Ansell Limited
Full Year Results
30th June, 2008

Doug Tough – Chief Executive Officer
Rustom Jilla – Chief Financial Officer

Ansell F'08 Agenda

Ansell

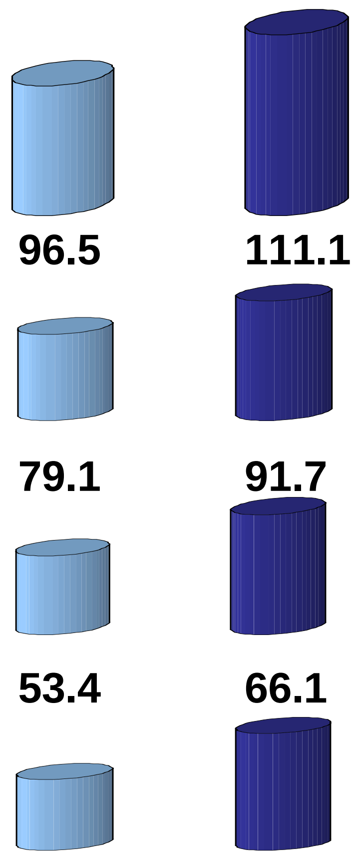
Operational Overview	-	Doug Tough
Financial Report	-	Rustom Jilla
Strategy/Outlook	-	Doug Tough

US dollars used in all slides unless otherwise specified

F'08 – Ansell Continues to Deliver

Ansell

REPORTED	F'07	F'08	
Sales ($M)	975.4	1,116	Sales up 14%
EBIT ($M)	96.5	111.1	EBIT up 15%
Profit Attributable ($M)	79.1	91.7	PA up 16%
EPS (US¢)	53.4	66.1	EPS up 24%



Note - AUD EPS increased from 67.6¢ to 73.9¢, up 9%

F'08 – Strong Results

Ansell

Positives

- Sales growth excluding acquisitions was 12% - with all regions up.
- EBIT growth strong across most regions/businesses.
- Strong Free Cash Flow of $80M.
- Hawkeye acquisition creates new channel for Ansell.
- Successful launch of polyisoprene condom in the US (SKYN™).
- Bought back 9.3M shares, returning $98M to shareholders.
- Jissbon (China) and Blowtex (Brazil) had excellent results.

Negatives

- Latex prices were higher than last year.
- Unimil was EPS dilutive; lower sales & margins due to competition, impact of working down inventory, and restructuring.
- US condoms – strong competition continues.
- Inflation being felt on many fronts.

Steady overall progress made in line with Ansell's strategy …..

F’08 - Occupational business … strong performance continues

$M	F’07	F’08	
HyFlex®	113.6	147.3	Volume growth 20%.
Other General Purpose	134.4	144.4	
Chemical & Liquid Handling	99.3	107.7	Category outperforming Market
Single Use	94.9	110.1	TNT volumes up 14%
All Other	36.7	38.2	
Sales	478.9	547.7	↑ 14%
Segment EBIT	62.3	79.3	↑ 27%
EBIT/Sales	13.0%	14.5%	Product mix, strong sales, operational focus

Note: Occupational accounts for 49% of Ansell’s Revenue and 64% of Segment EBIT

Strategy:
- Focus on Core Brands
- Expanding channels – Do-It-Yourself, Construction, Military
- Guardian℠ / Solution Selling – winning new accounts
- Outsourcing programs and plant rationalisations to reduce product costs
- New Products and SKU rationalisation
- Emerging Markets Focus; BRIC + other LA + EMEA

