



ANSELL LIMITED
Level 3, 678 Victoria Street
Richmond VIC 3121
Tel: (03) 9270 7270

18 February 2020

Market Announcements
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Interim Financial Report for the half year ended 31 December 2019

Attached is the Ansell Limited Interim Financial Report for the half year ended 31 December 2019.

Yours sincerely

Catherine Stribley
Company Secretary

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Appendix 4D

Condensed consolidated half year financial report For the six months ended 31 December 2019

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 2019 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.

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Appendix 4D

Condensed consolidated half year financial report

For the six months ended 31 December 2019

Ansell Limited and Subsidiaries

ACN 004 085 330

Results for Announcement to the Market

\$m

Revenue from ordinary activities	up	3.9%	753.3
Operating profit after tax attributable to members	up	66.6%	65.8
Net profit for the period attributable to members	up	66.6%	65.8

Dividends (distributions)

Amount per share

Franked amount per share

Dividend	21.75¢	Nil
Record date for determining entitlements to the dividend	25 February 2020	
Dividend Reinvestment Plan election cut off date	26 February 2020	
Dividend payment date	12 March 2020	

Net Tangible Asset backing

31 December 2019

30 June 2019

	\$m	\$m
Shareholders' Equity attributable to Ansell Limited shareholders	1,373.9	1,398.4
Less Intangible Assets	(1,084.7)	(1,082.6)
Net Tangible Assets	289.2	315.8
	No. Shares	No. Shares
Total fully paid ordinary shares on issue (millions)	130.2	132.3
Net tangible asset backing per ordinary share	\$2.22	\$2.39

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

ANSELL LIMITED

ABN 89 004 085 330

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

This Report by the Directors of Ansell Limited (**the Company**) is made pursuant to the provisions of the *Corporations Act 2001* (Cth) for the six months ended 31 December 2019 and is accompanied by the Condensed Consolidated Half Year Financial Report of the Company and its subsidiaries (**the Group**), for the six months ended 31 December 2019, 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	(Retired 14 November 2019)
John A Bevan	(Chairman)
W. Peter Day	
Leslie A Desjardins	
Marissa T Peterson	
William G Reilly	
Christina M Stercken	
Christine Y Yan	
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 six months ended 31 December 2019 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 Half Year Financial Report for the six months ended 31 December 2019, is attached.

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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 Half Year 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.



J A Bevan
Director



M R Nicolin
Director

Dated in Melbourne this 18th day of February 2020.

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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 review of Ansell Limited for the half-year ended 31 December 2019 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.

KPMG

KPMG

Penny Stragalinos
Partner

Melbourne

18 February 2020

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Condensed Consolidated Income Statement

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

	Note	2019 \$m	2018 \$m
Revenue			
Sales revenue		753.3	725.3
Expenses			
Cost of goods sold		(461.2)	(450.0)
Distribution		(34.9)	(34.6)
Selling, general and administration including restructuring and transformation	3	(165.4)	(180.0)
Total expenses, excluding financing costs		(661.5)	(664.6)
Net financing costs		(7.9)	(5.9)
Profit before income tax		83.9	54.8
Income tax expense		(17.5)	(14.7)
Profit for the period		66.4	40.1
Profit for the period is attributable to:			
Ansell Limited shareholders		65.8	39.5
Non-controlling interests		0.6	0.6
Profit for the period		66.4	40.1

		2019 US cents	2018 US cents
Earnings per share is based on net profit attributable to Ansell Limited shareholders			
Basic earnings per share	6	50.1	28.6
Diluted earnings per share	6	49.4	28.2

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Condensed Consolidated Statement of Comprehensive Income

