

11th February, 2008

Ansell Limited Half Year Results 31 December, 2007

Continued Strong Sales Drives Profit Growth and Leads to Upgrade in Guidance

H1 Highlights:

- Sales growth over 15% for the 3rd consecutive half.
- Reported US\$ EBIT up 11%, Profit Attributable up 46% and EPS up 56%.
- Underlying US\$ EBIT up 26%, Profit Attributable up 22% and EPS up 29%.
- Free Cash Flow a strong US\$46.9M.
- An Interim Dividend of A11.0¢ a share (unfranked) declared, up 10%.

Full Year Guidance Upgraded:

- Underlying F'08 EPS expected to be within a US58¢ - US62¢ range. (Previous guidance was US56¢ - US60¢).
- Reported F'08 EPS expected to be within a US60¢ - US64¢ range.

Chairman's Comments:

Mr Peter Barnes, Ansell's Chairman commented "The stand-out feature of the first half, is that the strong top line growth is now flowing through to EBIT and EPS. This outcome has been achieved and supported by significant planned spending to fuel further profitable growth. Underlying EBIT of US\$54.7M rose 26% and Underlying U.S. EPS rose 29%.

Based on this result, the Board has again increased the interim dividend to A11.0¢ and the decision to upgrade profit guidance is indicative of our positive view about the second half."

Ansell Limited Half Year 2008 Results Summary

Ansell Limited (ASX:ANN) today announced Profit Attributable of US\$49.6M, up 46% on the reported F'07 H1's US\$33.9M.

Reported earnings per share was US35.2¢ up 56% on the previous year's US22.6¢.

Reported EBIT of US\$48.4M included a one-off depreciation expense of US\$6.3M (US\$4.4M after tax and minority interests) following a comprehensive review of dip line useful lives including associated refurbishments and conversions, resulting in a negative US3.1¢ EPS impact. As a result of strong H1 U.S. profits and revised medium term outlook, the remaining un-booked U.S. Federal tax losses were recognised as a deferred tax asset. After adjusting for other provisions and applying the full Federal tax rate to H1 U.S. profits, the net tax adjustment was a US\$14.2M credit. With minority interest, the PA benefit was US\$14.7M which added US10.4¢ to EPS.

Ansell's Board declared an unfranked dividend of A11.0¢ a share, a 10% increase on the previous year's A10.0¢. This dividend represents a payout ratio of 34% on the underlying Australian dollar EPS.

During the half, 7.0M shares were purchased on-market for US\$73.3M, pursuant to the buy-back component of Ansell's ongoing capital management program. As of 31st December 2007, 82% of the current 10M share buy-back program had been completed.

Reported:

	Reported in Australian Dollars			Results in Operating Currency – US Dollars		
	F'07 H1 A\$M	F'08 H1 A\$M	%	F'07 H1 US\$M	F'08 H1 US\$M	%
Sales	602.6	613.7	1.8	460.3	532.8	15.8
EBIT	57.2	55.6	(2.8)	43.6	48.4	11.0
Profit Attributable (PA)	44.4	56.9	28.2	33.9	49.6	46.3
Earnings Per Share (EPS)	29.6¢	40.4¢	36.5	22.6¢	35.2¢	55.8
Dividend	10.0¢	11.0¢	10.0			

Underlying: Excluding net tax and depreciation adjustments

	Reported in Australian Dollars			Results in Operating Currency – US Dollars		
	F'07 H1 A\$M	F'08 H1 A\$M	%	F'07 H1 US\$M	F'08 H1 US\$M	%
Sales	602.6	613.7	1.8	460.3	532.8	15.8
EBIT	57.2	62.8	9.8	43.6	54.7	25.5
Profit Attributable (PA)	42.4	45.1	6.4	32.4	39.3	21.6
Earnings Per Share (EPS)	28.2¢	32.1¢	13.8	21.6¢	27.9¢	29.2
Dividend	10.0¢	11.0¢	10.0			

Business Review:

Mr Doug Tough, Ansell's CEO commented, "Operationally, H1 was even stronger than expected with all regions producing a better result than last year. EBIT in two of the three businesses was also up, led by a robust Occupational business performance. Consumer was behind mainly due to our recently acquired Unimil business. We will take further action to bring Unimil in line with our expectations. Particularly pleasing, however, was the improved EBIT to sales margin in Professional, reversing its recent trend. This result would have been even better, but for a one-off dip line depreciation adjustment. Occupational, our largest business, had a stellar half with sales and EBIT up nicely across the portfolio.

We are now starting to see the benefits of the last 18 months increased investment in Marketing, Science and Technology, M&A and additional sales resources in emerging markets. These benefits are set to continue in the second half, and we intend to continue investing in these areas."

Occupational Healthcare

Reported	A\$M		US\$M	
	F'07 H1	F'08 H1	F'07 H1	F'08 H1
Sales	298.5	297.3	228.0	258.0
Segment EBIT	36.7	40.2	27.9	34.9
EBIT/Sales	12.2%	13.5%	12.2%	13.5%

Occupational accounted for 48% of Sales Revenue and 64% of Segment EBIT.

Overall it was a strong performance across regions and product lines with overall sales up 13.2%, while Segment EBIT rose US\$7.0M or 25.1%, with volumes in the flagship HyFlex® range growing 20%. However, some slow down in the Americas is envisaged in H2 if some of our sectors weaken as a function of a slowdown in the economy.

New product launches, such as the HyFlex® 11-920 grip glove, the HyFlex® 11-627 made with Dyneema® and the Vantage® range have proved successful.

