2	3.8
Amortisation of intangible assets	85.7	85.2
Other	–	0.5
Total deferred tax liabilities	89.9	89.5
Details of the movement in the balance of deferred tax liabilities are as follows:		
Balance at the beginning of the financial year	89.5	84.4
Under provision of prior year balance	0.7	1.0
Amount charged to the Income Statement	0.4	4.5
Reclassification to liabilities held for sale	(0.6)	–
Net exchange differences on translation of foreign subsidiaries	(0.1)	(0.4)
Balance at the end of the financial year	89.9	89.5

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(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 $13.8 million (2016: $14.3 million) and $54.8 million of capital losses (2016: $113.4 million). The reduction in unbooked capital losses during the year was due to the tax attributes of the expected sale of the Sexual Wellness business. 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

	2017 US$m	2016 US$m
Earnings reconciliation		
Profit for the period	**150.2**	161.9
Less profit for the period attributable to non-controlling interests	**(2.5)**	(2.8)
Basic earnings	**147.7**	159.1
From continuing operations	**119.5**	138.5
From discontinued operations	**28.2**	20.6
	147.7	159.1
Diluted earnings	**147.7**	159.1
From continuing operations	**119.5**	138.5
From discontinued operations	**28.2**	20.6
	147.7	159.1

	Number of Shares (Millions)	
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic Earnings Per Share	**147.5**	151.4
Effect of partly paid Executive Plan shares and Performance Share Rights (PSRs)	**1.8**	0.8
Number of ordinary shares for diluted Earnings Per Share	**149.3**	152.2

	US Cents	US Cents
Earnings per share from continuing operations		
Basic earnings per share	**81.0**	91.5
Diluted earnings per share	**80.0**	91.0
Earnings per share from discontinued operations		
Basic earnings per share	**19.1**	13.6
Diluted earnings per share	**18.9**	13.5

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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

	2017 US$m	2016 US$m
(a) Cash and cash equivalents		
Cash on hand	**0.2**	0.2
Cash at bank	**144.7**	87.2
Short-term deposits	**168.7**	182.4
	313.6	269.8
Restricted deposits	**3.0**	2.9
Total cash and cash equivalents	**316.6**	272.7
(b) Reconciliation of net profit after tax to net cash provided by operating activities		
Profit for the period	**150.2**	161.9
Add/(less) non-cash items:		
Depreciation	**30.7**	29.0
Amortisation	**14.2**	9.0
Impairment/(impairment reversal) – trade receivables	**(0.6)**	0.4
Share-based payments expense	**4.7**	(2.2)
Add/(less) items classified as investing/financing activities:		
Interest received	**(3.6)**	(4.1)
Interest and financing costs paid	**26.3**	26.4
Gain/loss on the sale of property, plant and equipment	**(0.5)**	(1.1)
Gain on the sale of a subsidiary	**–**	(8.1)
Net cash provided by operating activities before change in assets and liabilities	**221.4**	211.2
Change in assets and liabilities net of effect from acquisitions and disposals of businesses and subsidiaries:		
Decrease in trade and other receivables	**8.2**	14.3
(Increase)/decrease in inventories	**(38.0)**	0.7
Increase in other assets	**(2.1)**	(2.4)
Increase in trade and other payables	**8.4**	–
Increase/(decrease) in provisions/other liabilities	**10.4**	(15.8)
(Decrease)/increase in retirement benefit obligations	**(1.1)**	1.4
Increase in provision for deferred income tax	**0.4**	6.6
(Increase)/decrease in deferred tax asset	**(1.3)**	10.3
Increase in provision for income tax	**9.9**	5.5
Other non-cash items (including foreign currency impact)	**–**	0.5
Net cash provided by operating activities	**216.2**	232.3

(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).

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7. Working Capital

This table summarises working capital related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

	2017 US$m	2016 US$m
Working capital comprises:		
Net trade receivables	174.6	219.0
Inventories	331.9	322.8
Trade payables	(197.8)	(199.9)
Total working capital	308.7	341.9

(a) Current trade and other receivables

This table summarises current trade and other receivables related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

Trade receivables	218.5	263.1
Allowance for impairment	(4.5)	(8.2)
Provision for rebates and allowances	(39.4)	(35.9)
Net trade receivables	174.6	219.0
Other amounts receivable	15.3	4.5
Total current trade and other receivables	189.9	223.5

Movements in the allowance for impairment of trade receivables:

This table summarises the allowance for impairment of trade receivables related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

Balance at the beginning of the financial year	8.2	8.6
Amounts charged to the Income Statement	–	0.4
Amounts utilised for intended purposes	(0.1)	(0.4)
Reclassification to assets held for sale	(3.7)	–
Net exchange differences on translation of foreign subsidiaries	0.1	(0.4)
Balance at the end of the financial year	4.5	8.2

	Gross Trade Receivables		Allowance for Impairment	
	2017 US$m	2016 US$m	2017 US$m	2016 US$m
Ageing of trade receivables:				
Within agreed terms	189.0	213.3	–	–
Past due 0 – 60 days	26.0	33.8	2.1	1.9
Past due 61 – 90 days	1.5	1.7	0.6	0.3
Past due 91 days or more	2.0	14.3	1.8	6.0
Total	218.5	263.1	4.5	8.2

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*7. **Working Capital** continued*

(b) Inventories

This table summarises inventories related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

	2017 US$m	2016 US$m
Raw materials	35.7	40.1
Work in progress	15.2	19.0
Finished goods	281.0	263.7
Total inventories	331.9	322.8

	2017 US$m	2016^ Restated US$m
Inventories recognised as an expense	794.9	791.2

^ In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* prior year comparatives have been restated to be consistent with disclosures for 30 June 2017. Refer to Note 18(b) Disposal Group held for sale.