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

	2019 \$m	2018 \$m
Profit for the period	66.4	40.1
Other comprehensive income		
<i>Items that may be subsequently reclassified to the income statement:</i>		
Foreign currency translation reserve		
Net exchange difference on translation of financial statements of foreign subsidiaries	(2.5)	(15.0)
Hedging reserve		
Movement in effective cash flow hedges for the period	1.1	(8.6)
Movement in time value of options for the period	(0.6)	3.5
Income tax benefit/(expense) on items that may subsequently be transferred to the income statement	0.2	(0.3)
<i>Total items that may be subsequently reclassified to the income statement</i>	<u>(1.8)</u>	<u>(20.4)</u>
Other comprehensive income for the period, net of income tax	(1.8)	(20.4)
Total comprehensive income for the period	64.6	19.7
Attributable to:		
Ansell Limited shareholders	64.4	19.4
Non-controlling interests	0.2	0.3
Total comprehensive income for the period	64.6	19.7

Condensed Consolidated Statement of Financial Position

of Ansell Limited and Subsidiaries

	31 December 2019 \$m	30 June 2019 \$m
Current Assets		
Cash on hand	-	0.1
Cash at bank and short-term deposits	384.5	394.6
Cash - restricted deposits	2.9	2.8
Trade and other receivables	197.2	201.1
Derivative financial instruments	6.3	5.1
Inventories	364.0	335.6
Other current assets	19.7	19.9
Total Current Assets	974.6	959.2
Non-Current Assets		
Trade and other receivables	4.6	4.3
Derivative financial instruments	2.1	2.7
Property, plant and equipment	237.4	229.8
Right-of-use assets	44.4	-
Intangible assets	1,084.7	1,082.6
Deferred tax assets	59.0	66.0
Retirement benefit assets	4.8	4.9
Other non-current assets	28.6	27.4
Total Non-Current Assets	1,465.6	1,417.7
Total Assets	2,440.2	2,376.9
Current Liabilities		
Trade and other payables	246.0	225.6
Derivative financial instruments	3.2	3.0
Interest bearing liabilities	23.8	20.0
Lease liabilities	13.6	-
Provisions	38.8	56.4
Current tax liabilities	9.5	7.9
Total Current Liabilities	334.9	312.9
Non-Current Liabilities		
Trade and other payables	2.2	2.1
Derivative financial instruments	0.3	0.4
Interest bearing liabilities	555.7	525.3
Lease liabilities	33.0	-
Provisions	9.5	8.8
Retirement benefit obligations	14.7	14.7
Deferred tax liabilities	76.5	76.5
Other non-current liabilities	27.3	25.8
Total Non-Current Liabilities	719.2	653.6
Total Liabilities	1,054.1	966.5
Net Assets	1,386.1	1,410.4
Equity		
Issued capital	833.8	873.9
Reserves	(96.8)	(85.5)
Retained profits	636.9	610.0
Total Equity Attributable to Ansell Limited Shareholders	1,373.9	1,398.4
Non-controlling interests	12.2	12.0
Total Equity	1,386.1	1,410.4

Condensed Consolidated Statement of Changes in Equity
of Ansell Limited and Subsidiaries for the six months ended 31 December

	2019 \$m	2018 \$m
Total Equity at the beginning of the financial year	1,410.4	1,550.2
Total comprehensive income for the period attributable to:		
Ansell Limited shareholders	64.4	19.4
Non-controlling interests	0.2	0.3
Change in accounting policy upon adoption of AASB 16 <i>Leases</i> net of tax	(4.1)	-
Transactions with owners attributable to Ansell Limited shareholders:		
Shares issued under Dividend Reinvestment Plan	-	1.3
Share buy-back	(40.1)	(173.8)
Share-based payments reserve	(10.2)	5.0
Dividends	(34.5)	(34.9)
Transactions with owners attributable to non-controlling interests:		
Non-controlling interests of entities disposed	-	(4.7)
Total Equity at the end of the period	1,386.1	1,362.8

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Condensed Consolidated Statement of Changes in Equity

