

Ansell Limited

Full year earnings guidance update and expected 2016 half year result

3 February 2016 - Melbourne, Australia – Ansell Limited (ASX:ANN), a global leader in protection solutions, today announces a reduction to full year US\$ earnings guidance and provides preliminary half-year results for the six month period ending 31 December 2015, subject to completion of audit review. Confirmation and further details of the half year results will be provided on Monday 8 February 2016, as previously scheduled.

Revision to full year guidance

The previous guidance for Earnings Per Share (EPS) in the range US\$1.05 to US\$1.20 was issued in August 2015 at the time of the Company's 2015 full year results announcement.

At the time of the October AGM, Ansell announced a sales decline of 1% for the first quarter F'16 against prior comparable period on a constant currency basis and reaffirmed guidance in expectation of generally improved trading conditions for the balance of the fiscal year. Growth trends improved in line with expectation in the second quarter.

Subsequent to conclusion of the second quarter, the Company recorded lower January sales than anticipated, as customers deferred or reduced orders to adjust inventory levels amid a general weakening in the external economic environment. In addition, continued currency and economic volatility presents challenges to forecast visibility, particularly in emerging markets. These developments increase the risk of earnings falling short of the previous guidance range. Consequently, the Company is updating its estimate of Full Year F'16 EPS to a range of US\$0.95 to US\$1.10.

Overview of expected results for the first half of fiscal year 2016

While the first half results are currently being finalised and will be announced on 8 February, Ansell considers it appropriate to provide an overview of the expected results for H1 FY16 at this time:

- Sales at approximately \$785m, 7% down as reported on H1 FY15, but on par with the prior corresponding period after adjusting for currency changes
- Continued good results of growth brands in Industrial and Single Use
- Strong result in Sexual Wellness and good EBIT growth in Single Use
- Short term operations variances reduced EBIT in Medical and Industrial by US\$10m. Medical also affected by weak emerging market conditions
- Anticipated gain on FX hedging program of US\$10m did not materialise as gains on Euro hedges were offset by losses on hedges of weakening cost currencies. The offsetting benefit through trading results arising from lower cost currencies has been partially delayed to the second half
- Good cash flow performance with operating cash flow less net capital expenditure in line with prior comparative period
- EPS estimated at US45-46¢ down 20% on the prior corresponding period, 10% lower at constant currency.

Commentary on expectations for second half performance

The Company's strategic priorities remain intact and continued delivery against the key drivers of growth, profitability and cash flow are expected to lead to improved second half performance. In particular the Company anticipates:

- Stronger sales through benefits from revised channel strategy leading to share gain with key distributors
- Additional benefit of price increases in EMEA which have largely come into effect from January
- The short term operational variances noted above in the Medical and Industrial GBUs that led to higher costs in the first half are being addressed and are expected to be resolved by end of the fiscal year with reduced impact on second half results
- Increased benefit from lower cost currencies and lower raw material prices

Improved operational performance for the reasons noted is expected to be supported by a return to more normal seasonal patterns in comparison to the unusually weak second half seen in the last fiscal year. A typical seasonal sales pattern would see 51-52% of full year sales recorded in the second half and a stronger weighting of EBIT delivery to the second half.

Note: The Results Release presentation will occur at 9:30 am on Monday 8th February, 2016 at the Intercontinental Hotel in Sydney. The event will be available via teleconference and webcast, details can be found on our website www.ansell.com

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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 more than 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.



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