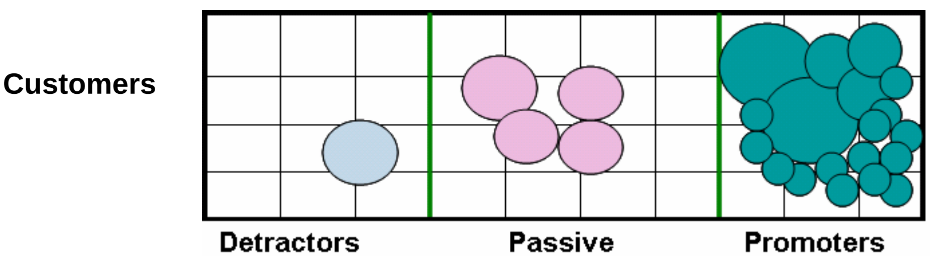
Ansell Solutions Building Satisfaction

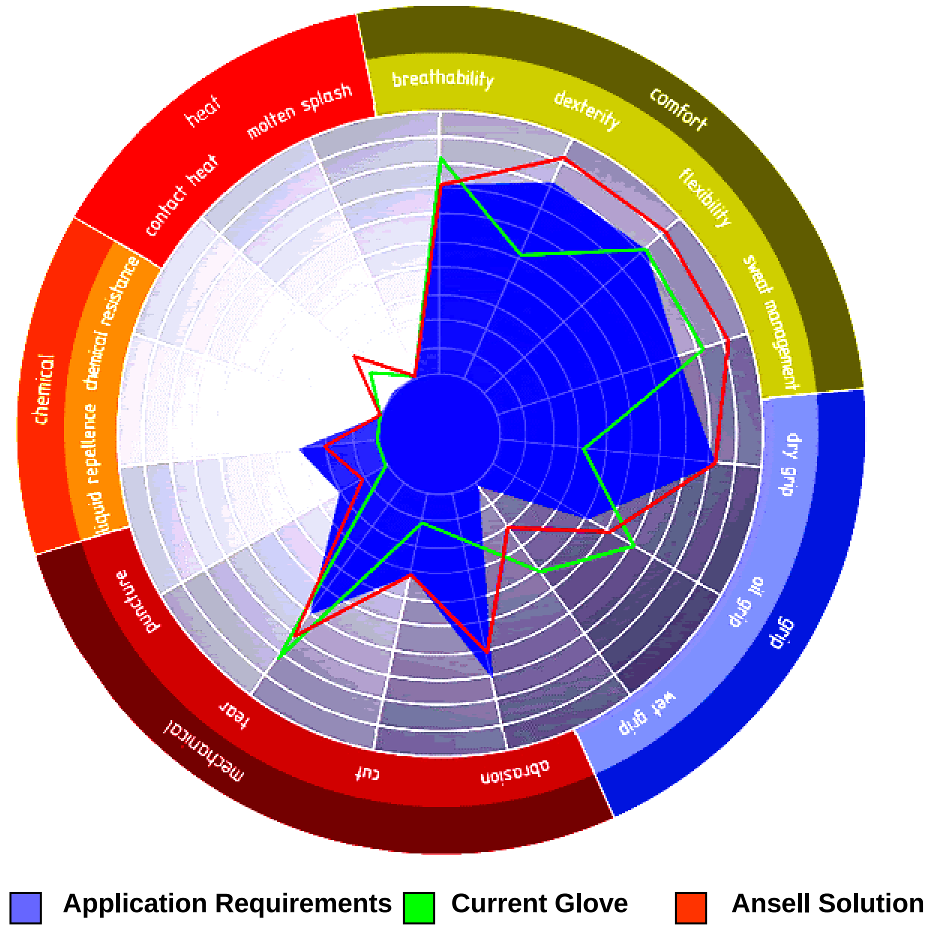
Ansell's Guardian℠ program uses our unique SafetyNet® software and Six Sigma Methodology/process:

- **Ansell OH & S qualified experts visit plants, observe each work station and question operators.**
- **SafetyNet® software assesses 5 key areas, plots outcome and selects the best glove.**

Result:

- **Higher sales and customer loyalty.**
- **Reduced hand injuries & OH&S costs.**
- **Improved Net Promoter Scores (NPS).**





Selling Solutions and great products helps Ansell build its market leadership

Hawkeye Acquisition

Basics:

