



Appendix 4D

Condensed consolidated half year financial report For the six months ended 31 December 2017

Ansell Limited and Subsidiaries

ACN 004 085 330

This half year financial report is a general purpose financial report prepared in accordance with the ASX listing rules and Accounting Standard AASB 134: Interim Financial Reporting and is presented in United States dollars (\$). It should be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements to the market made by the entity during the period. The financial statements in this report are 'condensed financial statements' as defined in AASB 134: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report.

Appendix 4D

Condensed consolidated half year financial report

For the six months ended 31 December 2017

Ansell Limited and Subsidiaries

ACN 004 085 330

Results for Announcement to the Market

			\$m
Revenue from ordinary activities from continuing operations	up	8.8%	722.2
Revenue from ordinary activities from discontinued operations	down	(60.5)%	44.2
Total revenue from ordinary activities	down	(1.2)% to	766.4
Operating profit after tax attributable to members from continuing operations	up	23.8%	66.6
Operating profit after tax attributable to members from discontinued operations	up	2160.0%	361.6
Total operating profit after tax attributable to members	up	513.5% to	428.2
Net profit for the period attributable to members from continuing operations	up	23.8%	66.6
Net profit for the period attributable to members from discontinued operations	up	2160.0%	361.6
Total net profit after tax attributable to members	up	513.5% to	428.2

Dividends (distributions)

	Amount per share	Franked amount per share
Dividend	20.50¢	Partially franked to approximately 11.0¢ per share
Record date for determining entitlements to the dividend	19 February 2018	
Dividend Reinvestment Plan election cut off date	20 February 2018	
Dividend payment date	8 March 2018	

Net Tangible Asset backing

	31 December 2017 \$m	31 December 2016 \$m
Shareholders' Equity attributable to Ansell Limited shareholders	1,547.5	1,134.9
Less Intangible Assets	(1,042.4)	(1,058.7)
Net Tangible Assets	505.1	76.2
	No. Shares	No. Shares
Total fully paid ordinary shares on issue (millions)	143.2	147.4
Net tangible asset backing per ordinary share	\$3.53	\$0.52

■ Refer to the accompanying ASX Announcement for commentary on the figures reported above.

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.
- 2 This report, and the accounts upon which the report is based, use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on accounts which have been subject to review by external auditors.
- 5 The entity has a formally constituted audit and compliance committee.



Signed: Date 12 February 2018
Company Secretary

Name: C. Stribley

ANSELL LIMITED

ABN 89 004 085 330

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

This Report by the Directors of Ansell Limited (**the Company**) is made pursuant to the provisions of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2017 and is accompanied by the Condensed Consolidated Interim Financial Report of the Company and its subsidiaries (**the Group**), for the half-year ended 31 December 2017, in the form of ASX Appendix 4D.

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

1. Directors

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

Glenn L L Barnes	(Chairman)
John Bevan	
Ronald J S Bell	
L. Dale Crandall	(Retired 20 October 2017)
W. Peter Day	
Leslie Desjardins	
Marissa T Peterson	
William G Reilly	(Appointed 20 October 2017)
Christina M Stercken	(Appointed 20 October 2017)
Magnus R Nicolin	(Managing Director and Chief Executive Officer)

2. Review and Results of Operations

A review of the operations of the Group during the half-year ended 31 December 2017 and the results of those operations is contained in the attached Half-Year Results Announcement.

3. Auditor's Independence Declaration

A copy of the independence declaration received from the Company's auditor, KPMG, in accordance with section 307C of the *Corporations Act 2001*, in respect of the review undertaken in relation to the Consolidated Interim Financial Report for the half year financial period ending 31 December 2017, is attached.

4. Rounding Off

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 Consolidated Interim Financial Report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

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

A handwritten signature in black ink, appearing to read "G L L Barnes", with a long horizontal line extending to the right.

G L L Barnes
Director

A handwritten signature in black ink, appearing to read "M R Nicolin", with a long horizontal line extending to the right.

M R Nicolin
Director

Dated in Melbourne this 12th day of February 2018



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 half year review of Ansell Limited for the half year ended 31 December 2017 there have been:

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

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'S Bell'.