(c) Current trade and other payables

This table summarises current trade and other payables related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

	2017 US$m	2016 US$m
Current		
Trade payables	197.8	199.9
Other payables	24.7	35.3
Total current trade and other payables	222.5	235.2

(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 following basis have been used to assess the allowance for doubtful trade receivables:

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

Inventories

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

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

Trade and other payables

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

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8. Property, Plant and Equipment

This table summarises property, plant and equipment related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

Year ended 30 June 2017	Freehold Land US$m	Freehold Buildings US$m	Leasehold Land and Buildings US$m	Plant and Equipment US$m	Buildings and Plant Under Construction US$m	Total US$m
Cost	7.0	32.5	57.0	436.8	13.0	546.3
Accumulated depreciation	–	(16.8)	(19.5)	(292.1)	–	(328.4)
	7.0	15.7	37.5	144.7	13.0	217.9
Movement						
Balance at the beginning of the financial year	9.3	21.2	46.1	140.2	28.2	245.0
Additions	–	1.3	0.1	3.9	36.0	41.3
Additions through entities/businesses acquired	–	0.5	–	1.0	–	1.5
Disposals/scrappings	–	(0.1)	(0.1)	(0.7)	(0.1)	(1.0)
Reclassification to assets held for sale	(2.8)	(7.3)	(8.0)	(19.9)	(1.9)	(39.9)
Transfer from buildings and plant under construction	0.3	0.5	2.7	45.2	(48.7)	–
Depreciation	–	(0.8)	(2.2)	(26.2)	–	(29.2)
Net exchange differences on translation of foreign subsidiaries	0.2	0.4	(1.1)	1.2	(0.5)	0.2
Balance at the end of the financial year	7.0	15.7	37.5	144.7	13.0	217.9

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

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8. Property, Plant and Equipment *continued*

Recognition and measurement

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

Depreciation

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

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

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

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

9. Intangible Assets

This table summarises intangible assets related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

Year ended 30 June 2017	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	958.9	243.3	25.0	69.9	24.0	1,321.1
Additions	–	–	3.0	2.0	–	5.0
Additions through entities acquired/completion of provisional accounting	48.7	–	–	–	–	48.7
Reclassification to assets held for sale	(50.7)	(17.0)	(1.9)	–	–	(69.6)
Written off to the Income Statement	–	–	(0.2)	–	–	(0.2)
Net exchange differences on translation of foreign subsidiaries	(1.9)	0.2	0.8	(0.3)	–	(1.2)
Balance at the end of the financial year	955.0	226.5	26.7	71.6	24.0	1,303.8
Provision for amortisation and impairment						
Balance at the beginning of the financial year	139.5	60.8	12.3	27.4	3.8	243.8
Amortisation	–	0.4	4.4	5.4	1.4	11.6
Reclassification to assets held for sale	–	–	(1.0)	–	–	(1.0)
Net exchange differences on translation of foreign subsidiaries	(1.9)	0.1	0.4	1.0	–	(0.4)
Balance at the end of the financial year	137.6	61.3	16.1	33.8	5.2	254.0
Written down value at the end of the financial year	817.4	165.2	10.6	37.8	18.8	1,049.8

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

Carrying amount of goodwill and brand names allocated to each of the CGUs related to continuing operations at 30 June 2017 and all operations at 30 June 2016:	2017 US$m	2016 US$m
Industrial	**311.3**	314.1
Medical	**256.7**	256.3
Single Use	**414.6**	363.8
Sexual Wellness	**–**	67.7
	982.6	1,001.9

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, development and software costs and other intangibles are recognised in selling, general and administration costs in the Income Statement. No amortisation is provided against the carrying value of those brand names not subject to a licensing arrangement or phase out process as the Group believes that the lives of such assets are indefinite at this point.

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***9. Intangible Assets** continued*

Development and software costs

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

Impairment

Goodwill and indefinite life intangible assets are tested for impairment 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 the CGUs has been determined based on a value in use calculation utilising five-year cash flow projections with the exception of the Sexual Wellness CGU. As the assets and liabilities of the Sexual Wellness CGU have been classified as held for sale their recoverable amount has been calculated using fair value less costs of disposal.

The base for each CGU subject to a value in use calculation is the budget for the 2018 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 2019 to 2022 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% and 5% (2016: 2% and 4%) while the growth in the terminal year was between 2% and 3% (2016: between 2% and 3%). The post tax discount rates applied range between 8% and 9% (2016: 8% and 9%).

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.

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10. Interest Bearing Liabilities

This table summarises interest bearing liabilities related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

	2017 US$m	2016 US$m
Current		
Loans repayable in:		
Canadian dollars	**3.8**	3.9
Indian rupees	**–**	1.1
Total current	**3.8**	5.0
Non-current		
Loans repayable in:		
Euros	**144.7**	149.7
United States dollars	**437.0**	474.0
United Kingdom pounds	**135.0**	62.9
Total non-current	**716.7**	686.6
Total interest bearing liabilities	**720.5**	691.6

The Group has a syndicated borrowing facility of US$500 million (US$167 million and GBP 103.8 million drawn down at 30 June 2017) maturing in June 2019, a Euro 50 million revolving credit facility (Euro 25 million drawn down at 30 June 2017) maturing in January 2021 and Senior Notes to the equivalent of US$386.1 million. The Senior Notes of US$270 million and Euro 101.5 million mature between June 2020 and April 2026. These facilities can be accessed by certain Australian, 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 Company is in compliance with all covenants. The interest rates for these facilities are determined based on market rates at the time amounts are drawn down.

	2017 US$m	2016 US$m
Net interest bearing debt		
Current interest bearing liabilities	**3.8**	5.0
Non-current interest bearing liabilities	**716.7**	686.6
Cash at bank and short-term deposits	**(313.4)**	(269.6)
Net interest bearing debt	**407.1**	422.0

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.

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***10. Interest Bearing Liabilities** continued*

This table summarises interest bearing liabilities related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

Nature and Currency of Borrowing		Effective Interest Rate % p.a.	Financial Year of Debt Maturity	2017 US$m
Bank loans	Canadian dollars	2.23	2018	**3.8**
	Euros	1.07	2021	**28.6**
	United Kingdom pounds	1.38	2019	**135.0**
	United States dollars	2.83	2019	**20.0**
	United States dollars	2.91	2019	**15.0**
	United States dollars	3.83	2019	**10.0**
	United States dollars	3.43	2019	**10.0**
	United States dollars	3.21	2019	**20.0**
	United States dollars	3.87	2019	**35.0**
	United States dollars	2.26	2019	**30.0**
	United States dollars	2.45	2019	**17.0**
	United States dollars	2.67	2019	**10.0**
Other loans	Euros	3.37	2020	**34.3**
	Euros	3.52	2022	**40.9**
	Euros	1.63	2023	**40.9**
	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				**720.5**

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

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11. Provisions

This table summarises provisions related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