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

	2019 \$m	2018 \$m
Issued Capital		
Balance at 1 July	873.9	1,052.6
Additional capital issued	-	1.3
Share buy-back	(40.1)	(173.8)
Total Issued Capital at 31 December	833.8	880.1
Reserves		
Share-Based Payments Reserve		
Balance at 1 July	67.4	58.1
Transactions with owners as owners:		
Charge to the income statement for the period	4.0	5.0
Issue of shares to employees to satisfy vesting of PSRs under the Group's Long Term Incentive plan	(14.2)	-
Balance at 31 December	57.2	63.1
Hedging Reserve		
Balance at 1 July	1.0	5.8
Comprehensive income for the period:		
Movement in effective cash flow hedges net of tax	1.1	(7.9)
Movement in time value of options net of tax	(0.4)	2.5
Balance at 31 December	1.7	0.4
General Reserve		
Balance at 1 July	11.0	16.9
Transfer from /(to) retained profits	0.3	(3.1)
Balance at 31 December	11.3	13.8
Foreign Currency Translation Reserve		
Balance at 1 July	(164.9)	(154.5)
Comprehensive income for the period:		
Net exchange difference on translation of financial statements of foreign subsidiaries	(2.1)	(14.7)
Balance at 31 December	(167.0)	(169.2)
Transactions with Non-Controlling Interests		
Balance at 1 July	-	(10.9)
Transfer from retained profits	-	10.9
Balance at 31 December	-	-
Fair Value Reserve		
Balance at 1 July	-	2.6
Transfer to retained profits	-	(2.6)
Balance at 31 December	-	-
Total Reserves at 31 December	(96.8)	(91.9)
Retained Profits		
Balance at 1 July	610.0	564.0
Change in accounting policy upon adoption of AASB 16 <i>Leases</i> net of tax	(4.1)	-
Transfer to reserves	(0.3)	(5.2)
Comprehensive income for the period:		
Net profit attributable to Ansell Limited shareholders	65.8	39.5
Dividends to Ansell Limited shareholders	(34.5)	(34.9)
Retained Profits at 31 December	636.9	563.4
Total Equity at 31 December attributable to Ansell Limited shareholders	1,373.9	1,351.6
Non-controlling interests		
Issued Capital	0.8	0.8
Reserves	0.8	0.6
Retained Profits	10.6	9.8
Total Non-controlling interests	12.2	11.2
Total Equity	1,386.1	1,362.8

Condensed Consolidated Statement of Cash Flows

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

	2019 \$m	2018 \$m
Cash Flows Related to Operating Activities		
Receipts from customers	756.1	739.6
Payments to suppliers and employees	(656.1)	(654.2)
Net receipts from operations	100.0	85.4
Income taxes paid	(8.6)	(9.4)
Net Cash Provided by Operating Activities	91.4	76.0
Cash Flows Related to Investing Activities		
Payments for businesses, net of cash acquired	(0.2)	(3.8)
Payments for property, plant and equipment and intangible assets	(27.6)	(20.5)
Proceeds from the sale of property, plant and equipment	2.2	-
Proceeds from the disposal of discontinued operations, net of cash disposed and disposal costs	-	(4.3)
Income tax paid on the net gain on the disposal of discontinued operations	-	(0.3)
Net Cash Used in Investing Activities	(25.6)	(28.9)
Cash Flows Related to Financing Activities		
Proceeds from borrowings	34.8	-
Repayments of borrowings	(3.8)	-
Net proceeds from borrowings	31.0	-
Payments for lease liabilities	(10.6)	-
Payments for share buy-back	(40.1)	(173.8)
Payments for shares acquired to satisfy vesting of PSRs under the Group's Long Term Incentive plan	(14.2)	-
Dividends paid - Ansell Limited shareholders	(34.5)	(33.6)
Interest received	3.0	10.6
Interest and financing costs paid	(9.9)	(15.5)
Interest paid on lease liabilities	(0.7)	-
Net Cash Used in Financing Activities	(76.0)	(212.3)
Net decrease in cash and cash equivalents	(10.2)	(165.2)
Cash and cash equivalents at the beginning of the period	397.5	589.8
Effect of movements in exchange rates on cash held	0.1	(6.7)
Cash and Cash Equivalents at the end of the period	387.4	417.9
Cash and Cash Equivalents at the end of the period comprises:		
Cash at bank and on deposit	384.5	414.9
Cash - restricted deposits	2.9	3.0
	387.4	417.9
Cash and Cash Equivalents at the beginning of the period:		
From continuing operations	397.5	582.8
From discontinued operations	-	7.0
	397.5	589.8

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, arm and body protection solutions and clothing and is organised around two Global Business Units ("GBUs") as detailed in Note 2.

