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**ANSELL LOOKS TO THE FUTURE AND ANNOUNCES ORGANISATIONAL  
RESTRUCTURE TO FUEL ACCELERATED GROWTH**

**30 June 2014 - Iselin NJ, USA / Melbourne, Australia** – Ansell Limited (ASX:ANN), a global leader in protection solutions, today announces a new organisational structure for the Company that allows for a more efficient business, better leverages an increase in scale, and strengthens leadership. Incorporating learnings and strengths from recent acquisitions, including BarrierSafe Solutions International (BSSI), the new organisation and associated restructuring allows Ansell to continue on its successful path initiated in the past few years.

The changes include:

- Integrating BSSI into a revised Global Business Unit (GBU) Structure, with four GBUs that have been reorganized to focus on prioritized growth verticals while realizing cost synergies from the BSSI acquisition
- Announcing a restructuring program that delivers attractive cash pay-backs through accelerating delivery of the company's supply chain efficiency strategy, while realigning resources to the new GBU structure and prioritized growth verticals. The changes also result in certain one-off and largely non-cash restructuring charges (as detailed below)
- Accelerating the company's brand, product and legal entity rationalisation strategy, targeting the elimination of 30 older non-core brands, 100 products and 20 legal entities by the end of F'15
- Announcing a revised ERP Implementation strategy designed to achieve higher returns at lower cost from future investments

Commenting on the changes, Magnus Nicolin, Ansell Managing Director and CEO said, "Our global organisation structure and our strategic focus, in place for the last four years, has delivered excellent results, with sales increasing 55% and EBIT 60%, while creating strong returns to shareholders. We are also very pleased with the value now being realized from our recent acquisitions including BSSI."

"The changes announced today mark the beginning of the next phase of our growth journey. Our sharpened focus on prioritized verticals, which are pivotal to our future growth, reflects our continued commitment to identifying and developing innovative solutions to meet our customers' very specific and often different needs and achieving attractive organic growth rates in our focus markets."

"These changes will also accelerate delivery against our strategy to improve manufacturing productivity, invest in efficient back-office processes and realize additional synergy benefits from recent acquisitions," Mr Nicolin said.