	2017 US$m	2016 US$m
Current		
Provision for employee entitlements	49.3	38.0
Provision for rationalisation and restructuring costs	3.5	6.9
Other provisions	3.9	3.9
Total current	56.7	48.8
Non-current		
Provision for employee entitlements	8.2	10.6
Total non-current	8.2	10.6
Total provisions	64.9	59.4

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	6.9	16.1
Amounts credited to the Income Statement	(0.2)	(2.4)
Payments made	(3.2)	(6.4)
Net exchange differences on translation of foreign subsidiaries	–	(0.4)
Balance at the end of the financial year	3.5	6.9

Other provisions		
Balance at the beginning of the financial year	3.9	4.2
Payments made	(0.1)	(0.2)
Net exchange differences on translation of foreign subsidiaries	0.1	(0.1)
Balance at the end of the financial year	3.9	3.9

Recognition and measurement

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

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

Employee entitlements

Wages, salaries and annual leave

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

Long service leave and post-retirement health benefits

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

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

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Provision for rationalisation and restructuring costs

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

Other Provisions

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

12. Retirement Benefit Obligations

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

(a) Defined benefit superannuation plans

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

The amounts recognised in the balance sheet related to continuing operations at 30 June 2017 and all operations at 30 June 2016 are determined as follows:

	2017 US$m	2016 US$m
Present value of accumulated defined benefit obligations	**58.4**	62.6
Fair value of defined benefit plan assets	**(39.4)**	(39.5)
Net defined benefit liability recognised in the Balance Sheet	**19.0**	23.1

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

	2017	2016
Discount rate	**2.5%**	2.5%
Future salary increases	**1.6%**	2.3%

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

	2017 US$m	2016 US$m
Balance at the beginning of the financial year	**23.1**	18.1
Actuarial losses[1]	**(2.9)**	3.8
Current service cost[2]	**0.2**	2.5
Net interest cost[2]	**0.4**	0.3
Settlement gains[2]	**(0.3)**	–
Employer contributions[3]	**(1.8)**	(1.4)
Reclassification to liabilities held for sale	**(0.1)**	–
Net exchange differences on translation of foreign subsidiaries	**0.4**	(0.2)
Balance at the end of the financial year	**19.0**	23.1

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

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

The Group expects $1.8 million in contributions to be paid to its defined benefit plans during the year ending 30 June 2018.

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

	2017	2016
Equity securities	29%	29%
Fixed interest securities	63%	63%
Property	2%	3%
Other	6%	5%

(b) Defined contribution superannuation plans

	2017 US$m	2016 US$m
Contributions to defined contribution plans during the year	13.7	13.0

13. Issued Capital and Reserves

(a) Issued capital

	2017 US$m	2016 US$m
Issued capital		
147,328,462 (2016: 147,660,815) ordinary shares, fully paid	1,142.2	1,146.9
53,900 (2016: 58,900) Executive Share Plan shares, paid to A$0.05	–	–
Total issued capital	1,142.2	1,146.9

	Number of Shares	
	2017	2016
Movement in shares on issue		
Ordinary shares		
Balance at the beginning of the financial year	147,660,815	153,154,841
Issue of new shares under Dividend Reinvestment Plan	237,069	383,322
Conversion of PSRs and PRs	–	488,735
Conversion of Executive Share Plan shares to fully paid	5,000	–
Buy-back/cancellation of shares	(574,422)	(6,366,083)
Balance at the end of the financial year	147,328,462	147,660,815
Executive Share Plan shares		
Balance at the beginning of the financial year	58,900	58,900
Conversion of Executive Share Plan shares to fully paid	(5,000)	–
Balance at the end of the financial year	53,900	58,900

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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 237,069 were issued during the year (2016: 383,322).

Executive Share Plan

During the financial year, 5,000 Executive Plan shares were paid (2016: nil). Shares allotted under the Pacific Dunlop Executive Share Plan (which was discontinued in 1996) have been paid to A$0.05 per share. Refer to Note 21 Ownership-based Remuneration Schemes for details of the price payable for shares issued under this plan.

Options

As at the date of this Report, there are nil (2016: nil) unissued shares in the Company remain under option.

Share-based payments

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

(b) Nature and purpose of reserves

Share-based payments reserve

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

Hedging reserve

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

General reserve

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

Foreign currency translation reserve

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

Transactions with non-controlling interests

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

Fair value reserve

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

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14. Dividends Paid or Declared

	2017 US$m	2016 US$m
Dividends paid		
A final dividend of US 23.5 cents per share unfranked for the year ended 30 June 2016 (June 2015: US 23.0 cents unfranked) was paid on 8 September 2016 (2015: 10 September 2015)	**34.6**	34.0
An interim dividend of US 20.25 cents per share unfranked for the year ended 30 June 2017 (June 2016: US 20.0 cents unfranked) was paid on 10 March 2017 (2016: 10 March 2016)	**29.7**	31.6
	64.3	65.6

Dividends declared

Since the end of the financial year the Directors have declared a final dividend of US23.75 cents per share unfranked, to be paid on 8 September 2017. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2017 and will be recognised in subsequent financial reports.

Dividend franking account

The balance of the dividend franking account as at 30 June 2017 was nil (2016: nil).

15. Financial Risk Management

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

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

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

(a) Foreign exchange risk

The Group is exposed to a number of foreign currencies, however, the predominant operating currency is the US dollar (US$). As such, the Group has determined it appropriate to manage its foreign currency exposure against the US$. On this basis the 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.
- The Group hedges 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 one year.