Suzanne Bell
Partner

Melbourne

12 February 2018

Condensed Consolidated Income Statement

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

	Note	2017 \$m	2016 [^] Restated \$m
Continuing operations			
Revenue			
Sales revenue		722.2	664.0
Expenses			
Cost of goods sold		(449.6)	(403.3)
Distribution		(31.2)	(29.8)
Selling, general and administration including restructuring and change in accounting estimate	3(a)	(177.7)	(149.1)
Total expenses, excluding financing costs		(658.5)	(582.2)
Net financing costs		(6.3)	(11.1)
Profit before income tax		57.4	70.7
Income tax benefit/(expense)	3(b)	9.9	(16.0)
Profit from continuing operations		67.3	54.7
Discontinued operations			
Profit from discontinued operations, net of income tax	9(b)	361.8	16.4
Profit for the period		429.1	71.1
Profit for the period is attributable to:			
Ansell Limited shareholders		428.2	69.8
Non-controlling interests		0.9	1.3
Profit for the period		429.1	71.1

		2017 US cents	2016 US cents
Earnings per share from continuing operations			
Basic earnings per share	6	46.0	36.5
Diluted earnings per share	6	45.3	36.1
Earnings per share from discontinued operations			
Basic earnings per share	6	249.6	10.9
Diluted earnings per share	6	246.0	10.7

[^] 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 31 December 2017. Refer to Note 9(b) Discontinued operation.

Condensed Consolidated Statement of Comprehensive Income

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

	2017 \$m	2016 \$m
Profit for the period	429.1	71.1
Other comprehensive income		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Net exchange difference on translation of financial statements of foreign operations	9.9	(25.9)
Net movement in effective hedges for period	2.1	6.5
Tax (expense)/benefit on items that may subsequently be transferred to profit and loss	0.1	(2.2)
<i>Total items that may be subsequently reclassified to profit or loss</i>	<u>12.1</u>	<u>(21.6)</u>
Other comprehensive income for the period, net of income tax	12.1	(21.6)
Total comprehensive income for the period	441.2	49.5
Attributable to:		
Ansell Limited shareholders	439.4	48.8
Non-controlling interests	1.8	0.7
Total comprehensive income for the period	441.2	49.5
Attributable to Ansell Limited shareholders		
From continuing operations	70.3	38.0
From discontinued operations	369.1	10.8
Total comprehensive income for the period attributable to Ansell Limited shareholders	439.4	48.8

Condensed Consolidated Statement of Financial Position

of Ansell Limited and Subsidiaries

	31 December 2017 \$m	30 June 2017 \$m
Current Assets		
Cash on hand	0.1	0.2
Cash at bank and on deposit	597.5	313.4
Cash - restricted deposits	3.2	3.0
Trade and other receivables	190.0	189.9
Derivative financial instruments	7.5	4.6
Inventories	351.4	331.9
Other current assets	15.3	16.8
Assets held for sale	5.8	200.9
Total Current Assets	1,170.8	1,060.7
Non-Current Assets		
Trade and other receivables	3.2	2.7
Derivative financial instruments	3.0	4.0
Property, plant and equipment	228.2	217.9
Intangible assets	1,042.4	1,049.8
Deferred tax assets	86.1	88.5
Other non-current assets	28.0	26.9
Total Non-Current Assets	1,390.9	1,389.8
Total Assets	2,561.7	2,450.5
Current Liabilities		
Trade and other payables	230.6	222.5
Derivative financial instruments	7.8	7.9
Interest-bearing liabilities	4.0	3.8
Provisions	37.0	56.7
Current tax liabilities	28.9	29.0
Liabilities held for sale	4.4	42.8
Total Current Liabilities	312.7	362.7
Non-Current Liabilities		
Trade and other payables	3.5	1.3
Derivative financial instruments	0.2	0.8
Interest-bearing liabilities	560.6	716.7
Provisions	8.3	8.2
Retirement benefit obligations	18.6	19.0
Deferred tax liabilities	72.2	89.9
Other non-current liabilities	22.7	23.2
Total Non-Current Liabilities	686.1	859.1
Total Liabilities	998.8	1,221.8
Net Assets	1,562.9	1,228.7
Equity		
Issued capital	1,071.4	1,142.2
Reserves	(65.8)	(78.2)
Retained profits	541.9	146.9
Total Equity Attributable to Ansell Limited Shareholders	1,547.5	1,210.9
Non-controlling interests	15.4	17.8
Total Equity	1,562.9	1,228.7