There was a major turnaround in Ansell's Mexican Manufacturing plants where efficiency improvements, higher demand and expense control improved profitability and more than offset the write-offs of certain capitalised S&T development costs and the US\$1.1M charge arising from the dip line depreciation adjustment.

Professional Healthcare

Reported	A\$M		US\$M	
	F'07 H1	F'08 H1	F'07 H1	F'08 H1
Sales	197.2	198.1	150.6	172.1
Segment EBIT	8.5	9.8	6.5	8.6
EBIT/Sales	4.3%	5.0%	4.3%	5.0%

Professional accounted for 32% of Sales Revenue and 16% of Segment EBIT.

Compared to the prior year, EBIT to Sales improved significantly in H1 but was still well below our targets. Sales and EBIT grew 14.3% and 32.3%, respectively. Latex did not impact H1 margins but will do so in H2 as latex prices remained higher than expected throughout the peak growing period in Q2. Our strong EBIT growth was achieved despite a US\$5.2M dip line depreciation adjustment. The EBIT/Sales ratio would have been 8.0% without this adjustment – better but still short of Ansell's targets.

New product releases remain a priority and the Gammex® PF Surgical Underglove, the Hydrasoft® surgical range with hand conditioner, and the DermaPrene®/IsoDerm® synthetic surgical gloves have proven very successful.

The surgical glove shortages that occurred in F'07 H2 have been relieved with the completion of a new surgical line in Colombo, Sri Lanka and the conversion of an exam glove line to surgical in Melaka, Malaysia. Ansell now purchases 71% of its exam glove (both Occupational and Professional) requirements from third party suppliers.

Consumer Healthcare

Reported	A\$M		US\$M	
	F'07 H1	F'08 H1	F'07 H1	F'08 H1
Sales	106.9	118.3	81.7	102.7
Segment EBIT	15.5	13.1	11.9	11.3
EBIT/Sales	14.6%	11.0%	14.6%	11.0%

Consumer accounted for 20% of Sales Revenue and 20% of Segment EBIT.

Sales rose 25.7% but EBIT fell 5.0% due mainly to continued fierce competition in the U.S., and a profit shortfall at the recently acquired Unimil business.

A program of focussed advertising and support has now commenced in the U.S. and we are optimistic about progress. At Unimil, high manufacturing costs, higher product inventories at acquisition and a need to refresh the product range have proven more challenging than anticipated. Restructuring actions were taken at Unimil in H1 and more are expected in H2 to restore sales and profitability to expected levels. We were pleased, however, with results in many of our other markets including our recent Blowtex acquisition in Brazil. Condom brand and product launches in H2 should also improve overall results.

Finance:

Currency continued to benefit sales as the stronger Euro, Canadian dollar and Australian dollar resulted in their revenues being worth more when reported in US dollars. The impact on overall US\$ reported EBIT was positive, but less so as key cost currencies such as the Malaysian Ringgit and Thai Baht also strengthened. Ansell continued to benefit from its FX hedging program that insulates US\$ EPS guidance from currency risk.

Free Cash Flow rose to US\$46.9M, from US\$26.2M in F'07. Capital expenditure was in line with expectations with capacity added, existing equipment converted/upgraded and environmental investments made. Interest costs rose in line with higher debt (due to the buy-back) and cash taxes paid declined slightly.

Working capital was well managed, falling US\$2.1M, while sales rose 15.8%. As such, Working Capital Days fell from 80 at the end of June 2007 to 73 on 31st December 2007, with stock turns and Days Sales Outstanding both improving.

During H1, 7.0M shares were bought back on-market at a total cost of US\$73.3M. Of the current 10M share buy-back, 8M shares had been purchased at the end of H1. At the 2007 AGM, shareholders provided the Board with flexibility by approving a further on-market buyback of up to 10% of capital. The Board will further consider the capital management program after the current buy-back is completed.

Ansell is in good condition to weather the current world liquidity crisis. Gross Debt is US\$319M, with an average maturity of 3 years and no material re-financing required for 2 years. Cash balances amount to US\$151M and existing un-drawn facilities of US\$100M are in place. The average cost of Borrowings is low and the Company benefits from an investment grade credit rating from both Moody's and S&P. Ansell's gearing has risen to a moderate 25.3%, from 18.1% on 30 June, 2007 due to share buy-backs. Interest cover remains strong at 15.2 times.

Dividends:

The Board has declared an Interim Dividend of A11.0¢ (up 10% on the previous year's A10¢) per share unfranked with a record date of 25th February, 2008 and a payment date of 19th March, 2008.

For non-resident shareholders, the dividend will not attract withholding tax.

F'08 Outlook:

In August 2007, the market was informed that Ansell expected EPS for F'08 to be in the range of US56¢ - US60¢ and this was reaffirmed at the AGM in November 2007.

H1 has seen a strong sales and US\$ EBIT performance, further enhanced by foreign exchange gains from the weaker US\$. Revenues are expected to remain strong, though a potential U.S. and broader global slowdown may impact H2 and sales of Natural Rubber Latex exam gloves may decline as Ansell seeks price increases. Product margins and EBIT are however expected to remain strong even with higher latex costs in H2.

The impact of providing for U.S. Federal taxes at the full rate of 35% is likely to reduce H2 EPS by ~US3.5 – 5.5¢ and is factored into our guidance.

After allowing for net tax adjustments in F'07 H2, Underlying EPS for F'07 was US48.4¢ while Reported EPS was US53.4¢.

Taking all this information into consideration, the Company believes it will outperform the previously stated range of US56¢ - US60¢, as follows:

- Underlying F'08 EPS to be within a US58¢ - US62¢ range.
- Reported F'08 EPS (after tax and depreciation adjustments) to be within a US60¢ - US64¢ range.

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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, Europe 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>.