(ii) Foreign exchange options

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

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

	Net Receivable	
	2017 US$m	2016 US$m
Net receivable in non-US$ reporting entities	21.5	28.2

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	
	2017 US$m	2016 US$m	2017 US$m	2016 US$m
With all other variables held constant:				
10% increase in US$ exchange rate	–	–	4.6	3.9
10% decrease in US$ exchange rate	–	–	(1.2)	1.4

(b) Interest rate risk

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

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

			Fixed Interest Repricing in				
	Weighted Average Effective Interest Rate %	Floating US$m	1 Year or Less US$m	1 to 2 Years US$m	2 to 5 Years US$m	> 5 Years US$m	Total US$m
2017							
Bank and other loans	3.2	334.4	–	–	145.2	240.9	720.5
Effect of interest rate swaps[1]	0.1	(185.7)	28.6	15.0	183.0	(40.9)	–
		148.7	28.6	15.0	328.2	200.0	720.5
2016							
Bank and other loans	3.1	307.5	1.1	–	103.4	279.6	691.6
Effect of interest rate swaps[1]	0.1	(108.0)	–	37.8	110.0	(39.8)	–
		199.5	1.1	37.8	213.4	239.8	691.6

1. Represents notional amount of interest rate swaps.

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

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15. Financial Risk Management continued

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	
	2017 US$m	2016 US$m	2017 US$m	2016 US$m
With all other variables held constant:				
If interest rates were 10% higher	–	–	1.1	0.4
If interest rates were 10% lower	–	–	(1.2)	(0.4)

(c) Credit risk

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

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

(i) Credit risk – cash and cash equivalents

The Group held cash and cash equivalents of US$316.6 million at 30 June 2017 (2016: $272.7 million). 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 counterparties in various countries. Customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. In addition receivable balances are monitored on an ongoing basis. The Group is not materially exposed to any individual customer. An ageing of trade receivables past due is included in Note 7.

The Group's maximum exposure to credit risk at the reporting date related to continuing operations at 30 June 2017 and all operations at 30 June 2016 was:

	Carrying Amount	
	2017 US$m	2016 US$m
Net trade receivables	174.6	219.0

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

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(iii) Credit risk by maturity

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

	Foreign Exchange Related Contracts		Interest Rate Contracts		Foreign Exchange Options		Total	
	2017 US$m	2016 US$m	2017 US$m	2016 US$m	2017 US$m	2016 US$m	2017 US$m	2016 US$m
Term:								
0–6 months	0.6	1.3	–	–	1.6	3.1	2.2	4.4
6–12 months	0.2	0.4	–	–	2.2	3.4	2.4	3.8
1–2 years	–	–	–	–	–	–	–	–
2–5 years	–	–	0.9	0.7	–	–	0.9	0.7
> 5 years	–	–	3.1	4.2	–	–	3.1	4.2
Total	0.8	1.7	4.0	4.9	3.8	6.5	8.6	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);

(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 at 30 June 2017 and all operations at 30 June 2016 into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows comprising principal and interest repayments.

	Carrying Amount	Total Contractual Cash Flows	Contractual Maturity (Years)			
	US$m	US$m	0–1 US$m	1–2 US$m	2–5 US$m	> 5 US$m
2017						
Trade and other payables	223.8	223.8	222.5	1.3	-	-
Bank and other loans	720.5	826.2	26.1	324.2	212.0	263.9
Derivative financial instruments	8.7	8.7	7.9	0.2	0.6	–
Total	953.0	1,058.7	256.5	325.7	212.6	263.9
2016						
Trade and other payables	239.3	239.3	235.2	4.1	–	–
Bank and other loans	691.6	819.0	27.4	59.1	419.8	312.7
Derivative financial instruments	10.8	10.8	5.8	1.9	3.1	–
Total	941.7	1,069.1	268.4	65.1	422.9	312.7

15. Financial Risk Management continued

(e) Commodity price risk

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

(f) Fair value

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

The following table displays:

(i) Nominal/face value

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

(ii) Credit risk (derivative financial instruments)

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

(iii) Net fair value

This is the amount at which the instrument could be realised between willing parties in a normal market in other than a liquidation or forced sale environment. The net amount owing (to)/by financial institutions under all derivative financial instruments would have been ($0.1) million (2016: $2.3 million) if all contracts were closed out on 30 June 2017.

	Nominal/Face Value		Credit Risk		Net Fair Value	
	2017 US$m	2016 US$m	2017 US$m	2016 US$m	2017 US$m	2016 US$m
Foreign exchange contracts						
Purchase/sale contracts						
– United States dollars	**51.7**	50.5	**–**	0.6	**(1.1)**	0.5
– Australian dollars	**13.2**	13.7	**0.3**	0.1	**0.3**	–
– Malaysian ringgits	**20.8**	6.3	**0.1**	–	**0.1**	(0.2)
– Thai baht	**–**	5.7	**–**	–	**–**	–
– Sri Lankan rupees	**34.2**	33.3	**–**	0.1	**(0.2)**	(0.2)
– Euros	**12.5**	21.2	**0.1**	0.4	**0.1**	0.3
– Other currencies	**31.5**	27.1	**0.3**	0.5	**–**	0.3
Foreign exchange options						
– Euros/United States dollars	**135.8**	123.1	**0.7**	2.3	**(3.8)**	0.4
– Australian dollars/United States dollars	**3.8**	4.6	**–**	–	**–**	–
– Canadian dollars/United States dollars	**6.1**	15.1	**–**	0.1	**–**	(0.2)
– United Kingdom pounds/United States dollars	**14.2**	5.2	**0.2**	0.5	**(0.1)**	0.5
– United States dollars/Mexican peso	**17.1**	15.5	**0.8**	0.2	**0.7**	(0.5)
– United States dollars/Malaysian ringgits	**35.1**	51.7	**0.9**	2.5	**-**	1.8
– United States dollars/Thai baht	**39.1**	51.8	**0.9**	0.8	**0.8**	0.5
– Other currencies	**10.7**	15.8	**0.3**	0.1	**0.3**	(0.8)
Interest rate contracts						
Interest rate swaps						
– GBP	**78.0**	–	**–**	–	**–**	–
– Euros	**69.5**	67.6	**3.0**	4.2	**3.0**	4.0
– United States dollars	**285.0**	235.0	**1.0**	0.7	**(0.2)**	(4.1)
Total	**858.3**	743.2	**8.6**	13.1	**(0.1)**	2.3

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(iv) Fair value hierarchy

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

The different valuation methods have been defined as follows:

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

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

	Level 2	
	2017 US$m	2016 US$m
Derivative financial assets	8.6	13.1
Derivative financial liabilities	8.7	10.8

(g) Recognition and measurement

Derivatives

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

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

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

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

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

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

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

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

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.