Condensed Consolidated Statement of Changes in Equity

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

	2017 \$m	2016 \$m
Total Equity at the beginning of the financial year	1,228.7	1,136.7
Total comprehensive income for the period attributable to:		
Ansell Limited shareholders	439.4	48.8
Non-controlling interests	1.8	0.7
Transactions with owners attributable to Ansell Limited shareholders:		
Shares issued under Dividend Reinvestment plan	1.7	2.3
Share buy-back	(72.5)	(4.8)
Share-based payments reserve	3.0	2.2
Dividends	(35.1)	(34.6)
Transactions with owners attributable to non-controlling interests:		
Non-controlling interests of entities disposed	(3.0)	-
Dividends	(1.1)	(0.4)
Total Equity at the end of the period	1,562.9	1,150.9

Condensed Consolidated Statement of Changes in Equity

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

	2017 \$m	2016 \$m
Issued Capital		
Balance at 1 July	1,142.2	1,146.9
Additional capital issued	1.7	2.3
Buy-back of shares	(72.5)	(4.8)
Total Issued Capital at 31 December	1,071.4	1,144.4
Reserves		
Share-Based Payments Reserve		
Balance at 1 July	47.7	43.0
Charge to the income statement for the period	3.0	2.2
Balance at 31 December	50.7	45.2
Hedging Reserve		
Balance at 1 July	(2.1)	(2.2)
Net movement in effective hedges for the period	2.2	4.3
Balance at 31 December	0.1	2.1
General Reserve		
Balance at 1 July	12.0	11.7
Transfer (to)/from retained profits	(1.9)	0.2
Balance at 31 December	10.1	11.9
Foreign Currency Translation Reserve		
Balance at 1 July	(127.5)	(132.5)
Net exchange difference on translation of financial statements of foreign subsidiaries	9.1	(25.3)
Balance at 31 December	(118.4)	(157.8)
Transactions with Non-Controlling Interests		
Balance at 1 July	(10.9)	(10.9)
Balance at 31 December	(10.9)	(10.9)
Fair Value Reserve		
Balance at 1 July	2.6	2.6
Balance at 31 December	2.6	2.6
Total Reserves at 31 December	(65.8)	(106.9)
Retained Profits		
Balance at 1 July	146.9	62.4
Transfer from/(to) reserves	1.9	(0.2)
Net profit attributable to Ansell Limited shareholders	428.2	69.8
Items of other comprehensive income recognised directly in retained profits:		
Dividends to Ansell Limited shareholders	(35.1)	(34.6)
Retained Profits at 31 December	541.9	97.4
Total Equity at 31 December attributable to Ansell Limited shareholders	1,547.5	1,134.9
Non-controlling interests		
Issued Capital	1.1	1.5
Reserves	2.1	1.3
Retained Profits	12.2	13.2
Total Non-controlling interests	15.4	16.0
Total Equity	1,562.9	1,150.9

Condensed Consolidated Statement of Cash Flows

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

	2017 \$m	2016* \$m
Cash Flows Related to Operating Activities		
Receipts from customers	780.3	782.9
Payments to suppliers and employees	(703.8)	(682.4)
Net receipts from customers	76.5	100.5
Income taxes paid	(19.1)	(16.6)
Net Cash Provided by Operating Activities	57.4	83.9
Cash Flows Related to Investing Activities		
Payments for businesses, net of cash acquired	(1.0)	-
Purchase of property, plant and equipment and intangible assets	(21.1)	(29.7)
Proceeds from the sale of property, plant and equipment	0.1	0.2
Proceeds from the disposal of discontinued operations, net of cash disposed and disposal costs	565.8	-
Income tax paid on the net gain on the disposal of discontinued operations	(37.7)	-
Net Cash Provided by/(Used in) Investing Activities	506.1	(29.5)
Cash Flows Related to Financing Activities		
Proceeds from borrowings	-	2.5
Repayments of borrowings	(167.0)	(20.8)
Net repayments of borrowings	(167.0)	(18.3)
Payments for share buyback	(72.5)	(4.8)
Dividends paid - Ansell Limited shareholders	(33.4)	(32.3)
Dividends paid - Non-controlling interests	(1.1)	(0.4)
Interest received	3.4	1.7
Interest and financing costs paid	(12.6)	(12.5)
Net Cash Used in Financing Activities	(283.2)	(66.6)
Net increase/(decrease) in cash and cash equivalents	280.3	(12.2)
Cash and cash equivalents at the beginning of the period	316.6	272.7
Effect of movements in exchange rates on cash held	3.9	(9.3)
Cash and Cash Equivalents at the end of the period	600.8	251.2
Cash and Cash Equivalents at the end of the period comprises:		
Cash on hand	0.1	0.2
Cash at bank and on deposit	597.5	248.0
Cash - restricted deposits	3.2	3.0
	600.8	251.2