- **Hawkeye business acquired at start of F'09 (1 July 2008) via an asset purchase. Price was $10.8M plus possible earn out.**
- **Sales approximately $20M p.a., but variable.**
- **Largest single glove supplier to US military.**
- **Five small but flexible US factories.**

Opportunity:

- **New channel for Ansell.**
- **New expertise unknown to Ansell.**
- **Potential to expand sales to other Government branches/agencies.**

Outlook:

- **Expected to be EPS accretive in the first year.**

F’08 - Professional Business ….
Turning around

Ansell

$M		F’07	F’08	
Surgeons:	Branded PF	83.8	98.8	Volume up 11%
	Powdered	60.8	63.6	Conversions to PF & synthetic
	Synthetic	19.8	25.6	Volume up 24%. New dip line providing capacity
	Other	3.6	2.6	
Exam:	PF	83.7	87.0	Volume down 8%, offset by pricing,
	Powdered	14.8	14.6	& product rationalisation
	Synthetic	44.0	53.8	Nitrile volume +50% offset by vinyl
Other		9.8	10.6	
Sales		320.3	356.6	↑ 11%
Segment EBIT		19.7	26.6	↑ 35% Surgical mix, exam rationalisation, prices
EBIT/Sales		6.1%	7.5%	8.9% without depreciation charge

Note: Professional accounts for 32% of Ansell’s Revenue and 22% of Segment EBIT

Strategy:

- Increase pricing and reduce cost to serve, to offset product cost increases.
- Drive sales through NPD, marketing programs, conversions to synthetic & PF.
- Rationalise commodity exams SKU’s, improve mix.

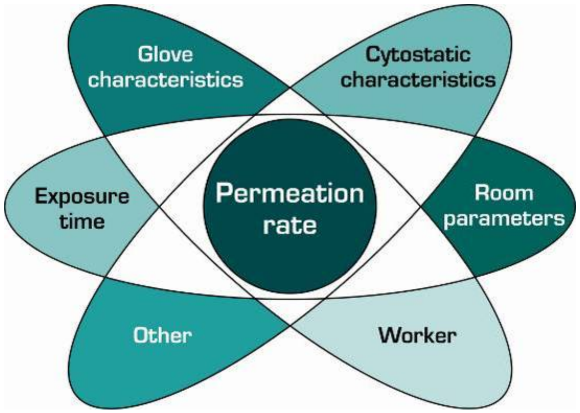
Solution Selling – Cytostatic Medical Gloves

The World Health Organisation believes between now and 2020, the cancer rate will rise 50% to about 15 million new cases a year worldwide.

In many cases, these new patients will undergo treatment involving Chemotherapy which involves handling hazardous cytostatic agents.

Ansell has started a cytostatic permeation program to assist medical staff to assess the risks and obtain the best protection while handling these agents. It consists of:-

- **Advice on handling cytostatic agents.**
- **Advice on what gloves to use with cytostatic agents.**
- **Advice on the time duration these gloves can be worn before becoming hazardous.**
- **Examples of real life situations to be avoided with these agents.**



Part of the Ansell Cares Program

F'08 - Consumer Business ….
Mixed performance

Ansell

$M	F'07	F'08	
Condoms: Branded	106.2	142.2	Strong Performance from Jissbon & Blowtex
Tenders/PL	28.8	28.7	
HHG & Other	41.2	40.8	
Sales	176.2	211.7	↑ 20%
Segment EBIT	23.5	17.5	↓ 26% (-14% without Unimil, due to US)
EBIT/Sales	13.3%	8.3%	(10.6% excluding Unimil)

Note: Consumer accounts for 19% of Ansell's Revenue and 14% of Segment EBIT

Strategy:

- Move to common "look" globally and leverage brands
- New Product Development – PI condoms
- Product Placement focus
- Turnaround of Unimil a key deliverable for EMEA Region
- US Retail Condom business key focus for Americas

Rustom Jilla
Chief Financial Officer

Financial Results

F'08 – Sustained Delivery of Commitments

Four Year Market Commitment of a 50% increase in F'01 - F'05 Segment EBIT was delivered.