15. Financial Risk Management *continued*

Fair value hedge

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

Cash flow hedge

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

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

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

Derivatives that do not qualify for hedge accounting

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

Hedge Effectiveness

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

Potential sources of ineffectiveness include but are not limited to:

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

16. Expenditure Commitments

	2017 US$m	2016 US$m
(a) Capital expenditure commitments		
Contracted but not provided for in the financial statements:		
Plant and equipment	**5.7**	7.9
	5.7	7.9
Payable within one year	**5.7**	7.9
(b) Operating lease commitments		
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	**9.7**	8.7
One year or later and no later than five years	**23.1**	20.2
Later than five years	**4.0**	2.2
	36.8	31.1

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

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17. Particulars Relating to Subsidiaries

	Country of Incorporation	Beneficial Interest 2017 %	Beneficial Interest 2016 %
Ansell Limited	Australia		
Ansell Healthcare Japan Co. Ltd.	Japan*	100	100
BNG Battery Technologies Pty. Ltd.	Australia	100	100
Corrvas Insurance Pty. Ltd.	Australia	100	100
Dunlop Olympic Manufacturing Pty. Ltd.	Australia	100	100
FGDP Pty. Ltd.	Australia	100	100
Nucleus Ltd.	Australia	100	100
Lifetec Project Pty. Ltd.	Australia	100	100
Medical TPLC Pty. Ltd.	Australia	100	100
N&T Pty. Ltd.	Australia	100	100
Nucleus Trading Pte. Ltd.	Singapore*	100	100
THLD Ltd.	Australia	100	100
TNC Holdings Pte. Ltd.	Singapore*	100	100
TPLC Pty. Ltd.	Australia	100	100
Societe de Management Financier S.A.	France*	100	100
Olympic General Products Pty. Ltd.	Australia	100	100
Pacific Dunlop Finance Pty. Ltd.	Australia	100	100
Pacific Dunlop Holdings (China) Co. Ltd.	China*	100	100
Ansell (Shanghai) Commercial and Trading Co. Ltd.	China*	100	100
P.D. Holdings Pty. Ltd.	Australia	100	100
P.D. International Pty. Ltd.	Australia	100	100
Ansell Canada Inc.	Canada*	100	100
Ansell Commercial Mexico S.A. de C.V.	Mexico*	100	100
Ansell Colombia SAS	Colombia*	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
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 Textiles Lanka (Pvt.) Ltd.	Sri Lanka*	100	100
Ansell (Thailand) Ltd.	Thailand*	100	100
Ansell US Group Holdings Pty. Ltd.	Australia	100	100
Ansell US Group Holdings (USA) LLC	United States*	100	100
Ansell (USA) Inc.	United States*	100	100
Ansell Brazil LTDA	Brazil*	100	100
Ansell Edmont Industrial de Mexico S.A. de C.V.	Mexico*	100	100

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***17. Particulars Relating to Subsidiaries** continued*

	Country of Incorporation	Beneficial Interest 2017 %	Beneficial Interest 2016 %
Pacific Dunlop Holdings (USA) LLC	United States*	100	100
Barriersafe Solutions International Inc.	United States*	100	100
Microflex Corporation	United States*	100	100
Ansell Healthcare Products LLC	United States*	100	100
Ansell Sandel Medical Solutions LLC	United States*	100	100
SXwell USA LLC	United States*(i)	100	–
Ansell Hawkeye Inc.	United States*	100	100
Pacific Chloride Inc.	United States*	100	100
Pacific Dunlop Holdings Inc.	United States*	100	100
TPLC Holdings Inc.	United States*	100	100
Accufix Research Institute Inc.	United States*	100	100
Cotac Corporation	United States*	100	100
Pacific Dunlop Finance Company Inc.	United States*	100	100
Comercializadora Ansell Chile Limitada	Chile*	100	100
Corrvas Insurance (Singapore) Pte. Ltd.	Singapore*	100	100
Fabrica de Artefatos de Latex Blowtex Ltda.	Brazil*(i)	100	100
Medical Telectronics N.V.	Netherlands Ant.*	100	100
Pacific Dunlop Holdings (Europe) Ltd.	United Kingdom*	100	100
Ansell Healthcare Europe N.V.	Belgium*	100	100
Ansell GmbH	Germany*	100	100
Ansell Italy Srl	Italy*	100	100
Ansell Medikal Urunler Ithalat Ihracat Uretim ve Ticaret A.S.	Turkey*	100	100
Ansell Norway AS	Norway*	100	100
Ansell Protective Solutions AB	Sweden*	100	100
Ansell Protective Solutions Lithuania UAB	Lithuania*	100	100
Ansell Rus LLC	Russia*	100	100
Ansell S.A.	France*	100	100
Ansell SW Europe SAS	France*(i)	100	100
Ansell Services Poland Sp. z o.o.	Poland*	100	–
Ansell Spain SL (Sociedad de Responsabilidad Limitada)	Spain*	100	100
Comasec SAS	France*	100	100
Ampelos International Malaysia	Malaysia*	100	100
Ansell Industrial & Specialty Gloves Malaysia Sdn. Bhd.	Malaysia*	100	100
Comasec Holdings Ltd.	United Kingdom*	100	100
Marigold Industrial Ltd.	United Kingdom*	100	100
Ansell Portugal – Industrial Gloves, Sociedade Unipessoal, Lda	Portugal*	100	100
Unimil Sp. z o.o.	Poland*(i)	100	100
Ansell UK Limited	United Kingdom*(i)	100	100
Ansell Korea Co. Ltd.	South Korea*	100	100
Ansell Vina Corporation	Vietnam*	100	100
Ansell Microgard Ltd.	United Kingdom*	100	100
Ansell Xiamen Limited	China*	100	100
Ansell Microgard Xiamen Limited	China*	100	100

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	Country of Incorporation	Beneficial Interest 2017 %	Beneficial Interest 2016 %
Nitritex Limited	United Kingdom*	100	–
Nitritex (M) Sdn. Bhd.	Malaysia*	100	–
Nitritex Canada Ltd.	Canada*	100	–
Pacific Dunlop Holdings (Singapore) Pte. Ltd.	Singapore*	100	100
Ansell India Protective Products Pvt Ltd.	India*	100	–
JK Ansell Ltd.	India*	50	50
Ansell (Hong Kong) Limted.	Hong Kong*	100	100
PDOCB Pty. Ltd.	Australia	100	100
Ansell Medical Products Pvt. Ltd.	India*	100	100
Suretex Ltd.	Thailand*(i)	100	100
Latex Investments Ltd.	Mauritius*(i)	100	100
Suretex Prophylactics (India) Ltd.	India*(i)	100	100
Wuhan Jissbon Sanitary Products Company Ltd.	China*(i)	90(a)	90(a)
Guangzhou Kangwei Trading Co Ltd	China*(i)	90	90
Shanghai Feidun Trading Company Ltd.	China*(i)	90	90
Shenyang Yipeng Trading Company Ltd.	China*(i)	90	90
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
SXWELL Australia Pty. Ltd.	Australia*(i)	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) Owned 49.2% by P.D. International Pty. Ltd. and 40.8% by Pacific Dunlop Holdings (China) Co. Ltd.

