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NEWS RELEASE

14th August, 2003

Ansell Limited Full Year Results 2003

Double-digit EBITA Growth Achieved

Highlights:

- Double-digit US\$ EBITA growth achieved, with a 10.5% improvement in Healthcare segment EBITA, up from US\$84.7 million (A\$162.3 million) to US\$93.6 million (A\$159.5 million).
- Profit attributable at US\$29.3 million (A\$49.9 million) vs. last year's loss of US\$60.5 million (A\$115.8 million).
- Earnings per share (EPS) of US15.7¢ (A26.7¢), vs. last year's loss of US32.3¢ (A61.9¢).
- Further reduction in Net Debt (Cash Generated) of US\$82.9 million.
- Gearing improved further to 18.1%, from 29.4% last year.
- Reinstatement of a dividend of A11¢ cents per share (unfranked) for the full year, payable 9 October, 2003.

14th August, 2003

Ansell Ltd Full Year Results 2003

	30 th June, 2002		30 th June, 2003	
	US\$ m	A\$ m	US\$ m	A\$ m
Operating Revenue – Healthcare Segment *	*738.5	*1,414.2	758.7	1,293.6
Operating Profit (Healthcare Segment EBITA)	84.7	162.3	93.6	159.6
Profit Attributable	(60.5)	(115.8)	**29.3	49.9
Total Funds Employed – Ansell Ltd.	703.0	1,241.8	687.2	1,030.7
Assets Employed – Healthcare Segment	521.4	921.1	498.7	748.1
Earnings Per Share	(32.3¢)	(61.9¢)	**15.7¢	26.7¢

* Excludes Discontinued Businesses. Including Discontinued Businesses, 2002 revenue was US\$1,160.7 million (A\$2,222.8 million).

** Excluding Ambri write down, Profit Attributable is US\$32.9 million (A\$56.0 million) and Earnings Per Share is US 17.6¢ (A 30.0¢)

Ansell's Chairman, Dr Ed Tweddell, today announced Ansell's results for F'03, including:

- Profit Attributable to Shareholders of US\$29.3 million (A\$49.9), up strongly from the previous year's loss of US\$60.5 million (A\$115.8 million),
- Earnings Per Share (EPS) of US15.7¢ (A26.7¢), up on the previous year's loss of US32.3¢ (A61.9¢),
- Reinstatement of a dividend payment, set at A11¢ per share (unfranked),

Dr Tweddell commented, "The Board and Management are pleased to be able to announce earnings in line with expectations, in the first full year under the Ansell banner. Based on this result, Directors have reinstated a cash dividend, signaling confidence in the future and a new phase for Ansell. The dividend is part of a balanced capital management strategy which includes maintaining a conservative balance sheet, and initiating a share buy-back program, while retaining the financial capacity for bolt on acquisitions."

Operating results were sound in difficult trading conditions. The Company's commitment to deliver double-digit growth in US\$ Healthcare segment EBITA was achieved, with growth from US\$84.7 million (A\$162.3 million) to US\$93.6 million (A\$159.6 million), a 10.5% increase.

This result was achieved on 2.7% growth in continuing business revenues to US\$758.7 million (A\$1,293.6 million), up from last year's US\$738.5 million (A\$1,414.2 million). In contrast with recent years, the stronger Euro and A\$ significantly assisted Ansell Healthcare's US\$ operating results.

Commenting on the results, the Company's CEO, Mr. Harry Boon, said "The Occupational Division, which accounted for almost half of FY03's revenues, recorded outstanding results during a period of slower economic activity, reflecting the strength of the Ansell business and brands."

"The Consumer Division continued to show solid margin improvement, benefiting from manufacturing cost reductions, price increases in condoms and Operation Full Potential initiatives" Mr. Boon said.

As previously announced, the Professional Division experienced an interruption to supply of surgeons' gloves, as well as price reductions in examination gloves in the first half of the year. This Division's lower profit reflects the impact of these first half factors, as well as non-recurring airfreight for restocking the market in the second half".

"Importantly, Ansell's surgeons' gloves supplies returned to normal during the fourth quarter, and we have commenced the task of recovering lost USA market share, estimated at 4 percentage points in the powder-free sector. In addition, the world oversupply of examination gloves abated during the second half, and prices have stabilized," Mr Boon concluded.

Occupational Healthcare

	30 th June, 2002		30 th June, 2003	
	US\$ m	A\$ m	US\$ m	A\$ m
Operating Revenue	334.3	640.2	366.5	624.9
Operating Profit (Segment EBITA)	19.3	37.0	36.9	62.9
Assets Employed	212.8	376.0	200.6	300.9
EBITA Margin	5.8%		10.1%	

The Occupational Division accounted for 48% of Ansell's F'03 Sales and 39% of Healthcare segment EBITA.