*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 Discontinued operation. Refer to Note 9(b) Discontinued operation.

Notes to the condensed consolidated interim 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.

Following the announcement of the sale of the Sexual Wellness business the Group was reorganised into two Global Business Units being:

- Healthcare GBU (previously Medical GBU and Single Use GBU); and
- Industrial GBU

Statement of Compliance

The condensed consolidated half year financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and are presented in United States dollars.

The consolidated financial statements were authorised for issue by the Board of Directors on 12 February 2018.

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.

Accounting Estimates and Judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2017.

Recognising the increasing complexity and difficulty in reliably estimating the useful life of product and technology development costs, the Company has determined that expensing development costs as incurred will generally be more appropriate. Consistent with this determination, previously capitalised development costs have also now been expensed. Refer to Note 3 (a) for details of the financial impact.

Significant Accounting Policies

The accounting policies applied in these half year financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 30 June 2017. The accounting policies have been applied consistently by all entities in the Group.

Notes to the condensed consolidated interim financial statements

2. Operating Segments

The Group comprises the following main operating segments:

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

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

	Operating Segments					Total Group
	Healthcare	Industrial	Corporate	Continuing Operations	Discontinued Operations	
	\$m	\$m	\$m	\$m	\$m	\$m
31 December 2017						
Sales Revenue	372.8	349.4	-	722.2	44.2	766.4
Profit/(loss) before restructuring, change in accounting estimate, gain on the sale of business, net financing costs and income tax expense	52.2	38.4	(6.3)	84.3	3.8	88.1
Restructuring	(2.4)	(4.0)	(3.0)	(9.4)	-	(9.4)
Change in accounting estimate - development costs	(3.9)	(7.3)	-	(11.2)	(1.3)	(12.5)
Gain on the sale of business	-	-	-	-	411.5	411.5
Net financing costs	-	-	(6.3)	(6.3)	-	(6.3)
Profit before income tax expense	45.9	27.1	(15.6)	57.4	414.0	471.4
Income tax benefit/(expense)				9.9	(52.2)	(42.3)
Profit after income tax				67.3	361.8	429.1
Non-controlling interests				(0.7)	(0.2)	(0.9)
Net profit attributable to Ansell Limited shareholders				66.6	361.6	428.2
Segment depreciation and amortisation	7.0	9.0	3.2	19.2	0.7	19.9
Segment capital expenditure	6.0	14.5	0.2	20.7	0.4	21.1
	Operating Segments					Total Group
	Healthcare	Industrial	Corporate	Continuing Operations	Discontinued Operations	
	\$m	\$m	\$m	\$m	\$m	\$m
31 December 2016⁽¹⁾						
Sales Revenue	338.1	325.9	-	664.0	111.8	775.8
Profit/(loss) before net financing costs and income tax expense	50.9	39.2	(8.3)	81.8	22.8	104.6
Net financing costs	-	-	(11.1)	(11.1)	-	(11.1)
Profit before income tax expense	50.9	39.2	(19.4)	70.7	22.8	93.5
Income tax expense				(16.0)	(6.4)	(22.4)
Profit after income tax				54.7	16.4	71.1
Non-controlling interests				(0.9)	(0.4)	(1.3)
Net profit attributable to Ansell Limited shareholders				53.8	16.0	69.8
Segment depreciation and amortisation	7.1	9.4	3.8	20.3	2.1	22.4
Segment capital expenditure	11.4	15.4	0.4	27.2	2.5	29.7