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

(i) Subsidiaries forming part of the sale of the Sexual Wellness business.

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

- Ansell Ambi Sdn. Bhd.
- Ansell (Kedah) Sdn. Bhd.
- Ansell Germany GmbH
- STX Prophylactics S.A. (Pty.) Ltd.

18. Acquisitions and Disposal Group Held for Sale

(a) Acquisitions

Nitritex Limited

Effective 1 February 2017, Ansell Limited acquired 100% of Nitritex Limited, a manufacturer of premium cleanroom life sciences consumables with head quarters in the United Kingdom. With approximately 250 employees, the Company specialises in a broad range of sterile and non sterile consumables including disposable gloves, garments, goggles, face masks and accessories. Nitritex Limited forms part of the Single Use GBU. The acquisition will provide an opportunity for the Group to better serve the needs of life sciences customers and accelerate growth. The Income Statement includes the results of Nitritex Limited from the acquisition date.

In the five months to 30 June 2017, Nitritex Limited contributed revenue of $12.0 million and profit of $2.8 million to the Group's result.

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

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

	US$m
Assets	
Cash and cash equivalents	15.3
Trade and other receivables	4.0
Inventories	5.4
Property, plant and equipment	1.5
Other content assets	0.2
	26.4
Liabilities	
Trade and other payables	1.9
Provisions and other liabilities	1.8
	3.7
Total identifiable net assets at fair value	22.7
Goodwill on acquisition	48.7
Consideration paid	71.4
Analysis of cash flows on acquisition	
Net cash acquired	15.3
Cash paid	(71.4)
Net cash outflow on acquisition	(56.1)

If the acquisition of Nitritex Limited was completed effective 1 July 2016, estimated revenue for the Group for the 12 months to 30 June 2017 would have been $154.4 million for total continuing and discontinued operations.

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.

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(b) Disposal group held for sale

On 25 May 2017 Ansell Limited announced that it had executed a binding agreement for the sale of its Sexual Wellness business for US$600 million to Humanwell Healthcare (Group) Co., Ltd and CITIC Capital China Partners III, L.L.P. The transaction is subject to regulatory approvals and is expected to be completed in the first half of the 2018 financial year.

The comparative consolidated statement of profit or loss has been restated to show the discontinued operation separately from continuing operations. Assets and liabilities of the disposal group have been reclassified to assets held for sale and liabilities held for sale respectively.

	2017 US$m	2016 US$m
Results of the discontinued operations		
Revenue	225.2	220.0
Expenses	(185.2)	(189.0)
Profit before income tax	40.0	31.0
Income tax expense	(11.0)	(9.1)
Profit after income tax	29.0	21.9
Non-controlling interests	(0.8)	(1.3)
Profit from discontinued operations attributable to Ansell Limited Shareholders	28.2	20.6
Other comprehensive income from discontinued operations		
Items that will not be reclassified to the Income Statement		
Remeasurement of defined benefit superannuation plans (net of tax)	(0.1)	(0.1)
Items that may subsequently be reclassified to the Income Statement		
Net exchange difference on translation of financial statements of foreign subsidiaries	1.0	(7.4)
Other comprehensive income from discontinued operations	0.9	(7.5)
Attributable to Ansell Limited shareholders:		
Ansell Limited shareholders	1.3	(5.0)
Non-controlling interests	(0.4)	(2.5)
Other comprehensive income from discontinued operations	0.9	(7.5)
Cash flows from discontinued operations		
Net cash from operating activities	36.2	26.0
Net cash used in investing activities	(5.4)	(8.7)
Net cash used in financing activities	(1.2)	(0.8)
Net cash flows for the year	29.6	16.5

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***18. Acquisitions and Disposal Group Held for Sale** continued*

Assets and liabilities of disposal group held for sale

As at 30 June 2017, the disposal group was stated at carrying value and comprised the following assets and liabilities:

	2017 US$m
Trade and other receivables	51.4
Inventories	37.0
Property, plant and equipment	37.0
Intangible assets	70.1
Deferred tax assets	3.7
Other assets	1.7
Assets held for sale	200.9
Trade and other payables	33.7
Provisions	6.3
Current tax liabilities	2.8
Liabilities held for sale	42.8

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 which 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 re-measurement are recognised in profit or loss.

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 ending 30 June 2017, the parent company of the Group was Ansell Limited.

	2017 US$m	2016^ Restated US$m
Result of the parent entity		
Profit for the period	16.1	66.0
Other comprehensive income	(4.5)	(5.9)
Total comprehensive income for the period, from continuing operations, net of income tax	11.6	60.1

^ In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* prior year comparatives have been restated to be consistent with disclosures for 30 June 2017. Refer to Note 18(b) Disposal Group held for sale.

Financial position of the parent entity at year end

This table summarises information related to continuing operations at 30 June 2017 and all operations at 30 June 2016:

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	2017 US$m	2016 US$m
Current assets	684.7	653.1
Assets held for sale	18.5	–
Total assets	2,311.7	2,245.1
Current liabilities	1,100.1	1,024.5
Liabilities held for sale	0.4	–
Total liabilities	1,103.6	1,027.8
Total equity of the parent entity comprising:		
Issued capital	1,142.2	1,146.9
Reserves	(249.3)	(289.7)
Retained profits	315.2	360.1
Total equity	1,208.1	1,217.3

The Group has a net current asset position of $698 million (2016: $531.9 million) which the parent company controls. As at 30 June 2017, the parent company has a net current liability position of $415.4 million (2016: $371.4 million). The Directors will ensure that the parent company has, at all times, sufficient funds available from the Group to meet its commitments.

Parent entity guarantee

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

20. Related Party Disclosures

(a) Subsidiaries

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

(b) Transactions with Key Management Personnel

(i) Key Management Personnel remuneration

	2017 US$	2016 US$
Short-term benefits	9,283,091	7,454,232
Post-employment benefits	629,885	878,829
Share-based payments	1,712,985	(1,466,068)
Long term cash-based incentives	-	(678,221)
Restricted share awards	568,864	1,146,709
Termination benefits	-	11,512
	12,194,825	7,346,993

(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.