EPS US(¢)	Guidance	Actual	
F'06	54 - 57	54.8	✓
F'07	46 - 50	53.4	✓
F'08	60 - 64	66.1	✓

Market Commitments have been Met or Exceeded for 7 years … Ansell Continues to Deliver.

F'08 – "Reported" and "Underlying" Results Consistent

Ansell

The impacts of the H1 depreciation charge, booking of US Federal tax losses, tax provisions and application of the full Federal tax rate of 35% to US profits are shown below.

Profit & Loss ($M)	F'07 Reported	F'07 Adjs	F'07 Underlying	F'08 Reported	F'08 Adjs	F'08 Underlying
EBIT	96.5	-	96.5	111.1	6.3	117.4
Net Interest	7.0	-	7.0	9.2	-	9.2
Taxes	7.2	7.5	14.7	7.5	6.7	14.2
Minority Interest	3.2	-	3.2	2.7	0.5	3.2
Profit Attributable	79.1	(7.5)	71.6	91.7	(0.9)	90.8
EPS (US)	53.4¢	(5.0)	48.4	66.1	(0.7)	65.4

- **Underlying EBIT, PA and EPS growth is 22%, 27% and 35% respectively. The comparative Reported increases are 15%,16% and 24% respectively.**
- **This presentation is based on results as Reported.**

F’08 - P&L Strength at Top and Bottom Lines

Profit & Loss ($M)	F’07 Reported	F’08 Reported	
Sales	975.4	1,116.0	Up 14%. (Blowtex & Unimil $37M)
GPADE	309.7	384.0	Mix, Volumes and FX major drivers
SG&A	213.2	272.9	
EBIT	96.5	111.1	Up 15% ($117.4m excl depn charge)
Net Interest	7.0	9.2	Low rates. Spending on buy-backs
Taxes	7.2	7.5	Cash taxes more representative
Minority Interests	3.2	2.7	
Profit Attributable	79.1	91.7	Up 16%
GPADE : Sales	31.8%	34.4%	Up 260bp
EBIT: Sales	9.9%	10.0%	Would be 10.5% excl depn charge
EPS (US)	53.4	66.1	Up 24%

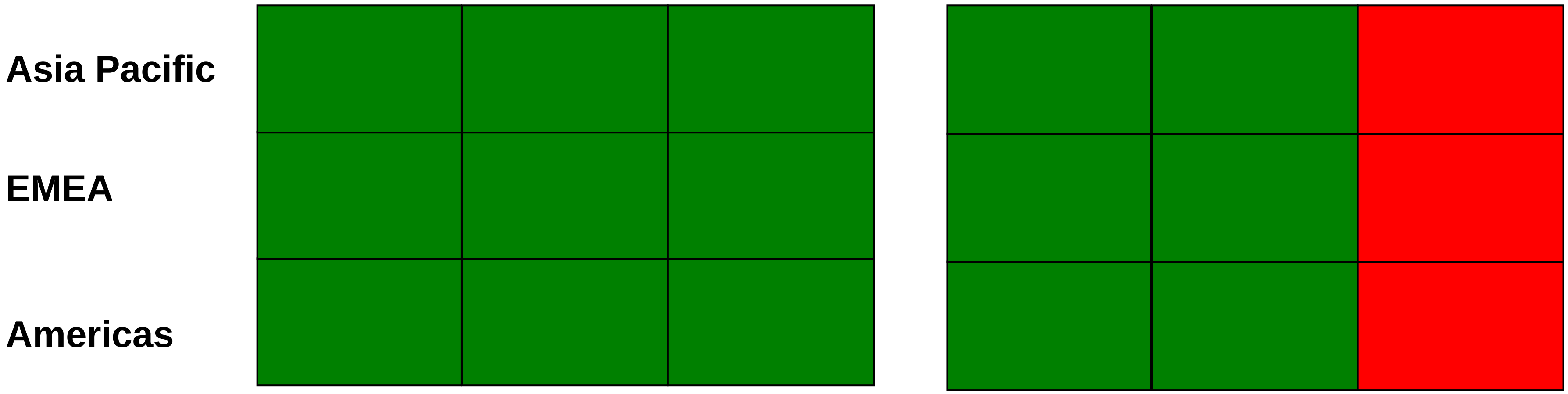
- The weaker USD made a solid year on year contribution to F’08 Sales and Profits.
- SG&A increases higher than planned in H2 mostly due to FX and performance related incentives.