	Assets		Liabilities	
	December 2017	June 2017	December 2017	June 2017
	\$m	\$m	\$m	\$m
Operating segments				
Healthcare	1,034.6	1,033.0	109.1	114.4
Industrial	751.8	735.2	113.5	119.8
Corporate	769.5	481.4	771.8	944.8
Total continuing operations	2,555.9	2,249.6	994.4	1,179.0
Discontinued operations	5.8	200.9	4.4	42.8
Total Group	2,561.7	2,450.5	998.8	1,221.8

⁽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 31 December 2017. Refer to Note 9(b) Discontinued operation.

Notes to the condensed consolidated interim financial statements

2. Operating Segments (continued)

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 as follows:

- Asia Pacific - manufacturing facilities in Malaysia, Thailand, Sri Lanka, South Korea, Vietnam and China.
- Europe, Middle East and Africa - manufacturing facilities in Lithuania and Portugal.
- Latin America and Caribbean - manufacturing facility in Brazil.
- North America - manufacturing facilities in Mexico.

The table set out below summarises:

(i) Regional sales revenue from continuing operations

(ii) Regional assets related to continuing operations

	Sales Revenue		Regional Assets	
	December 2017 \$m	December 2016^ \$m	December 2017 \$m	June 2017 \$m
Regions				
Asia Pacific	89.0	79.1	317.3	312.8
Europe, Middle East and Africa	263.1	229.9	179.6	180.4
Latin America and Caribbean	52.2	45.1	47.7	49.4
North America	317.9	309.9	234.0	223.8
Total Regions	722.2	664.0	778.6	766.4

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

	December 2017 \$m	December 2016^ \$m
Sales Revenue	60.3	53.8
	December 2017 \$m	June 2017 \$m
Assets	36.5	47.4

^(*) 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 31 December 2017. Refer to Note 9(b) Discontinued operation.

Notes to the condensed consolidated interim financial statements

3. (a) Profit Before Income Tax

The following table summarises the impact on the profit before income tax for the six months ending 31 December 2017 of:

- (a) Transformation initiative announced on 20 July 2017; and
(b) Change in accounting estimate as described in Note 1 Significant Accounting Policies.

	December 2017 \$m	December 2016 \$m
Continuing operations		
Selling, general and administration		
Restructuring - Transformation initiative	9.4	-
Change in accounting estimate - development costs	11.2	-
Discontinued operations		
Selling, general and administration		
Change in accounting estimate - development costs	1.3	-

3. (b) Income Tax Expense

Effective 1 January 2018 the corporate income rate in the USA reduced from 35% to 21%. This has resulted in a reduction of the Group's net Deferred Tax Liability in the USA of \$18.6 million with a corresponding reduction in the Income Tax Expense of Continuing Operations for the six months to 31 December 2017.

4. Issued Capital

	December 2017	December 2016
Movement in shares on issue		
Fully Paid Ordinary Shares		
Balance at 1 July	147,328,462	147,660,815
Issue of new shares under Dividend Reinvestment plan	99,665	132,678
Share buy-back	(4,184,887)	(350,000)
Conversion of Executive Share Plan shares to fully paid		4,000
Balance at 31 December	143,243,240	147,447,493
Executive Share Plan Shares		
Balance at 1 July	53,900	58,900
Conversion of Executive Share Plan shares to fully paid	-	(4,000)
Balance at 31 December	53,900	54,900

Notes to the condensed consolidated interim financial statements

5. Dividends Paid and Declared

	December 2017 \$m	December 2016 \$m
--	----------------------	----------------------

Dividends Paid

A final dividend of 23.75 cents per share unfranked for the year ended 30 June 2017 (June 2016 - 23.5 cents unfranked) was paid on 8 September 2017 (2016 - 8 September 2016)

35.1 34.6

Dividends Declared

An interim dividend for the year ended 30 June 2018 of 20.50 cents per share partially franked to approximately 11.0 cents per share, has been declared and is payable on 8 March 2018.

The balance of available franking credits in the franking account as at 31 December 2017 was \$6.9 million (2016 - Nil).