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21. Ownership-based Remuneration Schemes

Long Term Incentive Plans

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

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

The fair value of PSRs is calculated at grant date. The fair values and the factors and assumptions used in determining the fair values of the PSRs applicable for the 2017 financial year are as follows:

Instrument	Grant Date	Vesting Date	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
PSRs	13/8/2015	30/6/2018	A$18.53	A$20.20	N/A	3.00%
PSRs	11/8/2016	30/6/2019	A$17.95	A$19.49	N/A	2.85%

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.

Options

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

Executive Share Plan

The number of Executive Plan Shares (ordinary plan shares paid to A$0.05) as at balance date are shown in Note 13 Issued Capital and Reserves.

22. Auditors' Remuneration

	2017 US$m	2016 US$m
Audit and review of the financial reports:		
Auditors of Ansell Limited and Australian entities – KPMG	1,572,490	1,282,622
Other member firms of KPMG[(i)]	960,200	1,135,575
	2,532,690	2,418,197
Other services[(ii)]:		
Advisory services		
Other member firms of KPMG	132,016	–
Other audit and assurance services		
Other member firms of KPMG	2,140	4,646
Taxation and other services		
Other member firms of KPMG	6,647	28,101
Total other services	140,803	32,747
Total auditors' remuneration	2,673,493	2,450,944

(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.

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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 89 to 132, and the Remuneration Report contained in the Report by the Directors, set out on pages 55 to 88, 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 2017 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;

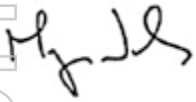
   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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 2017.

Signed in accordance with a resolution of the Directors:



G L L Barnes
Director



M R Nicolin
Director

Dated in Melbourne this 14th day of August 2017.

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Independent Audit Report
to the members of Ansell Limited

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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 2017 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:

- The consolidated balance sheet as at 30 June 2017;
- The 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;
- Selected notes including a summary of significant accounting policies; and
- The 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.

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Key Audit Matters

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

- Valuation of goodwill and brand names; and
- 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$982.6m)

Refer to Note 9 to the Financial Report

The key audit matter	How the matter was addressed in our audit
At 30 June 2017, the Group has $982.6m (40% of total assets) of goodwill and brand names. The sectors in which the Group operates experienced economic and currency volatility during the current period. In addition, one of the Group's key strategic focuses is on organic growth through new product development. The inherent uncertainty in the performance of new products and the sector volatility increase the risk of impairment and also present challenges to the Group's cash flow forecasting. Further, 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. Valuation of goodwill and brand names is a key audit matter due to: • 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 management judgement involved. The key assumptions in the cash flow models included the forecast revenue growth rate, in particular the estimated growth from the newly launched products, terminal growth rate, raw material prices, and margin percentages; and • the significant judgements incorporated in the Group's determination of discount rates used for each CGU and the challenges associated with auditing these discount rates to determine whether they reflected the specific risks of each business and the primary regions they operate in, subject to various weighting assumptions.	Our procedures included: • assessing the accuracy of prior period cash flow forecasts of the Group by reference to actual performance, taking into account the significant judgements made by management, 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: - assessing the relevant cash flow forecasts and underlying assumptions against the latest Board approved long range plan ('LRP') and the new product strategy; - challenging the Group's forecast revenue growth rate, raw material prices 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 (including a reduction in orders over the year) and expected volatility in the forecast period; and - considering the appropriateness of the terminal growth rates used by management by comparing to relevant Gross Domestic Product growth rates and industry trends. • involving our valuation specialists and assessing the reasonableness of the discount rate for each CGU by comparing the underlying weighting assumptions against the Group's operation model, considering comparable market information, and evaluating the economic assumptions relating to cost of debt and cost of equity applicable to each of the CGUs in different countries and regions.

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Taxation (Income Tax Expense USD$33.9m, Deferred Tax Assets (USD$88.5m), Deferred Tax Liabilities (USD$89.9m, Current Tax Liabilities USD$29m)	
Refer to Note 4 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
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 continued global commercial strategy. This strategy includes: • manufacturing in countries with access to raw materials (including Sri Lanka, Thailand, India, Mexico, Korea 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. Taxation is a key audit matter due to: • 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 significant cross border transactions experience and expertise in transfer pricing in key operational locations including; US, Belgium and Australia; • the changing tax environment where there have been significant developments to improve the transparency of tax arrangements; and • the heightened awareness of tax disclosures given the global focus on tax transparency.	Our procedures included: • identifying key tax areas that impacted the Group by: - 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 and legislation; • 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 corroborating explanations from management using sources such as: - 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 the external tax advisors. We assessed the skills and competencies of external advisors; • evaluating the tax balances and potential exposures disclosure in the financial statements against accounting standards requirement.

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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.

The Other information we obtained prior to the date of this Auditor's report was the Operating and Financial Review, Report by the Directors and Remuneration Report. The remaining Other Information, which includes About Ansell, Our Purpose and Vision, Our Values, Financial Summary, Global Business Units, Chairman's Review, Chief Executive Officer's Review, Five-Year Summary, Corporate Social Responsibility & Sustainability Report, Board of Directors, Executive Leadership Team, Shareholders and Shareholders Information is expected to be made available to us after the date of the Auditor's report.

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.

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 controls 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; and
- assessing the Group's ability to continue as a going concern. 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 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 this 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_files/ar2.pdf. This description forms part of our Auditor's Report.

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Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Ansell Limited for the year ended 30 June 2017 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 in the Directors' report for the year ended 30 June 2017.

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

KPMG

Alison Kitchen
Partner

Suzanne Bell
Partner

Melbourne
14 August 2017

Shareholders

Details of quoted shares held in Ansell Limited as at 18 August 2017.

Distribution of Ordinary Shareholders and Shareholdings

Size of Holding	Number of Shareholders	Number of Shares	Percentage of Total
1 – 1,000	29,248	10,392,817	7.06%
1,001 – 5,000	7,183	13,744,640	9.33%
5,001 – 10,000	508	3,478,001	2.36%
10,001 – 100,000	185	4,191,175	2.84%
100,001 and over	35	115,521,829	78.41%
Total	37,159	147,328,462	100%

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

Percentage of the total holdings of the 20 largest shareholders = 73.42%.

