

ANSELL AGREES SALE OF SEXUAL WELLNESS AND ANNOUNCES SHARE BUY-BACK

25 May 2017

Ansell Limited (ASX:ANN), a global leader in protection solutions, is pleased to announce it has executed a binding agreement for the sale of its Sexual Wellness (“SW”) business for US\$600m to Humanwell Healthcare (Group) Co., Ltd. and CITIC Capital China Partners III, L.P. (collectively, the “Buyer Consortium”). Ansell also announces a new on market share buy-back program for up to 10% of the Company’s issued capital.

Sale of Sexual Wellness

The SW business being divested includes all of Ansell’s condom, lubricant and devices business and manufacturing sites¹, with the exception of Ansell’s Medical and SW joint venture in India (“J K Ansell”). In FY’16 the business being divested recorded revenue of \$190m and EBITDA of \$38m.² Ansell is in continuing discussions with its Indian partner on the future of the J K Ansell joint venture with the objective of best positioning Ansell for the success of its ongoing medical and industrial businesses in that country and in the meantime will retain ownership of its 50% shareholding. Ansell will also retain ownership of its polyisoprene intellectual property and provide a fully paid-up license to the buyer consortium for use in SW. Litigation against Reckitt Benckiser in Australia, the USA and the UK for infringement of Ansell’s patents relating to the technology behind the SKYN® polyisoprene condom will be continued by Ansell.

Net after-tax cash proceeds to Ansell are expected to be approximately US\$529m. The Company also expects to realize a net profit after tax in the order of US\$365m, which is expected to be recorded in FY’18. The transaction is subject to regulatory approvals and is expected to complete by the end of September 2017.

The sale represents the successful conclusion of the portfolio review announced in August 2016 with regards to the SW business. In addition to the value created for shareholders by the SW sale, the review has also identified opportunities to enhance value creation through accelerated delivery of the Company’s strategic objectives for the growth and profitability of its core businesses selling to medical and industrial end markets. These actions are designed to build on the improved organic revenue growth already evident in business results. More details will be provided in conjunction with the year end results announcement.

Ansell CEO and Managing Director Magnus Nicolin said: “We are delighted with this outcome, following a thorough and competitive process, which realises significant value for Ansell shareholders. We see Humanwell as a natural home for the business and wish them well with their purchase. They will be inheriting an outstanding team under the leadership of Jeyan Heper, President of the SW division. We thank Jeyan and his team for their focus and dedication before and during the sale period and the excellent results that continue to be achieved in this business. Ansell will now turn its focus to the acceleration of the three B2B divisions while improving operating efficiencies further.”

Goldman Sachs is acting as financial adviser to Ansell, with Gilbert & Tobin as its legal adviser.

¹The divested SW includes its commercial activities in its primary locations of Iselin, NJ; Sao Paulo, Brazil; Brussels, Belgium; Paris, France; Krakow, Poland; Wuhan, China; Melbourne, Australia; Bangalore, India; Bangkok & Surathani, Thailand.

²Divested EBITDA and revenue vary from the previously reported SW segment results as they exclude J K Ansell and allocated corporate charges that will remain with Ansell, and are adjusted to reflect a proportional consolidation of Ansell’s Jissbon legal entity in China consistent with Ansell’s 90% shareholding in this entity.

ASX Announcement



Capital management

Ansell is also announcing a new on market buy-back program where the Company will buy back up to 10% of issued capital or approximately 14.75m shares over the next 12 months. Based on yesterday's closing share price of A\$24.14 this would imply a buy-back of approximately US\$265mm (A\$356m). Execution of the buy-back will take into account the share price, market conditions and alternative capital deployment opportunities over the period of the buyback. The buy-back will commence no earlier than 8 June 2017.

Commenting on the buy-back, Ansell's Chairman Glenn Barnes said: "I am pleased to announce, a new on market buy-back made possible by our ongoing strong cash flow generation and the expected proceeds from the Sexual Wellness sale. Over time we intend to redeploy the net sale proceeds through a continuation of our disciplined capital management strategy. We maintain a preference for value accretive M&A that can generate attractive returns. We also recognize the value of dividends and share buy-backs in a balanced capital deployment strategy that will remain consistent with our commitment to an investment grade credit rating."

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: Industrial, Medical, Single Use and Sexual Wellness.

About Buyer's Consortium

Founded in 1993 and headquartered in China, Humanwell Healthcare (Group) Co., Ltd. ("Humanwell") is a fully integrated healthcare solution provider in Asia Pacific, North America, Europe and Africa and is listed on the Shanghai Stock Exchange and has a market capitalization of US\$3.9bn. CITIC Capital China Partners III, L.P. is a buyout fund managed by the private equity arm of CITIC Capital Holdings Limited. Founded in 2002, CITIC Capital Holdings Limited is an alternative investment management and advisory company. The firm manages over USD20 billion of capital from a diverse group of international institutional investors.

There will be two conference calls hosted by Magnus Nicolin to update stakeholders. See separate announcement for details

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Information on Ansell and its products can be found at www.ansell.com.



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