6. Earnings per Share (EPS)

	December 2017 \$m	December 2016 \$m
--	----------------------	----------------------

Earnings Reconciliation

Net profit	429.1	71.1
Less Net profit attributable to non-controlling interests	(0.9)	(1.3)

Basic earnings	428.2	69.8
-----------------------	--------------	-------------

From continuing operations	66.6	53.8
From discontinued operations	361.6	16.0
	428.2	69.8

Diluted earnings

From continuing operations	66.6	53.8
From discontinued operations	361.6	16.0
	428.2	69.8

Weighted average number of ordinary shares used as the denominator	No. Shares	No. Shares
Number of ordinary shares for basic earnings per share	144,864,371	147,421,336
Effect of partly paid Executive Plan shares and Performance Share Rights	2,131,681	1,837,519
Number of ordinary shares for diluted earnings per share	146,996,052	149,258,855

Partly paid Executive Plan shares and Performance Share Rights have been included in diluted earnings per share.

	December 2017 cents	December 2016 cents
Earnings per share from continuing operations		
Basic earnings per share	46.0	36.5
Diluted earnings per share	45.3	36.1
Earnings per share from discontinued operations		
Basic earnings per share	249.6	10.9
Diluted earnings per share	246.0	10.7

Notes to the condensed consolidated interim financial statements

7. Financial Instruments

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 (including foreign exchange risk and interest rate exposures). The Group's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's business units.

These policies remain consistent with those disclosed in the consolidated financial statements for the year ended 30 June 2017.

Financial instruments carried at fair value

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different methods have been defined as follows:

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

	December 2017			
	Level 1	Level 2	Level 3	Total
	\$m	\$m	\$m	\$m
Derivative financial assets	-	10.5	-	10.5
Derivative financial liabilities	-	8.0	-	8.0

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.

8. Performance Share Rights

Grants of Performance Share Rights (PSRs) to the Managing Director and certain senior executives under the Group's Long Term Incentive (LTI) Plans were made in August 2015, August 2016 and August 2017 and are due to vest (upon the achievement of the performance hurdles stipulated in the LTI Plan) during the 2018, 2019 and 2020 financial years respectively. The value of these PSRs has been calculated by an external valuation expert and the related cost is amortised over the three year vesting periods.

Notes to the condensed consolidated interim financial statements

9. Acquisitions, Discontinued operation and Disposal Group Held for Sale

(a) Acquisitions

Effective 28 November 2017, Ansell acquired the gammaSUPPLIES business from gammaSUPPLIES LLC. The business is a leading provider of isolator and gauntlet gloves and prep mats to Life Science customers for use in clean room production environments. The acquisition will provide an opportunity for the Group to be a full solution provider to many customers in the validated sterile needs segment.

The total acquisition cost is comprised of an upfront payment of \$1 million, a further \$1.3 million payable over a 4 year period and a contingent consideration of up to \$1.5 million payable after 4 years subject to the business meeting certain sales growth targets. The identifiable net assets acquired at fair value (determined on a provisional basis) were \$0.1 million resulting in goodwill of \$3.7 million.

Recognition and measurement

Business Combinations

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

Notes to the condensed consolidated interim financial statements

9. Acquisitions, Discontinued operation and Disposal Group Held for Sale (continued)

(b) Discontinued operation

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 associated assets and liabilities were consequently presented as held for sale in the year ended 30 June 2017 financial statements.

On 4 September 2017 Ansell Limited reported the closing of the sale of its Sexual Wellness business, followed by Ansell's Brazilian condom business, Blowtex on 3 October 2017.

The comparative consolidated statement of financial performance has been restated to show the discontinued operations separately from continuing operations.

Results of the discontinued operations		31 December 2017 \$m	31 December 2016 \$m
	Note		
Sales Revenue		44.2	111.8
Cost of good sold		(20.0)	(47.5)
Distribution		(2.0)	(4.9)
Selling, general and administration including change in accounting estimate	3(a)	(19.7)	(36.6)
Gain on sale of business		411.5	-
Profit before income tax		414.0	22.8
Income tax expense on trading operations		(0.6)	(6.4)
Income tax expense on gain on sale of business		(51.6)	-
Profit after income tax		361.8	16.4
Non-controlling interests		(0.2)	(0.4)
Profit from discontinued operations attributable to Ansell Limited Shareholders		361.6	16.0

