



CHAIRMAN'S ADDRESS

2008 ANNUAL GENERAL MEETING

Ladies and gentlemen

Before the start of the 2008 financial year, the Board and the management team had identified continued sustained growth in the Company's sales revenues as one of Ansell's foremost objectives for the year.

It is pleasing to be able to report that the objective of the continuing expansion of the Company's revenue base was accomplished in the 2008 financial year. Ansell's sales revenues of US\$1.116 billion represent a 14% increase over the previous year.

It is noteworthy that the sales revenue growth was achieved in each of Ansell's three sales regions and in each business segment. Doug Tough will expand on this theme in his presentation shortly.

The 2008 profit attributable to shareholders was US\$92 million, 16% higher than last year after including additional spending approved by the Board to support future growth opportunities that the Company had identified and was targeting.

The 2008 result in terms of earnings per share of US 66.1 cents was 24% higher than the previous year and ahead of the guidance range of US 56 to 60 cents that was announced publicly in August 2007 and re-affirmed at the 2007 Annual General Meeting.

During the year, the Company returned some \$147 million to shareholders by way of dividends, which were 10% higher than the previous year, and share buy-backs, which are an integral part of the Company's balanced capital management program.

Total shareholder return, measured as a movement in share price plus dividends reinvested, continues to be strong. Over the five years to 2008 compound growth of 12% has been achieved. Over the same period the compound growth of dividends has been 19%.

Ansell has been, and continues to be, a strong cash-generating company. Our preference is to invest in growth, be it through internal investment or value-adding acquisitions. However, where the investment opportunities identified do not represent the best use of excess cash-flows, the Company has returned those funds to shareholders. Over the five years to 2008 \$518 million has been returned to shareholders by way of share buy-backs.

We have continued to invest in capital projects during the year that provide us with manufacturing capacity and manufacturing flexibility.

In our Occupational Healthcare business production capacity of the Company's Colombo facility has been increased to enable the introduction of new-technology gloves with further investment in Lat Krabang.

In our Professional Healthcare business production capacity of the Company's surgical glove plants in Colombo and Melaka have been increased, which has alleviated constraints as demand has grown.

In our Consumer Healthcare business additional production capacity is also being installed at Surat Thani in Thailand and at Blowtex in Brazil, to meet growth in demand.

In my address to shareholders at last year's Annual General Meeting I spoke about the impressive work that is being done within the Company on what we call "Green Productivity", a systematic process of achieving the most efficient and effective use of energy in our manufacturing processes and at the same reduce our greenhouse gas emissions.

Ansell cares about the environment and the effect that the Company has on it. We invested in additional capital projects during the year focused on our Green Productivity program and approval was recently given to construct a renewable biomass fuelled boiler system at one of our facilities which will lead to a significant reduction in greenhouse gas emissions at that facility.

Corporate responsibility is an important issue, and one that is well recognised and responded to by the Company. Ansell's risk management systems continue to target loss prevention and stakeholder protection in the areas of occupational health and safety, the environment, asset protection and product safety.

Ansell's diverse global portfolio of barrier protection products continues to be a major driver of the Company's ability to deliver consistent and sustained business performance. Ansell's balance sheet remains strong. The Company has low gearing, strong cash flows and strong interest cover and is well-positioned for profitable expansion both organically in our current and emerging markets and by using the strength of the balance sheet.

In the 2008 financial year that saw significant turbulence in the world economy, Ansell was able to produce outstanding results. This could not have been achieved without the considerable efforts of our committed workforce of over 11,000 spread across 33 countries who are dedicated to the manufacture, marketing and distribution of our products all round the world

During the 2008 financial year inflation pressures increased as evidenced by the costs of latex, oil and oil derivatives, natural gas in Asia and labour worldwide. Ansell, however, benefits from its diverse global business, its broad business portfolio and broad customer base.

In the context of the broader global environment, the 2009 year has started well – trading results are in line with our expectations and, the US dollar-denominated guidance range that has been previously provided of 70 to 74 cents for the coming year is confirmed, while acknowledging that Ansell will need to continually monitor the volatile global economic environment.