F'08 – Portfolio Performance Solid

FY'08 SALES = $1,116M **14%**

FY'08 SEGMENT EBIT = $123M **17%**

Occupational Professional Consumer | Occupational Professional Consumer



> +5% | From 0% to +5% | < 0%

AP: Solid results in Occupational and Professional; Consumer hurt by higher plant costs and Manix® launch costs in Australia and China. Outstanding sales and profit growth in China.

EMEA: Occupational (with both Mature and Emerging countries doing very well) and Professional (with improved exam margins) were strong. Unimil the cause of Consumer EBIT decline.

Amer: Occupational performance strong in slowing US economy, Professional big improvement, pressure unabated on US Consumer. Strong Latin American results.

F'08 – Restructuring and Investing to Grow Continued

Ansell continued to restructure and invest to improve its competitive position:

- **Manufacturing;**
  - **Three plants were closed; in the US, India and Poland, costing (~$1M).**
  - **Estimated lives of Dip Line conversions & refurbishments reduced (~$6M impact in H1).**
  - **Uncompetitive equipment was written off (~$1M).**
  - **Significant investments in new Surgical and Occupational glove manufacturing lines (~$21M in total capex).**
- **Science & Technology;**
  - **~$3M of deferred project costs written off, resources re-focused, higher net spending.**
  - **Increased spending on new product development with a new to market PI condom (SKYN™) launched.**

Result: A more competitive manufacturing and technology footprint.

Performance of F’07’s Acquisitions Mixed

Blowtex

- **Outstanding sales & profits – above business case. US1¢ EPS accretive in F08.**
- **Offering broadened by drawing on Ansell’s extensive condom/lubricant range.**
- **Expansion and growth in new regions of Brazil.**
- **Strong management team unchanged.**
- **Significant Brazilian manufacturing capacity expansion underway.**

Unimil

- **Disappointing sales and profits in both halves. US3¢ EPS dilutive in F’08.**
- **Market share erosion since pre-acquisition period. Campaign to rejuvenate offering via new products, global graphics and pricing underway.**
- **Several management changes.**
- **Polish plant closed with 2 manufacturing lines moved to Brazil to expand capacity. German plant still underutilised.**
- **Recovery expected in H2 F’09; based on sales growth turnaround and higher capacity utilisation.**

Note: Jissbon, 75% of which was acquired in F’06, has had sustained sales & profit growth

F'08 - SG&A Investment Continued

SG&A ($M)	F'07	F'08	Increase
Growth Expenses: (Sales & Marketing, S&T/BD/S&L)			+33.9
Support Expenses: (Corporate, IT, HR, Law, Finance)			+25.8
Total SG&A	213.2	272.9	+59.7
SG&A/Sales	21.9%	24.5%	

- Significant investments in geographic expansion, acquisitions, innovation and support continued – with strong performance increasing incentive costs in H2.
- Translation of non-USD SG&A expenses into USD results accounted for part of the year on year increase.
- Growth drivers; Acquisitions ($9M), Selling & Marketing people/programs ($9M), S&T deferred project cost write-offs and higher spend ($3M), Incentives ($3M).
- Support drivers; Acquisitions ($2M), Litigation costs ($2M), Headcount & other people costs ($3M), Incentives ($4M), Debt provisions ($1M).

