

TAX TRANSPARENCY

To improve the transparency of business tax affairs, the Board of Taxation has designed a Tax Transparency Code (TTC) that outlines a set of principles and minimum standards to guide the disclosure of tax information. In the interests of transparency and informed public discussion, Ansell Limited provides the following additional information satisfying the Board of Tax's Tax Transparency Code.

The information in this tax transparency statement and existing publicly available information (Ansell's Annual Report and ATO Reporting of Tax Information 2015), provide valuable tax related information specific to Ansell.

Ansell Ltd

Corporate Governance

Ansell strives to be recognised for excellence in corporate environmental, governance and social practices. The 2016 Ansell corporate governance statement is located at <http://www.ansell.com/-/media/Files/Ansell/About/Corporate-Governance/Corporate-Governance-Statement-2016.ashx>.

One of Ansell's core objectives is to maximise shareholder value by focusing on sustaining organic growth, profitability, cash flow and effective deployment of capital. A contributing factor in achieving this objective is to manage the group's tax affairs in an efficient and compliant manner.

Approach to Taxation

Ansell's tax risk management practises are directly linked to Management's approach to Corporate Social Responsibility (CSR). At Ansell, CSR means conducting business ethically and transparently and in ways that produce social, environmental and economic benefits for communities around the world.

Ansell's risk management framework is outlined in the 2016 Annual report. Ansell operates under a tax risk management policy that is aligned to the overall risk management framework.

Ansell's approach to tax risk management is documented and has been shared with the Australian Taxation Office. The Audit & Compliance Committee reviews this policy periodically.

Reconciliation of Accounting Profit to Income Tax Paid

Ansell Ltd is a company that is tax resident in Australia. The company (and its subsidiaries) is a global leader in protection solutions. The Financial Statements are prepared in accordance with the Australian Accounting Standards and the International Financial Reporting Standards and Interpretations published by the International Accounting Standards Board. Although Ansell Ltd is an Australian tax resident, the company reports its consolidated earnings in USD.

A full reconciliation of Ansell's accounting net profit to income tax expense is included in the income tax note (current and deferred taxes) Note 4 of the Financial Statements. As net profit is based on accounting rules and concepts, the group profit is a consolidation of all Ansell Ltd and all its subsidiaries.

Ansell entities are subject to the applicable local tax rules in each country in which it operates. Consequently the group tax rate is sensitive to the region and geographic mix of profits as tax at varying tax rates will be due in each country where profit is earned. Some of these countries have statutory tax rates higher or lower than the Australian statutory rate of 30%.

Corporate income tax paid is also different to the annual tax charge in the financial statements principally due to the following factors:

- Cash tax payments related to an income year are partly paid during one financial year and the following year;

- In many jurisdictions, tax payments are based on the prior year taxable profits or an estimate of the current year's profit.
- Variations between a group's income tax expense as recorded in the Financial Statements and tax payable as recorded in the tax return(s) can arise for a number of reasons, including
 - Timing in the depreciation of capital assets will cause differences in the accounting and tax position of the entity;
 - Tax losses can be offset against taxable income of later years;
 - Receipt of foreign dividend income is often exempt from Australian income tax but included in total income;
 - Differences in treatment of provision movements.

Income tax expense \$USD 2016	Ansell Consolidated group
Prima facie income tax calculated at 30% on profit before tax	64.4
Reduced taxation arising from:	
Investment and export incentive allowances	(3.5)
Net lower overseas tax rates	(0.5)
Utilisation /recognition of previously unbooked tax losses	(7.3)
Other permanent differences	(0.5)
Income tax expense attributable to profit before tax	52.6
Timing differences recognised in deferred tax	(15.8)
Foreign currency translation	(2.8)
Movement in tax payables	(4.2)
Cash taxes paid per cash flow statement	29.8

Effective Tax Rate

Ansell calculates its effective tax rate as income tax expense (current and deferred) divided by accounting profit.

	2016	2015
Global Ansell Consolidated Group	24.5%	15.5%
Australian Ansell Consolidated Tax Group	2.6%	1.52%

ATO Reporting of Tax Information

Year ended 30 June 2015

For Australian income tax purposes, Ansell Ltd and its 100% owned Australian tax resident subsidiaries are a part of the Ansell Australian income tax consolidated group. This results in all members of the Australian tax resident entities of that consolidated group being treated as a single corporate taxpayer and all intra-group transaction are eliminated in order to determine the Australian tax resident group's consolidated taxable income.

Ansell notes the recent publication of "large company" tax data by the Australian Taxation Office (ATO) in December 2016 (Report of Entity Information published on data.gov.au)

The ATO Australian data below and the additional information above reflect Ansell Limited's position as the Australian listed parent company of a global group that is subject to tax in more than 30 countries and earns approximately 93% of its sales revenue outside Australia. Under the applicable laws, those sales are generally taxable in the countries where they are earned rather than in Australia and are reported to the relevant foreign tax authorities.

In the interests of transparency and informed public discussion, Ansell provides the following additional information that further explains the Australian tax data published by the ATO:

Company	ABN	Total Income AUD\$	Taxable Income AUD\$	Tax Payable
Ansell Ltd	89 004 085 330	\$315,130,682	\$10,128,071	0

Total income includes Australian sales revenue (before operating expenses), taxable foreign income and foreign income that is tax exempt under Australian law.

Taxable income is based on accounting rules and concepts, then adjusted for allowable tax timing and tax permanent differences, including recoupment of prior year losses and foreign income that is tax exempt as provided for in the Australian tax law.

Australian tax payable is then calculated at the corporate income tax rate (30%) of taxable income, then reduced by available tax offsets. For Ansell the primary tax offset which reduces the tax payable amount to zero is the foreign tax offset.

Ansell's corporate governance framework support the increased focus on tax transparency globally and our commitment to comply with all relevant tax laws in the jurisdictions in which we operate.

The ATO has also released an explanation of the differences between accounting profit and taxable income and is available at the ATO's tax transparency webpage.