

15 August 2007

Ansell Limited Full Year Results 30 June, 2007

Double Digit Sales Growth Achieved, EPS Market Commitment Delivered

Highlights:

	Reported in Australian Dollars			Results in Operating Currency – US Dollars		
	F'06 A\$M	F'07 A\$M	%	F'06 US\$M	F'07 US\$M	%
Sales	1,138.2	1,239.2	+8.9	849.1	975.4	+14.9
Segment EBIT	144.2	133.9	-7.1	107.6	105.5	-2.0
Profit Attributable	116.1	100.0	-13.9	86.7	79.1	-8.8
Earnings Per Share (¢)	73.4	67.6	-7.9	54.8	53.4	-2.6
Dividend	21.0¢	24.0¢	+14.3			

- Sales up 14.9%, highest growth rate in over 10 years (12% excluding Jissbon, Unimil and Blowtex acquisitions).
- Two acquisitions, Unimil and Blowtex, completed during the year.
- 5.7 million share buy-back completed and a new 10 million share buy-back commenced.
- EPS was above previous guidance.
- Final dividend of A14¢ per share unfranked announced. Total dividend for the year of A24¢, up 14.3% on prior year.

F'08 Guidance:

- EPS to be in the range of US56¢ - US60¢.

Ansell Limited Full Year 2007 Results Summary

Ansell (ASX:ANN) today announced a full year Profit Attributable to Shareholders of US\$79.1 million, down on the previous year's US\$86.7 million. Reported Earnings per Share (EPS) were US53.4¢, down from the previous year's US54.8¢. F'07's EPS, excluding net Deferred Tax Adjustments and plant restructuring expenses, was US50.5¢ - also above Ansell's guidance of a US46¢ - US50¢ range.

The Board declared a final dividend of A14¢ per share unfranked, payable on 19 September 2007. The year's dividends will therefore total A24¢, 14.3% higher than the prior year's A21¢ per share.

The previously approved 10 million share on-market buy-back, of which only ~1.1 million shares had been bought back as of 30 June 2007 has continued in F'08.

Chairman's Comments:

Mr. Peter Barnes, Ansell's Chairman, commented "Ansell achieved double digit organic sales growth in F'07 for the first time in over 10 years. The year was also noteworthy for the completion of two acquisitions which improved the competitive position of our condom business, taking Ansell to world number 2. In addition, over 7.6 million shares were bought back, which combined with an increased dividend returned US\$88.8 million to shareholders during the year."

Mr. Barnes concluded "Ansell remains in excellent condition financially, with capacity for internal investments, value enhancing acquisitions, buy-backs and dividends."

Business Review:

Mr. Doug Tough, Ansell's Chief Executive Officer, commented "The top line growth for the year was broad based and very gratifying, and it offset the net negative EBIT impact of latex, which was approximately \$12 million.

Ansell continues to invest in growth and as previously announced, not only acquired businesses, but also invested in sales/marketing, a business development team and R & D programs, all of which offer exciting prospects in future years.

We are pleased to have delivered on our EPS guidance for the year and move into F'08 with positive momentum."

Corporate Business Development:

Ansell completed two acquisitions during the year:-

1. *Unimil SA of Poland*

Ansell completed the acquisition of 100% of Unimil on 26 April 2007. Unimil manufactures condoms in Poland and Germany and has ~50% and ~8% shares of the Polish and German retail condom markets respectively. It expands Ansell's reach into markets not previously covered, and provides strong brands, manufacturing capacity and a further opportunity to expand in Eastern Europe.

2. *Fabrica de Artefatos de Látex Blowtex Ltda of Brazil*

On 4 May 2007 Ansell acquired Blowtex, a Brazilian condom manufacturer and marketer. Blowtex has close to 20% of the Brazilian retail condom market and has grown share in recent years. Brazil is the 5th largest retail condom market and is growing at ~10%.

The acquisition of the above entities and Jissbon in China the previous year has raised Ansell's global retail condom market position to 2nd place with a ~14% share.

Occupational Healthcare:

	A\$M		US\$M	
	F'06	F'07	F'06	F'07
Sales	569.2	609.1	424.6	478.9
Segment EBIT	81.3	79.1	60.7	62.3
EBIT/Sales	14.3%	13.0%	14.3%	13.0%

Occupational accounted for 49% of Revenue and 59% of Segment EBIT.

Sales growth of 13% in Occupational products was broad-based across all three regions and in both Mature and Emerging markets.

These strong results were once again driven by HyFlex® with an impressive 31% (volume and sales value) year on year increase. The HyFlex® range, which has been extended to 20 styles, continues to perform strongly and over the last 6 years has averaged volume and sales value growth of 22% per annum.

Regionally, Europe, Middle East and Africa (EMEA) continued to outperform, with strong sales in both Mature and Emerging markets. The Americas also had good sales and EBIT, before absorbing plant costs that impacted its Segment EBIT performance.