In addition to the foregoing, there were 21 members of the Executive Share Plan, whose shares are paid to 5 cents each, holding 53,900 Plan shares.

Voting rights as governed by the Constitution of the Company provide that each ordinary share holder present in person or by proxy at a meeting shall have:

(a) on a show of hands, one vote only;

(b) on a poll, one vote for every fully paid ordinary share held.

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Shareholders continued

Details of quoted shares held in Ansell Limited as at 18 August 2017.

Twenty Largest Shareholders

Rank	Registered Holder	Number of Fully Paid Shares	Percentage of Issued Capital
1	HSBC Custody Nominees (Australia) Limited	55,291,453	37.53%
2	J P Morgan Nominees Australia Limited	20,235,607	13.74%
3	Citicorp Nominees Pty Limited	14,244,037	9.67%
4	National Nominees Limited	9,915,479	6.73%
5	BNP Paribas Noms Pty Ltd <DRP>	4,510,302	3.06%
6	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,638,678	1.11%
7	Australian Foundation Investment Company Limited	1,283,865	0.87%
8	HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	1,268,664	0.86%
9	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	1,069,354	0.73%
10	Argo Investments Limited	786,972	0.53%
11	IOOF Investment Management Limited <IPS Super A/C>	463,883	0.31%
12	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd DRP	385,315	0.26%
13	Sandhurst Trustees Ltd <SISF A/C>	375,000	0.25%
14	Australian Executor Trustees Limited <No 1 Account>	372,454	0.25%
15	HSBC Custody Nominees (Australia) Limited – A/C 2	354,779	0.24%
16	SBN Nominees Pty Limited <10004 Account>	348,000	0.24%
17	RBC Investor Services Australia Nominees Pty Limited <MBA A/C>	294,090	0.20%
18	The Manly Hotels Pty Limited	222,854	0.15%
19	Mirrabooka Investments Limited	200,000	0.14%
20	BNP Paribas Noms (NZ) Ltd <DRP>	184,955	0.13%
Top 20 Holders of Ordinary Fully Paid Shares		113,445,741	77.00%
Total Remaining Holders Balance		33,882,721	23.00%

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Shareholder Information

Register of Substantial Shareholders (as at 30 June 2017)

The names of substantial shareholders in the Company and the number of fully paid ordinary shares in which each has an interest, as disclosed in substantial shareholder notices to the Company on the respective dates shown, are as follows:

Substantial Date	Name of Shareholder	Number of Shares	Percentage of Issued Shares
3 December 2015	BlackRock, Inc.	14,308,907	9.71%
16 February 2017	Investors Mutual Limited	8,190,070	5.56%

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Shareholder Information continued

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Annual Report

Ansell's Annual Report 2017 provides shareholders with a summary of the Group's operations and contains the full financial statement for FY17. The Annual Report 2017 provides a summary of the Group's financial performance, financial position, and financing and investing activities. There is currently an on-market buy-back.

Ansell Limited has opted to deliver its Annual Reports by making them available on our company website, www.ansell.com. Shareholders are entitled to receive a printed copy of the Annual Report, but the Company will only send a printed copy to shareholders who elect to receive one.

Shareholders can also access other information pertaining to the Company and its activities from its website at www.ansell.com.

Change of Address

Shareholders should notify the Company in writing immediately there is a change to their registered address. For added protection, shareholders should quote their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

Dividend

A final dividend of US 23.75 cents per share will be paid on 8 September 2017 to shareholders registered on 21 August 2017.

The dividend will be unfranked.

Australian shareholders must elect to have cash dividends paid directly into any bank, building society or credit union account in Australia. Shareholders with a registered address in Canada can receive their dividends in US dollars.

Company Directory

The Annual Report and the Company's internet site are the main sources of information for investors. Shareholders who wish to contact the Company on any matter relating to its activities are invited to contact the most convenient office listed below, or contact the Company via its website at www.ansell.com.

Investor Relations Contact

Australia – Registered Company Office

Mr David Graham
Ansell Limited
Level 3
678 Victoria Street
Richmond, VIC, 3121
Telephone: +61 3 9270 7270
Facsimile: +61 3 9270 7300
Email: shareholderenquiries@ap.ansell.com

Europe

Mr Neil Salmon
Ansell Limited
Boulevard International 55,
1070 Anderlecht, Belgium
Telephone: +32 2 528 7559
Facsimile: + 32 2 528 74 01
Email: neil.salmon@ansell.com

Company Secretary

Australia – Registered Company Office

Ms Catherine Stribley
Ansell Limited
Level 3
678 Victoria Street
Richmond VIC 3121
Telephone: +61 3 9270 7270
Facsimile: +61 3 9270 7300
Email: catherine.stribley@ansell.com

United States

Mr Michael Gilleece
Ansell Limited
Suite 210
111 Wood Avenue, South
Iselin NJ 08830
Telephone: +1 732 345 3598
Facsimile: +1 732 219 5130
Email: michael.gilleece@ansell.com

Enquiries

Shareholders requiring information about their shareholdings should contact the Company's registry at:

Shareholder Information continued

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Computershare Investor Services Pty Ltd

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
or
GPO Box 2975
Melbourne VIC 3001
Australia
Telephone: +61 3 9415 4000
Facsimile: +61 3 9473 2500

Shareholder Enquiries: 1300 850 505 (Australian residents only) Email: web.queries@computershare.com.au or visit Computershare's Investor Centre online at www.investorcentre.com where shareholder information can be accessed. You will need to have your SRN or HIN along with your postcode.

Listings

Ansell Limited shares (Ticker Symbol ANN) are listed on the Australian Stock Exchange.

Financial Calendar – 2018

12 February 2018

Announcement of result for half-year ending 31 December 2017

20 August 2018

Announcement of result for year ending 30 June 2018

18 October 2018

Annual General Meeting

Refer to Ansell's website for Shareholder Calendar dates.

Registered Office

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

Americas Commercial Hub

Commercial contact: Mark Nicholls
Suite 210, 111 Wood Avenue South
Iselin, New Jersey, 08830
United States of America

EMEA/APAC Commercial Hub

Commercial contact: Peter Dobblesteijn
Boulevard International 55
1070 Anderlecht
Belgium

Cyberjaya Commercial Hub

Commercial contact: Darryl Nazareth
Prima 6, Prima Avenue
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