

Ansell Limited Announces 2015 Full Year Results

Reports Strong Profit Growth And Increased Dividend

10 August, 2015 - Melbourne, Australia – Ansell Limited (ASX:ANN), a global leader in protection solutions, today announces full-year results for the twelve-month period ending 30 June 2015.

Results Highlights

- Sales increased to \$1,645m up 3.5% YoY (up 9.3% in constant currency*)
- Continued strong development of growth brands: Hyflex up 6%, Gammex up 7% & SKYN up 16%
- Acquisition synergy and restructuring benefits exceeding targets
- EBIT \$245m (F'14 \$84m), up 19% vs. underlying F'14 EBIT of \$207m
- EBIT Margin 14.9% (F'14 5%), up from last year's 13.0% underlying
- Acquisition of Microgard strengthens key products and capability in growing body protection business
- Net Profit After Tax (PA) of \$188m (F'14 \$42m), up 20% on F'14 underlying of \$157m
- EPS \$1.22 (F'14 \$0.29), up 11% on F'14 underlying of \$1.10
- Full year dividend up 10% to 43¢ (F'14 39¢). Final dividend of 23¢ per share unfranked

Please note all dollar and cents amounts in this release are reported in US dollars and cents

**Constant currency compares F'15 results to F'14 results restated at F'15 FX rates*

Chairman's Comment

"I am pleased to report that Ansell continued to deliver on its strategic objectives achieving very good results in our growth brands while realizing additional value from acquisitions. Ansell has again successfully generated strong financial results reporting increased sales and significant profit growth for the financial year, despite more challenging external economic conditions than expected in the second half including unfavorable currency movements. The Board is also pleased to be able to provide shareholders with a further significant dividend increase. I remain confident Ansell's continued delivery against its strategic objectives will deliver long-term shareholder value." said Ansell's Chairman Glenn Barnes.

Financial Summary	F'14 Reported	F'14 Underlying#	F'15	Change*
Sales (\$M)	1,590	1,590	1,645	+ 4%
EBIT (\$M)	84	207	245	+ 19%
PA (\$M)	42	157	188	+ 20%
EPS (¢)	29.3¢	110.0¢	122.5¢	+ 11%
Free Cash (\$M)	178	178	137	- 23%
Dividend (¢)	39¢	39¢	43.0¢	+ 10%

* % Change measured over F'14 Underlying

#F'14 Underlying numbers exclude the \$123m pretax one off restructuring charge announced on 30 June, 2014

Business Review

“Our growth strategy coupled with strong results from our productivity initiatives delivered excellent underlying EBIT and margin growth,” said Ansell CEO and Managing Director, Magnus Nicolin.

“The strength of our core growth brands was again evident driven by our best results in many years from the success of new products particularly within the Industrial GBU. Our product adjacency strategy also delivered satisfying results with HSS in Medical and Body Protection within Industrial achieving encouraging growth. Our acquisitions continue to deliver value, with the Single Use GBU, (formed after the Barriersafe acquisition) achieving strong margin growth on synergy delivery. The more recent acquisition of Microgard will be key to further building our promising body protection portfolio within the Industrial GBU.”

“I am also delighted with the return to growth of the Sexual Wellness GBU. Through continued strong growth of SKYN and significantly improved results in our latex condom brands, we achieved top line constant currency organic growth of 6%.”

“The external environment became more challenging than expected in the second half due to a combination of FX movements that were highly unfavorable against our US\$ reporting currency and disappointing economic performances in many key developed and emerging markets. Notwithstanding this, the Company continues to generate strong profitability and cash flow reflecting the benefits of our diversified operations. While we expect overall improvement in demand in most major markets in F’16, currencies are presenting a significant headwind. In F’15, our hedging program largely offset the impact of these currency moves, but that benefit will diminish in F’16.”

“The successful execution of our strategic goals will continue to drive Ansell’s underlying performance. We continue to build on the strength of our core brands with recent major new product launches. In addition, we will stay focused on delivering on our productivity agenda, realizing benefits from our capital expenditure investments and restructuring initiatives. Finally our disciplined capital management and strong balance sheet provide the opportunity to enhance shareholder value through our ongoing acquisition strategy.”

Underlying Global Business Unit Performance

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

Sales were lower by 7% primarily on currency effects and declines in Russia and Brazil. Growth brands achieved good results with Hyflex up 6%. EBIT was lower by 1%, with gains by growth brands, and productivity savings largely offsetting currency headwinds.