- Healthcare 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 18 February 2020.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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. The consolidated financial statements have been prepared on a going concern basis, which assumes the continuity of normal operations.

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 2019.

Significant Accounting Policies

Except for the adoption of AASB 16 *Leases*, 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 2019. The accounting policies have been applied consistently by all entities in the Group.

New standards adopted effective 1 July 2019

The Group has adopted IFRS 16/AASB 16 *Leases* ("AASB 16") effective from 1 July 2019. The Group has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained profits at 1 July 2019. The comparative information presented has not been restated.

Accounting policy change - lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to the ownership of the underlying assets to the Group. Under AASB 16, the Group recognises right-of-use assets and lease liabilities in respect of contracts that meet the definition of a lease.

Leases classified as operating leases under AASB 117

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of AASB 117 *Leases*. These lease liabilities were measured at the present value of the remaining lease payments, discounted at the incremental borrowing rates as at 1 July 2019. Right-of-use assets are measured as if AASB 16 had always been applied but using the incremental borrowing rates as at 1 July 2019.

The Group applied the following practical expedients upon adoption of AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Applied the exemption not to recognise right-of-use assets and liabilities for short-term and low value leases;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Notes to the condensed consolidated interim financial statements

1. Summary of Significant Accounting Policies (continued)

Impact on financial statements

On transition to AASB 16, the Group recognised \$43.5 million of right-of-use assets, \$48.1 million of lease liabilities, \$0.5 million in non current receivables (sublease), \$1.0 million in net deferred tax assets, a derecognition of \$1.0 million in net prepaid leases and an offset of \$4.1 million in retained earnings.

	1 July 2019
	\$m
Operating lease commitments disclosed as at 30 June 2019	66.9
Discount using incremental borrowing rate at 1 July 2019	(10.0)
Reassessment of lease payments subject to future rate increases	(8.8)
Lease liability recognised as at 1 July 2019	48.1

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Notes to the condensed consolidated interim financial statements

2. Operating Segments

The Group comprises the following 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 \$m
	Healthcare \$m	Industrial \$m	Unallocated \$m	
31 December 2019				
Sales Revenue	394.9	358.4	-	753.3
Profit/(loss) before net financing costs and income tax expense	54.6	44.4	(7.2)	91.8
Net financing costs	-	-	(7.9)	(7.9)
Profit before income tax expense	54.6	44.4	(15.1)	83.9
Income tax expense				(17.5)
Profit after income tax				66.4
Non-controlling interests				(0.6)
Net profit attributable to Ansell Limited shareholders				65.8
Segment depreciation and amortisation	11.0	13.0	3.9	27.9
Segment capital expenditure	12.4	10.7	4.5	27.6

	Operating Segments			Total Group \$m
	Healthcare \$m	Industrial \$m	Unallocated \$m	
31 December 2018				
Sales Revenue	383.1	342.2	-	725.3
Profit/(loss) before restructuring and transformation, asset impairment, net financing costs and income tax expense	47.9	45.2	(5.5)	87.6
Restructuring and transformation	(0.3)	(19.0)	(1.2)	(20.5)
Asset impairment	-	(6.4)	-	(6.4)
Net financing costs	-	-	(5.9)	(5.9)
Profit before income tax expense	47.6	19.8	(12.6)	54.8
Income tax expense				(14.7)
Profit after income tax				40.1
Non-controlling interests				(0.6)
Net profit attributable to Ansell Limited shareholders				39.5
Segment depreciation and amortisation	7.1	9.4	2.6	19.1
Segment capital expenditure	5.3	12.8	2.4	20.5

Notes to the condensed consolidated interim financial statements

2. Operating Segments (continued)

	Assets		Liabilities	
	December 2019	June 2019	December 2019	June 2019
	\$m	\$m	\$m	\$m
Operating segments				
Healthcare	1,071.5	1,014.2	120.9	109.2
Industrial	838.5	825.2	114.7	115.7
Unallocated	530.2	537.5	818.5	741.6
Total Group	2,440.2	2,376.9	1,054.1	966.5

Regional Information

Sales revenue is disclosed in the four geographical regions based on where the products are sold to external customers. Assets (excluding goodwill, brand names and other intangibles) are allocated to the geographical regions in which the assets are located.