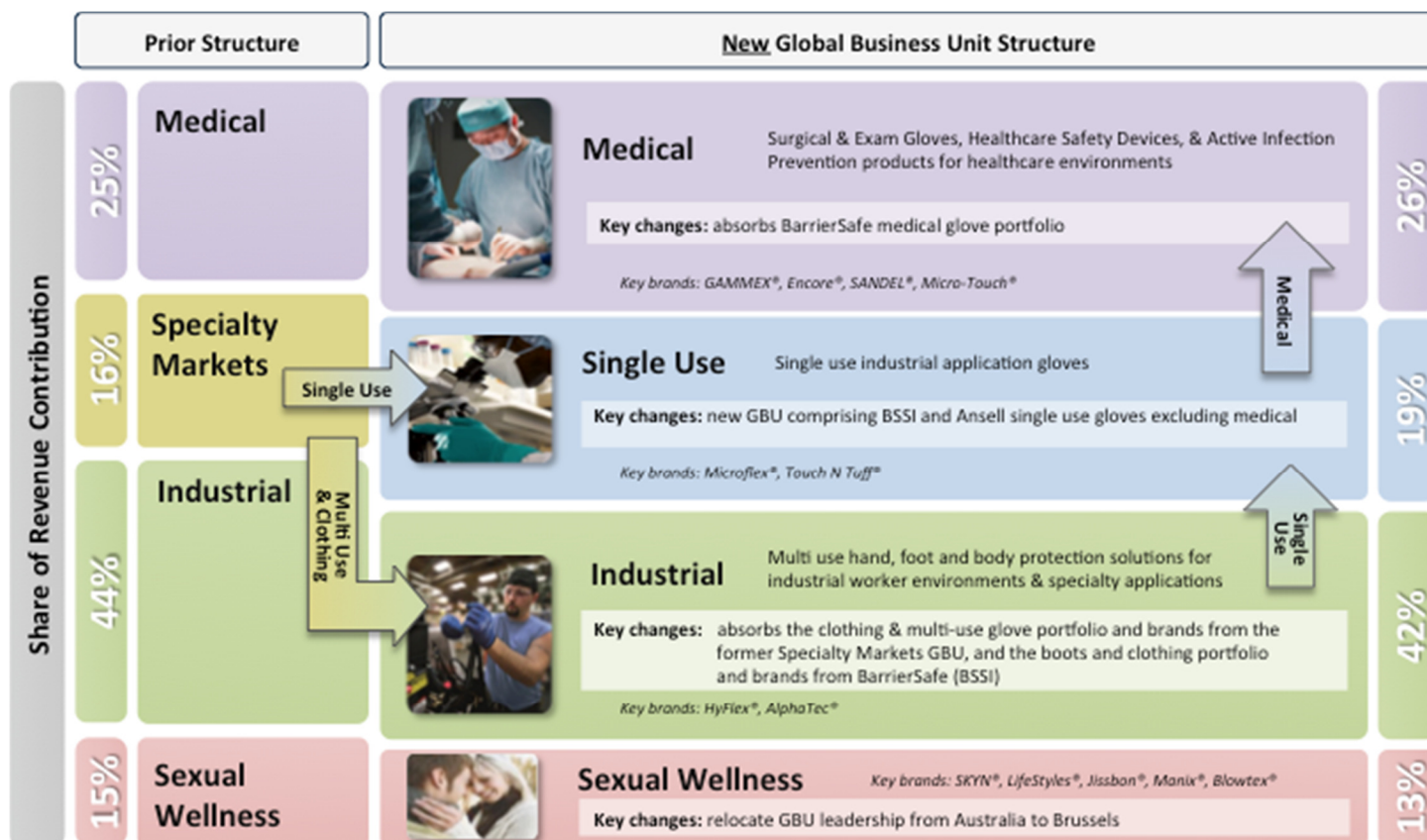
# ASX ANNOUNCEMENT



## New Global Business Units

Today, the Company announces that:

- It has created a new Single Use GBU, containing the BSSI Microflex® branded non-medical gloves and Ansell single-use products such as Touch N Tuff® branded Industrial and Life science products as well as VersaTouch® branded single use Food products. Joe Kubicek, formerly COO of BSSI, will lead the Single Use GBU.
- The Industrial GBU is now focused on multi-use gloves and clothing and will target HyFlex®, AlphaTec® and ActivArmr® branded products for five well defined industrial verticals. The Industrial GBU will continue under the leadership of Scott Corriveau.
- The Medical GBU has added Laboratory, EMS, Dental and related medical ranges from BSSI to its existing primarily surgical portfolio under the Gammex®, Encore® and MediGrip® brands. Tony López will continue to lead the expanded Medical GBU.
- The Sexual Wellness GBU will remain unchanged with the exception of a leadership transition over the next few months that will relocate the Sexual Wellness global headquarters out of Australia to a location closer to core international growth markets.
- Specialty Markets has ceased to be a GBU, having completed its objective to turn around and invest in selected underperforming verticals such as Oil & Gas, delivering improved profitability. Its single use products have been transferred to the Single Use GBU, with all other products (multi-use gloves & clothing) now included in a reorganized Industrial GBU.



The Company is also making changes designed to increase the effectiveness and efficiency of its regionally-led sales and customer service organisations:

- The BSSI sales and customer service organisations will be merged into the Ansell North America region under the leadership of Mike Mattos – former President of BSSI. This will increase the scope and scale of this region by almost 80% and will add two new priority verticals where Ansell now will have the capability to lead the industry.
- The EMEA and APAC regions will be merged into a new combined region under the leadership of Peter Dobbelsteijn (former leader of the EMEA region). This will allow Ansell to leverage the efficient back-office, SAP platform and emerging market solutions put in place in EMEA. Ansell will, however, continue to report the APAC region as a separate secondary geographic segment.
- Latin America will continue to be managed separately by Tony López and will maintain the focus that has led to strong growth in that region in recent years.