Other comprehensive income from discontinued operations

Net exchange difference on translation of financial statements of foreign subsidiaries	7.6	(5.3)
Other comprehensive income from discontinued operations	7.6	(5.3)

Attributable to Ansell Limited shareholders:

Ansell Limited shareholders	7.5	(5.1)
Non-controlling interests	0.1	(0.2)
Other comprehensive income from discontinued operations	7.6	(5.3)

Cash flows from discontinued operations

Net cash from operating activities	5.0	11.0
Net cash used in investing activities ⁽¹⁾	527.7	(0.5)
Net cash used in financing activities	-	2.0
Net cash flows from discontinued operations	532.7	12.5

⁽¹⁾ The current period includes \$528.1 million being the cash received from the sale of the Sexual Wellness business net of cash disposed, disposal costs paid and tax paid on the gain on sale.

Details of the sale of the discontinued operations

Net sale proceeds	599.2	-
Disposal costs	(26.4)	-
Net disposal consideration	572.8	-
Carrying amount of net assets sold	(161.3)	-
Gain on sale before income tax	411.5	-
Income tax expense on gain	(51.6)	-
Gain on sale after income tax	359.9	-

Notes to the condensed consolidated interim financial statements

9. Acquisitions, Discontinued operation and Disposal Group Held for Sale (continued)

(b) Discontinued operation (continued)

Assets and liabilities of discontinued operations

The carrying amounts of assets and liabilities disposed of as at the date of sale of the Sexual Wellness business on 31 August 2017 and Fabrica de Artefatos de Latex Blowtex Ltda on 30 September 2017 were as follows:

	2017 \$m
Cash and cash equivalents	15.6
Trade and other receivables	33.4
Inventories	36.2
Property, plant and equipment	35.6
Intangible assets	72.7
Deferred tax assets	3.8
Other assets	2.6
Total Assets	199.9
Trade and other payables	25.2
Provisions	7.6
Current tax liabilities	2.8
Other Liabilities	3.0
Total Liabilities	38.6
Net assets disposed	161.3

(c) Disposal group held for sale

On 4 September 2017, Ansell announced that it had executed an agreement with Raymond Limited, its joint venture partner in J.K. Ansell Private Limited in India where Raymond Limited will take full ownership of the J.K. condom business, including the Kama Sutra brand. The transaction is expected to be completed in the second half of the 2018 financial year.

The following assets and liabilities were classified as held for sale in relation to the discontinued operation as at 31 December 2017:

	2017 \$m
Trade and other receivables	2.7
Inventories	1.6
Property, plant and equipment	1.4
Other assets	0.1
Assets held for sale	5.8
Trade and other payables	4.1
Provisions	0.3
Liabilities held for sale	4.4

Notes to the condensed consolidated interim financial statements

9. Acquisitions, Discontinued operation and Disposal Group Held for Sale (continued)

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.

ANSELL LIMITED

ABN 89 004 085 330

Directors' Declaration

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

1. the Condensed Consolidated Interim Financial Report (including the notes to the Condensed Consolidated Interim Financial Report) of the Company and its subsidiaries (**the Group**), for the half-year ended 31 December 2017, in the form of ASX Appendix 4D, is in accordance with the *Corporations Act 2001* (Cth) including:
 - (a) giving a true and fair view of the financial position of the Group as at 31 December 2017 and of its performance for the half-year ended 31 December 2017; and
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001.
2. as at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



G L L Barnes
Director



M R Nicolin
Director

Dated in Melbourne this 12th day of February 2018.



Independent Auditor's Review Report

To the members of Ansell Limited

Report on the Half year Financial Report

Conclusion

We have reviewed the accompanying **Half year Financial Report** of Ansell Limited.

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

- giving a true and fair view of the **Group's** financial position as at 31 December 2017 and of its performance for the **Half year** ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2017;
- Condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the Half year ended on that date;
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Ansell Limited (the Company) and the entities it controlled at the half year's end or from time to time during the Half year.

Responsibilities of the Directors for the Half year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Half year Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the Half year Financial Report

Our responsibility is to express a conclusion on the Half year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Ansell Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

KPMG

Suzanne Bell
Partner

Melbourne
12 February 2018