Manufacturing is being reviewed for competitiveness and efficiencies sought. Provisions (of \$2.2 million) were made for plant restructuring in the US and Asia, the benefits of which will be seen in future periods. Excluding these provisions, the Occupational Segment EBIT:Sales ratio would have been a strong 14.6% in H2.

Professional Healthcare:

	A\$M		US\$M	
	F'06	F'07	F'06	F'07
Sales	387.4	406.7	289.0	320.3
Segment EBIT	38.9	24.9	29.0	19.7
EBIT/Sales	10.0%	6.1%	10.0%	6.1%

Professional accounted for 33% of Revenue and 19% of Segment EBIT.

Sales rose 11% with surgical and examination gloves growing at similar rates. Powder free surgical grew strongly in all regions while exam glove growth came from the Americas and Asia Pacific. Ansell also continues to innovate and released a moisturising surgical under-glove this year.

H2 sales and EBIT were 13% and 104% higher than H1, respectively. Lower latex costs, selling price increases in EMEA and the H2 sales increase coming mostly from surgical gloves caused EBIT to double and the Segment EBIT:Sales ratio to increase to 7.8%. The \$1 million write-off of an exam line in Sri Lanka had also impacted H1 EBIT. Some exam glove margins are unsustainably low and Ansell is taking action to improve profitability in F'08, even at the expense of sales.

Latex prices have recently moderated, but this is a volatile commodity and Ansell is assuming that F'08 costs (in USD terms) continue roughly in line with F'07 levels.

Consumer Healthcare:

	A\$M		US\$M	
	F'06	F'07	F'06	F'07
Sales	181.6	223.4	135.5	176.2
Segment EBIT	24.0	29.9	17.9	23.5
EBIT/Sales	13.2%	13.3%	13.2%	13.3%

Consumer accounted for 18% of Revenue and 22% of Segment EBIT.

Sales increased 30% (14% excluding Jissbon, Unimil and Blowtex), with a strong performance across all categories. H2 sales were boosted by geographic expansion, additional tender and private label business, an improved household glove focus by FHP, and lubricants & other products.

Segment EBIT grew 31% and the EBIT/Sales ratio grew marginally to 13.3%.

EMEA had an outstanding year with impressive Emerging markets growth. Asia Pacific's performance was solid, while the Americas remained below expectations, reflecting the competitive environment in the US.

Finance:

A weaker USD benefited sales (translated from Euros, CADs etc) and had only a small positive impact on F'07 EBIT as revenue currencies and cost currencies are roughly in balance.

Operating EBIT fell \$6.5 million as margins from higher sales did not fully offset the \$12 million net negative impact of latex, the \$43 million increase in expenses (including \$29 million of growth related expenses) and the \$3.2 million of plant restructuring expenses at the end of F'07 (that will benefit future years).

The strong increase in sales resulted in higher Trade Receivables and Inventory at year end, with Working Capital, excluding acquisitions, up \$12.9 million year on year. However, Working Capital Days have been held at approximately the same level as last year with a small improvement in Debtor Days. Capital expenditure was \$5.7 million higher due to additional capacity requirements. Interest rose with spending on acquisitions (\$64 million) and buy-backs (\$64 million). Tax paid increased by \$5.8 million mostly due to changes in the timing of tax payments and additional dividend withholding taxes. The result was that Free Cash Flow for the year was \$62.6 million.

Ansell's gearing remains low at 18.1%, although up on the previous year's 10.8%. Interest cover is strong at 16.6X, but below last year's 26.9X.

During the year, Ansell bought back ~7.6 million shares for US\$64 million. At F'07 year end, of the 10 million share buy-back, ~8.94 million shares remained available for purchase. A further 2.8 million shares have been purchased since 1 July.

Dividends:

The Board has declared an increased final dividend of A14¢ (A12¢ in 2006) per share unfranked with a record date of 29 August 2007 and a payment date of 19 September 2007. For non-resident shareholders, dividends will not attract withholding tax.

The total dividend paid relating to the F'07 year will therefore be A24¢, an increase of 14.3% on F'06.

Outlook:

EPS for F'07, excluding net Deferred Tax Adjustments and plant restructuring expenses, was US50.5¢.

Latex prices appear to have moderated in recent months. The EPS outlook for F'08 is based on latex prices being no worse than F'07 and on continuing robust sales growth albeit at levels below 2007, as Ansell will intentionally exit some low margin segments. Offsetting this will be additional growth spending and manufacturing initiatives to reduce costs.

Based on this, the Company expects EPS for **F'08 to be in the range of US56¢ - US60¢.**

Mr Tough, noted "Ansell has exited F'07 primed for a strong F'08, sales momentum is positive, latex costs are a little better than expected and our acquisitions are performing in line with expectations. All this is driving our F'08 EPS projection of 11% to 19% growth from the US50.5¢ noted above".

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Ansell Ltd is a global leader in healthcare barrier protective products and in 2005 celebrated 100 years in its field. With operations in the Americas, EMEA and Asia, Ansell employs more than 11,000 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>.