## **Restructuring Program**

Recent acquisitions, a review of brand utilisation, manufacturing requirements, our future ERP plans and global staffing requirements have created an opportunity to restructure certain parts of the business, which is expected to realize attractive cash paybacks and accelerated growth in future years. Today the Company announces:

1. The designation of the BSSI acquired Microflex® brand as an Ansell core brand. Further, the outcome of a review of Ansell's existing brand portfolio has resulted in a decision to rebrand existing products and discontinue the use of approximately 30 brands most of which have a balance sheet value arising from 20+ year old acquisitions. The success over several years in strengthening brand equity in the Ansell core brands such as Hyflex® and Gammex® is now judged strong enough to expand our market presence without the need for continued support by older non-core brands. This will result in a US\$69.3m (pre-tax) non-cash write off. The Company expects no negative effect to Sales or EBIT arising from discontinuing the use of these brands, while the simplification in our brand portfolio will allow for supply chain efficiencies and more effective marketing to support a small number of global brands. In addition the company will simplify its legal entity structure, eliminating approximately 20 entities worldwide over the next 12 months at an expected cost of \$1.7m (pre tax, of which \$1.3m is non cash).
2. The closure of the Shah Alam (Malaysia) Medical manufacturing site, a decision to exit the US based Hawkeye military glove manufacturing business and, concurrently, a plan to reduce administrative and commercial staff globally. In total these measures will reduce employee numbers by approximately 250 in manufacturing and by approximately 50 in supervisory, middle and senior management roles. The cash cost of the programme in aggregate is estimated to be \$23.9m pre tax (P&L pre-tax charge US\$34.9m) with the majority of the cash outlay falling in F'15. The ongoing benefits include a significant reduction in SG&A and production cost, improved productivity through leveraging core sites more efficiently, reductions in inventory levels and improved returns on capital employed, with operational benefits once fully realized expected to payback the cash outlay within two years. Proceeds for any site sales have not been quantified nor included at this point.

## ERP Strategy

Following the success of the SAP implementation in EMEA Industrial, a decision has been made to roll out its SAP template to the rest of the EMEA businesses and Ansell's complementary commercial operations in Asia Pacific. Consequently, the Company is writing down a portion of its earlier investment in Oracle ERP recognizing that some portions will no longer be used globally as intended when the program was first commissioned in 2009. This will result in a US\$18.8m (pre-tax) non-cash write off. The new strategy is expected to deliver a better return on future ERP investments, building on the success of the EMEA SAP platform.

## Financial Impact of the Changes

With this aggregate \$124.7m (pre tax) restructuring program of which US\$24.3m (pre tax) is cash based and US\$100.4m (pre tax) non cash, Ansell expects to significantly increase operating efficiencies and deliver meaningful restructuring savings, including increased expectations for synergies arising from the BSSI integration. The company indicated when announcing the BSSI acquisition, an expectation for a US\$5m (pre tax) synergy benefit in F'15. We now expect to deliver a total US\$10-11m (pre tax) benefit for F'15, including BSSI synergy delivery and other restructuring benefits.

Furthermore, the Company expects to realize annual savings of US\$21-22m (pre tax) in F'16 when the full effect of the program is realized. This compares to the previously estimated BSSI integration savings of US\$10m. Given that a large part of this incremental profitability is realized in the higher tax region of North America, together with our expanded North American presence, the Company's global average tax rate (prior to the inclusion of any benefit from adjustments to deferred tax assets) is expected to increase to 21-22% vs the current global rate of 18-19%.

## F'14 EPS and Dividend

Notwithstanding the tougher than expected current operating environment, the Company still expects to deliver EPS at the low end of its previously announced guidance range for F'14 of US\$1.10 to US\$1.16, excluding the one-off impact of the above restructuring items, which are estimated to reduce EPS for F'14 by US80c. Whilst the restructuring charges, which are largely non-cash in nature, impact EPS for F'14, Ansell retains strong operating cash flow and a robust financial position. In this regard, the restructuring is not anticipated to adversely impact on the F'14 dividend which is expected to be confirmed as usual when financial results for the year ended 30 June 2014 are announced in August.

Further details of this restructuring plan are included in the attached supporting presentation.

## Webcast/Teleconference

A webcast/teleconference with Ansell Managing Director Magnus Nicolin and CFO Neil Salmon will be held today at 6:00 pm Australian Eastern Standard time. Please see the attached invitation for details.

ENDS

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**About Ansell**

Ansell is a world leader in providing superior health and safety protection solutions that enhance human well-being.

With operations in North America, Latin America/Caribbean, EMEA and Asia, Ansell employs nearly 14,000 people worldwide and holds leading positions in the personal protective equipment and medical gloves market, as well as in the sexual health and well-being category worldwide. Ansell operates in four main business segments: Medical, Industrial, Single Use and Sexual Wellness.

Information on Ansell and its products can be found at [www.ansell.com](http://www.ansell.com).



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