F'08 – Strong Balance Sheet Maintained

Ansell

Balance Sheet ($M)	30 June 07	30 June 08
Fixed Assets	163.0	161.3
Intangibles	280.8	302.0
Other Assets/Liabilities	(22.0)	(29.6)
Working Capital	212.4	224.2
Net Operating Assets	634.2	657.9
Net Interest Bearing Debt	114.5	133.3
Shareholders' Funds	519.7	524.6
Gearing % (NIBD:NIBD & Equity)	18.1	20.3
ROA %	16.6	17.2
ROE %	16.7	18.1

- Key financial metrics maintained comfortably above investment grade credit rating levels.
- NIBD reduced by $35M in H2 as cash was built up for acquisitions. Hawkeye bought for $10.8M at the start of F'09.

F’08 – Cash Generation Robust

Ansell

Cash Flow $M	F’07	F’08	
EBIT	96.5	111.1	
Depreciation & Asset Write-offs	22.8	30.3	
Working Capital	(12.9)	(11.8)	Despite $141M sales increase
Taxes Paid	(18.0)	(19.1)	
Capital Expenditure	(18.0)	(21.4)	~90% of “normal” depreciation
Interest Paid (Net)	(7.8)	(9.3)	
Free Cash Flow (FCF)	62.6	79.8	
FCF Utilisation			
Acquisitions	(63.9)	-	
Share Buy Backs	(63.5)	(98.1)	9.3M shares purchased.
Dividends	(25.3)	(30.7)	Payout per share up 14%

- F’08 Average Working Capital Days reduced to 74.7 from F’07’s 81.2 days (due to EMEA & Americas).
- Capex – Significant Surgical and Occupational investments in Sri Lanka, Malaysia & Thailand.
- Cash taxes ran within previously guided 17% – 19% range. Guidance unchanged.
- Double digit dividend increases every year since resumption in F’03.

F’08 - Solid Base For The Future

Ansell

- **Strong Financial Ratios:**

Net Debt: EBITDA	**0.9X**
Interest Cover	**15.1X**
Gearing	**20.3%**

- **Average Cost of Debt 4.6%.**
- **No Material Debt Maturities Before April 2010.**
- **Investment Grade Ratings from Moody’s and Standard & Poor’s.**
- **Professional and Consumer Business Recession Resistant; Occupational business is highly diversified.**

This Base Provides the Opportunity to Continue to:-

- **Seek value enhancing M & A opportunities.**
- **Buy-Back Shares.**
- **Steadily increase dividends.**