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

Sales increased 30% and EBIT 85%, driven by the BarrierSafe acquisition. Organic sales growth at constant currency was 2.3% with EBIT on the same basis 26% higher on synergy delivery and lower raw material costs. Microflex and Touch n Tuff achieved good organic, constant currency growth increasing by 4% and 7% respectively.

Medical GBU – 27% of revenue and 28% of Segment EBIT

Revenue grew 7% and EBIT 23% driven by the BSSI acquisition, ongoing success with synthetic products and good emerging market growth offset by lower results in Russia.

Sexual Wellness GBU – 13% of revenue and 11% of Segment EBIT

Revenue grew 2% and EBIT 4% with continued SKYN success (up 16%) and a significantly improved performance by latex brands, particularly in China.

Acquisitions & Divestments

Hands International: The acquisition of this privately owned Sri Lankan company was completed during the year, bringing in-house the Company's knitting operations for Industrial multi-use gloves. This is a key component to Ansell's strategy to strengthen its yarn wrapping capability and innovation.

Shah Alam: Ansell successfully concluded the sale of this site in the second half of F'15, recording a pre-tax gain of \$17.8m.

Microgard Ltd: The acquisition of this protective clothing manufacturer was completed in the second half for GBP 59m. The acquisition had no material impact on EPS in F'15, but is expected to be accretive to F'16 EPS.

Lakeland Industries: Ansell disposed of its holding in Lakeland Industries Inc. during the first half for \$11.6m, with the resulting pre-tax \$7.1m gain over the original purchase price recorded in equity with no impact to EBIT or EPS.

Hawkeye: Ansell announced its decision to exit Hawkeye, the US-based military glove business, in its restructuring announcement released on 30 June 2014. An agreement was concluded to sell the Hawkeye customer list and contracts, and operations ceased by the end of F'15.

Acquisition Synergies & Restructuring Targets: Solid progress has been made with forecast savings in F'16 unchanged at \$21-22m Profit Attributable and EPS of US14¢.

Currency, Cashflow and Financing

Currency rate movements have had a significant adverse impact on results during the year with a weaker Euro in particular but also other currencies such as the Australian and Canadian Dollar, impacting top line revenue. Weaker cost currencies such as the Malaysian Ringgit, Mexican Peso and Thai Baht have assisted but to a much lesser degree. Our hedging strategy substantially protected EBIT and EPS within F'15.

Ansell continues to generate strong cash flow with improved EBITDA funding a significantly higher level of capital expenditure. The balance sheet remains strong and the company has excellent liquidity levels. Net Debt : EBITDA on a pro forma basis including 12 months of acquisition earnings was 1.59x at 30 June, 2015, and interest cover on the same pro forma basis was 15.4X.

Dividend

The Board has declared a final dividend of US23¢ per share unfranked (US22¢ in F'14), with a record date of 17 August, 2015 and a payment date of 10 September, 2015. This, when added to the interim dividend, results in a full year dividend of US43¢ representing a 10% increase over the full year dividend of F'14 of US39¢.

For non-resident shareholders, the dividend will not attract withholding tax as it is sourced entirely from the Company's Conduit Foreign Income Account.

The Dividend Investment Plan (DRP) will again be available to shareholders with no discount. The DRP election cut-off date will be 18 August, 2015.

F'16 Outlook

Moving into F'16, currency rates are assumed to remain similar to the average levels seen in the 4th quarter of F'15, resulting in a further expected \$55m negative impact to revenue and \$30m impact to EBIT including the impact of lower hedging gains. An increase in the effective tax rate to 20-21% is expected with Australian income likely to incur a P&L tax charge starting during 2H F'16 as carry forward losses are fully recognized on balance sheet with no additional DTA benefit anticipated. The combined effect of these currency and tax rate changes is anticipated to reduce EPS by 22¢ - 26¢.

Offsetting the currency and tax headwinds, is expected ongoing strong performance by growth brands, continued delivery of benefits from our productivity and restructuring initiatives and a full year contribution from F'15 acquisitions benefiting EPS by an estimated 10¢ - 20¢

Whilst a moderate improvement in economic conditions is anticipated by most economic forecasters, it is also recognised there is significant uncertainty around these projections in both emerging and developed markets along with potential ongoing FX volatility.

Our EPS expectation for F'16 reflects this ongoing uncertainty and overall we expect to be in the range of US\$1.05 to US\$1.20.

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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 15,000 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.



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