- Asia Pacific - manufacturing facilities in Malaysia, Thailand, Sri Lanka, 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 facility in Mexico.

	Sales Revenue		Regional Assets	
	December 2019	December 2018	December 2019	June 2019
	\$m	\$m	\$m	\$m
Regions				
Asia Pacific	98.5	93.1	387.0	340.9
Europe, Middle East and Africa	257.3	250.4	182.5	183.7
Latin America and Caribbean	52.2	51.0	56.5	54.8
North America	345.3	330.8	228.0	206.1
Total Regions	753.3	725.3	854.0	785.5

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:

	December 2019	December 2018
	\$m	\$m
Sales Revenue	63.0	62.4
	December 2019	June 2019
	\$m	\$m
Assets	36.5	27.6

Notes to the condensed consolidated interim financial statements

3. Profit Before Income Tax

(a) Net Financing costs and Depreciation and Amortisation

Following the transition to AASB 16, effective 1 July 2019, net interest expense on lease liabilities and depreciation of right-of-use assets have been recognised within profit before income tax as noted in the table below:

	December 2019	December 2018
	\$m	\$m
Net interest expense	6.0	4.7
Interest expense on lease liabilities	0.7	-
Other financing costs	1.2	1.2
Net financing costs	7.9	5.9
Depreciation - Property, plant and equipment	15.7	15.7
Amortisation - Intangibles	3.5	3.4
Depreciation - Right-of-use assets	8.7	-
Depreciation and amortisation	27.9	19.1

(b) Restructuring and Transformation

The following table summarises the impact on profit before income tax of the transformation initiative announced on 20 July 2017:

	December 2019	December 2018
	\$m	\$m
Selling, general and administration		
Restructuring	-	20.5
Asset impairment	-	6.4

4. Issued Capital

	December 2019	December 2018
Movement in shares on issue		
	No. of Shares	
Fully Paid Ordinary Shares		
Balance at 1 July	132,302,593	142,280,089
Shares issued under Dividend Reinvestment Plan	-	74,029
Share buy-back	(2,142,071)	(9,699,353)
Balance at 31 December	130,160,522	132,654,765
Executive Share Plan Shares		
Balance at 1 July	44,700	49,700
Balance at 31 December	44,700	49,700

Notes to the condensed consolidated interim financial statements

5. Dividends Paid or Declared

	December 2019 \$m	December 2018 \$m
Dividends Paid		
A final dividend of 26.00 cents per share unfranked for the year ended 30 June 2019 (June 2018 - 25.00 cents unfranked) was paid on 5 September 2019 (2018 - 13 September 2018)	34.5	34.9

Dividends Declared

An interim dividend for the year ended 30 June 2020 of 21.75 cents per share unfranked, has been declared and is payable on 12 March 2020.

The balance of available franking credits in the franking account as at 31 December 2019 was nil (2018: nil).

6. Earnings per Share (EPS)

	December 2019 \$m	December 2018 \$m
Earnings Reconciliation		
Profit for the period	66.4	40.1
Less profit for the period attributable to non-controlling interests	(0.6)	(0.6)
Earnings used in calculation of basic and diluted EPS	65.8	39.5

Weighted average number of ordinary shares used as the denominator

	No. Shares	No. Shares
Number of ordinary shares for basic earnings per share	131,382,374	138,060,036
Effect of partly paid Executive Plan shares and Performance Share Rights	2,028,143	2,184,484
Number of ordinary shares for diluted earnings per share	133,410,517	140,244,520

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

	December 2019 cents	December 2018 cents
Earnings per share		
Basic earnings per share	50.1	28.6
Diluted earnings per share	49.4	28.2

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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 co-operation with the Group's business units.

These policies remain consistent with those disclosed in the consolidated financial statements for the year ended 30 June 2019.