Occupational Sales increased by 10%, with exceptionally strong performances in Asia Pacific and Europe. In the America's sales were flat due to a weaker US manufacturing environment, and to some knitted product supply shortfalls during the transfer of production from the US to Mexico.

The division's outstanding 91% increase in EBITA was driven by:

- world wide growth in volume, market share and margin of our flagship HyFlex[®] range of ergonomic gloves,
- continuing benefits from the ongoing manufacturing rationalization and restructuring program,
- an increased proportion of newer products.

The strategy of diversifying Occupational's customer base in order to reduce exposure to economic cycles continued. Significant progress has been made in expanding sales to the meat and food processing industries, thereby reducing our dependence on the automotive and general manufacturing sectors.

The Occupational Value Proposition (OVP) concept of hand injury reduction continues to run smoothly at Ford USA, and is being progressively introduced to a number of other end users and distributors who have demonstrated interest in this novel approach. Management expects the OVP initiative, which is a key plank of Operation Full Potential, to develop steadily over time. OVP is a "game-changing" concept that requires a change in the traditional way many customers manage hand injury costs. Trials are currently underway at a number of major potential customers' plants.

In the absence of further global economic decline, Management anticipate ongoing strong results from the Occupational Division, as sales continue to grow, assisted by a number of new additions to the HyFlex® product range, progressive adoption of the OVP concept, better focus resulting from the Operation Full Potential product rationalization program and lower costs flowing from previously announced production relocations.

Professional Healthcare

	30 th June, 2002		30 th June, 2003	
	US\$ m	A\$ m	US\$ m	A\$ m
Operating Revenue	285.6	546.9	265.5	452.6
Operating Profit (Segment EBITA)	48.4	92.7	31.6	53.9
Assets Employed	228.9	404.3	221.0	331.5
EBITA Margin	17.0%		11.9%	

The Professional Division accounted for 35% of Ansell's F'03 Sales and 34% of Healthcare segment EBITA.

Professional Sales declined by 7%, and EBITA fell by 35%. Outstanding performances in Asia Pacific and Europe were offset by first half surgeons' gloves supply interruption and examination glove price reductions, especially in the USA. Operating expenses were higher in the second half due to non-recurring airfreight costs in resupplying the surgeons' gloves market, and to higher latex raw material costs.

Surgeons' gloves supply improved markedly in the second half, and Distributor inventories are now at normal levels. The US Sales and Marketing team is focused on a number of initiatives designed to the regain the approximately 4 percentage points of US powder-free surgeons' gloves market share lost during the supply disruption. Importantly, no significant price erosion has been experienced in PF surgeons' gloves.

At the same time, continuing growth of Ansell's powder-free surgeons' gloves was achieved in Europe, with branded sales up 19%, and in Asia Pacific (up 15%). In examination gloves, global oversupply led to significant price reductions earlier in the year. A number of competitors reported financial difficulties as the combined result of increases in the cost of latex raw material, and the first half selling price reductions. In recent months, prices of higher end examination gloves have stabilized, and prices at the low end of the market have begun to rise.

Consumer Healthcare

	30 th June, 2002		30 th June, 2003	
	US\$ m	A\$ m	US\$ m	A\$ m
Operating Revenue	118.6	227.1	126.7	216.1
Operating Profit (Segment EBITA)	17.0	32.6	25.1	42.8
Assets Employed	79.7	140.8	77.1	115.7
EBITA Margin	14.3%		19.8%	

The Consumer Division accounted for 17% of Ansell's F'03 Sales and 27% of Healthcare segment EBITA.

Consumer sales grew by 7%, including growth from public aid and assistance agencies in the fight against HIV/AIDS. Ansell's condom business continues to build on a reputation for high quality from our low cost Asian plants. The European Region saw gains in market share in the UK and France, based significantly on the new "Xtra PleasureTM" condom. This success was replicated in the Asia Pacific Region, where sales grew 14%, with strong improvement in New Zealand, Malaysia and Thailand. In the Americas Region, USA total branded retail condom market share held steady at 23% in volume and 20% in value, while the important Public Sector segment remained strong.

In retail household gloves (HHG), 9% volume growth was achieved in Europe, while volumes declined in the USA, as the Company withdrew from an unsatisfactory customer relationship in preparation for a relaunch in 2004. A new range of foamlined HHG continued to gain market share in Europe and Australia, and expansion of manufacturing capacity for this unique product technology is planned in FY04.

Operation Full Potential (OFP)

June 2003 marked the completion of the first phase of the three-year OFP program, which is designed to lift Ansell's US\$ EBITA by 50% from the 2001 level by the end of 2005.

The global launch of OFP was completed, as were the initiatives that were planned as part of Waves I and II of the program. In the coming year, OFP will concentrate on completing the implementation of growth initiatives from Wave II in the Professional and Occupational Divisions, and on the launch of Wave III of the program.

During this second year of the program, the activities and capabilities developed within OFP will be fully integrated into the business Divisions, thereby reinforcing the new “performance culture” into the core of Ansell’s business.