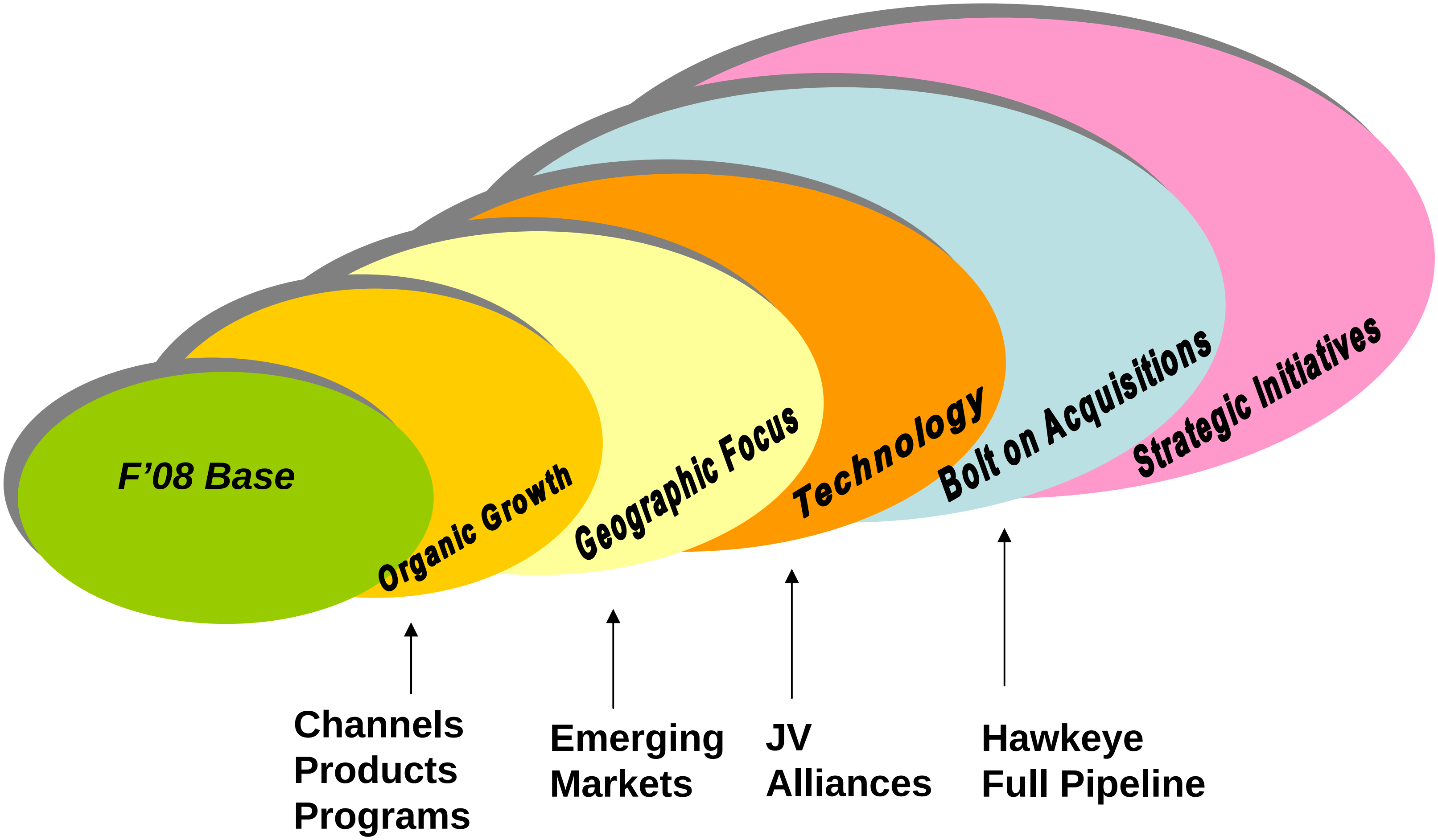
Ansell

Doug Tough
Chief Executive Officer

Wrap Up

F'08 - Growth Strategy Unchanged

Methodology: Multi-faceted approach to growth



Overall perspective: We intend to continue to deliver sales and profit growth

F’09 – Not Business As Usual

- F’08 was a very good year with;
  - Broad based organic sales growth.
  - Improvement in operating margins.
  - EPS commitments exceeded despite difficult operating environment with higher Latex and other input costs.
  - M&A progress with Hawkeye purchased on July 1st 2008 and others under review.
- Cost Inflation is a concern for F’09 and the initiatives established to counter this include:
  - Selling Price increases.
  - Growing Emerging Market revenues at an even higher rate.
  - New Product releases.
  - SKU rationalisation.
  - Manufacturing efficiency; Continued rationalisation.
  - Reducing overhead growth.

The F’09 EPS Guidance takes all of the above into account

F'09 – Guidance

Ansell

- **Background:**
  - Global Economic outlook uncertain …. but Ansell's diverse, recession resistant portfolio provides benefits.
  - FX volatile … but hedging program protects US dollar EPS.
  - Inflation impacting input costs …. but Pricing opportunities emerging.
  - New fiscal year brings higher targets ….. but F'09 has started well with a solid July result.

- **Guidance:**
  - F'09 EPS to be within a US70¢ - US74¢ range.
  - Ansell acknowledges the current uncertain environment and has taken the above factors into account in providing this guidance range.

"Ansell Continues to Deliver"


Exclusively For Your Pleasure 只为非凡的你
MANIX
Ansell
Exclusively for your pleasure
玛尼仕 · 只为非凡的你
super
Ultra Thin
Très Fin
Variety
Infini
Finesse extrême
隐形 002
NOUVELLE FORME "Confort"
Contact
Sensations Intactes
纤薄 003
Intense