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 2019			Total \$m
	Level 1 \$m	Level 2 \$m	Level 3 \$m	
Derivative financial assets	-	8.4	-	8.4
Derivative financial liabilities	-	3.5	-	3.5

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. Ownership-based Remuneration Schemes

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 2017, August 2018 and August 2019 and are due to vest (upon the achievement of the performance hurdles stipulated in the LTI Plan) during the 2020, 2021 and 2022 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 and Discontinued operations

(a) Acquisitions

Ringers Gloves (effective 1 February 2019)

Provisional goodwill in respect of the Ringers Gloves acquisition as reported at 30 June 2019 has increased by \$0.9 million during the six months to 31 December 2019 resulting from purchase price adjustments to asset values of \$1.9 million offset by \$1.0 million being the proceeds from the final working capital adjustment calculated as per the Sale and Purchase Agreement.

Digitcare (effective 31 October 2018)

The acquisition accounting for Digitcare was completed with no change to the previously reported goodwill. Final completion payments of \$0.6 million were made during the six months to 31 December 2019.

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 and Discontinued operations (continued)

(b) Discontinued operation - Sale of J.K. Ansell

On 4 September 2017, Ansell announced that it had executed an agreement with Raymond Limited, its joint venture partner in J.K. Ansell Limited in India, where Raymond Limited would take full ownership of the J.K. Ansell sexual wellness business, including the Kama Sutra brand. The sale transaction was completed effective 1 July 2018.

Results of the discontinued operation	31 December 2019 \$m	31 December 2018 \$m
Cash flows from discontinued operations		
Net cash used in investing activities	-	(4.6)
Net cash flows from discontinued operations	-	(4.6)
Details of the sale of the discontinued operation		
Net sale proceeds	-	2.7
Carrying amount of net assets sold	-	(5.9)
Loss on sale before income tax, non-controlling interests of entities disposed and realisation of foreign currency translation reserve	-	(3.2)
Non-controlling interests of entities disposed and realisation of foreign currency translation reserve	-	3.2
Gain on sale after income tax	-	-

Assets and liabilities of the discontinued operation

The carrying amounts of the assets and liabilities of JK Ansell Limited disposed of as at 1 July 2018 were as follows:

	2018 \$m
Cash and cash equivalents	7.0
Trade and other receivables	1.7
Inventories	2.2
Property, plant and equipment	1.4
Total Assets	12.3
Trade and other payables	6.0
Provisions	0.4
Total Liabilities	6.4
Net assets disposed	5.9

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.

Notes to the condensed consolidated interim financial statements

10. Subsequent Event

On 6 February 2020 Ansell Limited announced that it had acquired 50 percent of the issued shares in Careplus Malaysia Sdn Bhd (CMSB) from Careplus Group Berhad for a total consideration of RM 37 million (approximately US\$ 9 million). The transaction is subject to Careplus Group shareholder approval and customary closing conditions.

CMSB is a Malaysian manufacturer of surgical as well as latex and nitrile powder-free examination gloves. CMSB is a current Ansell supplier and has a manufacturing facility in the Senawang Industrial Estate, near Kuala Lumpur in Malaysia.

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ANSELL LIMITED

ABN 89 004 085 330

Directors' Declaration

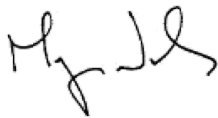
In the opinion of the Directors of Ansell Limited (**the Company**):

1. the Condensed Consolidated Half Year Financial Report (including the notes to the Condensed Consolidated Half Year Financial Report) of the Company and its subsidiaries (**the Group**), for the six months ended 31 December 2019, 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 2019 and of its performance for the six months ended 31 December 2019; 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.



J A Bevan
Director



M R Nicolin
Director

Dated in Melbourne this 18th day of February 2020.

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Independent Auditor's Review Report

To the shareholders 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 2019 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 2019
- 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 10 comprising a summary of significant accounting policies and other explanatory information
- 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*
- 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.

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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 2019 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

Penny Stragalinos

Partner

Melbourne

18 February 2020