Non-Core Investments and Discontinued Businesses

During the first half, two investments were sold, Pacific Marine Batteries and BT Equipment, with resultant cash generation of US\$9.4 million (A\$16.7 million). A premium to book value was received. The Company has also made significant progress in resolving various remaining “legacy issues” from discontinued businesses.

South Pacific Tyres (SPT)

Ansell retains its 50% investment in the South Pacific Tyres partnership with the Goodyear Tire and Rubber Company. The joint venture is accounted for as an investment, with operating results excluded from Ansell’s results.

The Directors at this time believe that SPT’s performance and 3 year EBIT projections continue to justify retention of the asset at full value on Ansell’s books.

Ambri

In reviewing the carrying value of assets, the Company has found it necessary to write down the value of its non-core residual investment in the listed company, Ambri Limited. The book value was the original float price of A\$1.11 per share, while, at June 30, 2003, the market price was A\$0.375. A non-recurring, non-cash write off of US\$3.6 million (A\$6.1 million) was incurred before and after tax on the Group’s 8.3 million shares, to bring the written down book value to US\$2.1 million (A\$3.1 million) into line with the market price.

Corporate Costs

Outstanding progress was made during the year in reducing the Corporate Office costs to US\$6.7 million (A\$11.5 million), down 47% on the previous year, on a comparable basis. Staff numbers are now at appropriate levels and Regional Ansell staff in Australia have been relocated to the Melbourne Corporate Office for greater efficiency. OFP costs of US\$6.4 million (A\$10.9 million), last year US\$1.9 million (A\$3.7 million), were incurred as a corporate expense.

Board and Senior Management

As previously announced, the Board was strengthened further during the year with the appointment of Mr. L. Dale Crandall, who comes with a strong international finance and accounting background, having been a Managing Partner with Price Waterhouse in the U.S. and more recently, President and Chief Operating Officer of a major American healthcare company.

A number of senior management appointments were also made during the first half, augmenting Ansell's capabilities in Supply and Logistics (Mr. Scott Papier), Finance (Mr. Rustom Jilla), Program Management (Mr. Duane Dickson), and Science and Technology (Dr Michael Zedalis).

In the second half, management ranks were further strengthened with Mr. Rainer Wolf joining as Head of Global Manufacturing. He has extensive experience in manufacturing operations and quality systems with 3M, and is based at Shah Alam, Malaysia.

Finance

The Company's financial structure remains robust. Cash flow is strong, net interest bearing debt (NIBD) was reduced by US\$82.9 million, and gearing (NIBD to NIBD plus equity) has further improved to 18.1%, down from 29.4% last year. Interest cover was 6.4X, significantly better than last year's 4.5X.

This strong cash flow came from improved profits (EBITDA) of US\$98.9 million (A\$168.6 million), up from last year's US\$92.1 million (A\$176.4 million), and reductions in working capital, tax, net interest paid and capital expenditures. Significantly, the Company has converted over 80% of Operating EBITDA to cash.

Liquidity continues to be a strength, with available cash on deposit of US\$190.2 million (A\$285.4 million), and an unused bank facility of US\$100 million (A\$150 million).

The share buy-back element of the balanced capital management strategy has progressed well and, at June 30 almost 1.5 million shares had been repurchased at an average price of approximately A\$5.80. The Company intends to continue the previously announced buy-back program.

Dividend

At the end of the first half, Directors announced a share buy-back, as part of the balanced capital management strategy, as well as a review of dividend policy after the full year results were known. Based on strong and sustainable operating profit improvements, cash generation and low gearing, the Board is pleased to announce an unfranked dividend of A11.0¢ per share for the year, payable on 9 October, 2003.

Outlook

The Chairman, Dr Ed Tweddell commented "The world economy is far from buoyant and challenges remain. Management is aggressively addressing the task of regaining PF surgeons' gloves market share in the USA, continuing to produce low cost high quality product and maintaining regulatory compliance. Ansell has emerged from a tough year with a strengthened management team, an enhanced competitive position, strong brands and is well positioned to continue to meet its previously stated growth objectives."

Annual General Meeting

The Annual General Meeting of the Company will be held on Thursday October 9, 2003 in the Latrobe Theatre, Melbourne Convention Centre, corner Spencer and Flinders Street, Melbourne, commencing at 10:00am.

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Ansell Limited is a global leader in healthcare barrier protective products. With operations in the Americas, Europe and Asia, Ansell employs more than 12,000 people worldwide and holds leading positions in the natural latex and synthetic polymer glove and condom markets. Ansell operates in three main business segments: Occupational Healthcare, supplying hand protection to the industrial market; Professional Healthcare, supplying surgical and examination gloves to healthcare professionals; and Consumer Healthcare, supplying sexual health products and consumer hand protection. Information on Ansell and its products can be found at <http://www.ansell.com>.

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