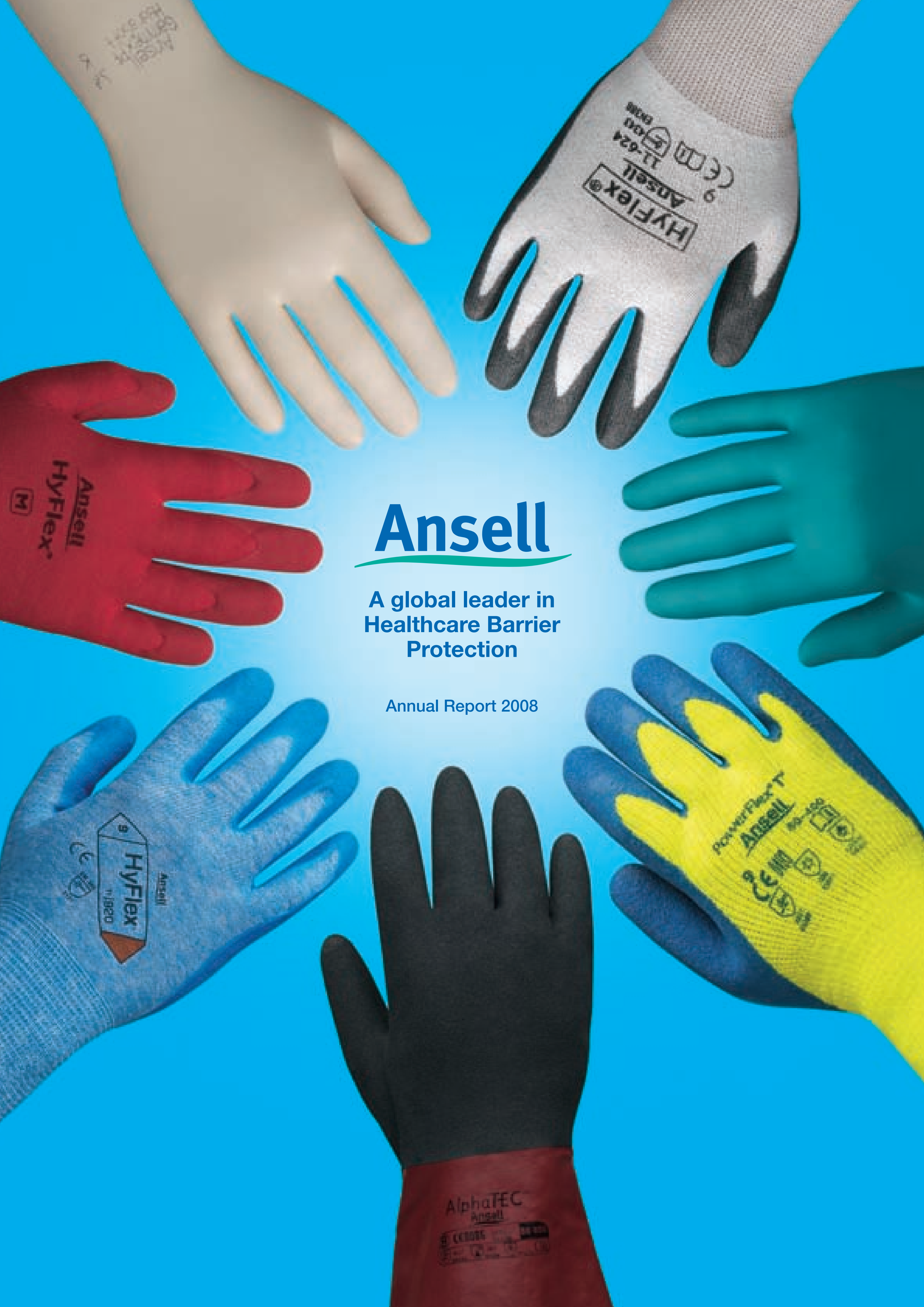


Ansell

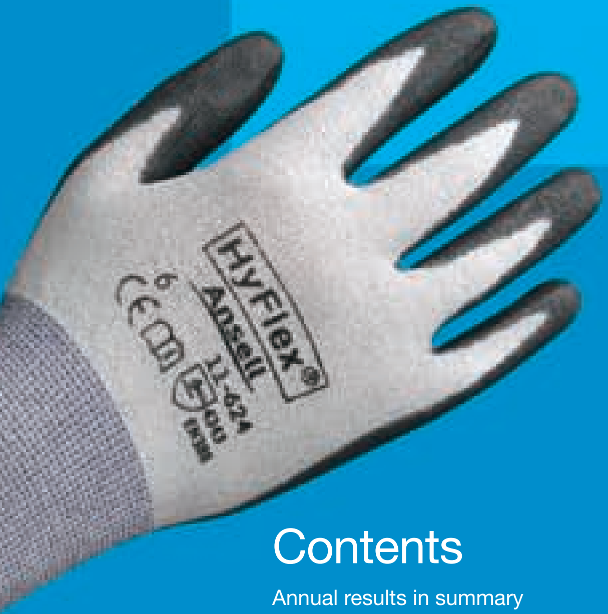
A global leader in Healthcare Barrier Protection

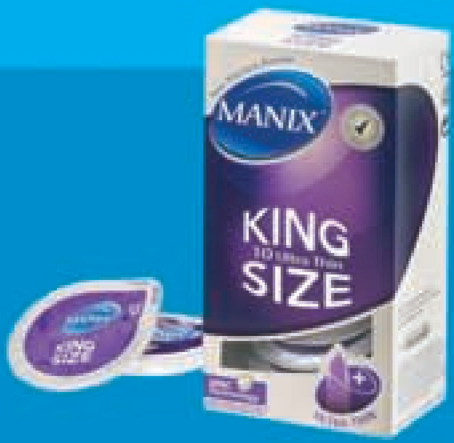
Annual Report 2008

Sales in US$ increased **14%**

Highlights

- Significant gains made in Sales, EBIT, Profit Attributable and EPS.
- Strong sales growth, surpassing US$1 billion for the first time.
- EPS was US66.1 cents, up 23.8% on previous year and above the forecast range.
- Strong growth in the Occupational business, solid recovery in the Professional business.
- Negotiations completed for the acquisition of the assets of Hawkeye Glove Company (USA) – acquisition effective 1 July 2008.
- FY08 dividend increased by 10.4% to A26.5 cents per share.
- $146.9 million returned to shareholders through share buy-back and dividends.
- Retained investment grade rating from both Moody's and Standard & Poor's.





Contents

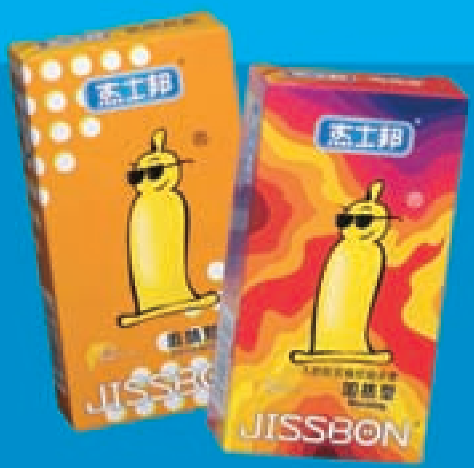
EBIT in US$ increased **15%**

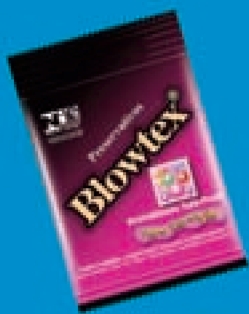
Dividend increased **10%**

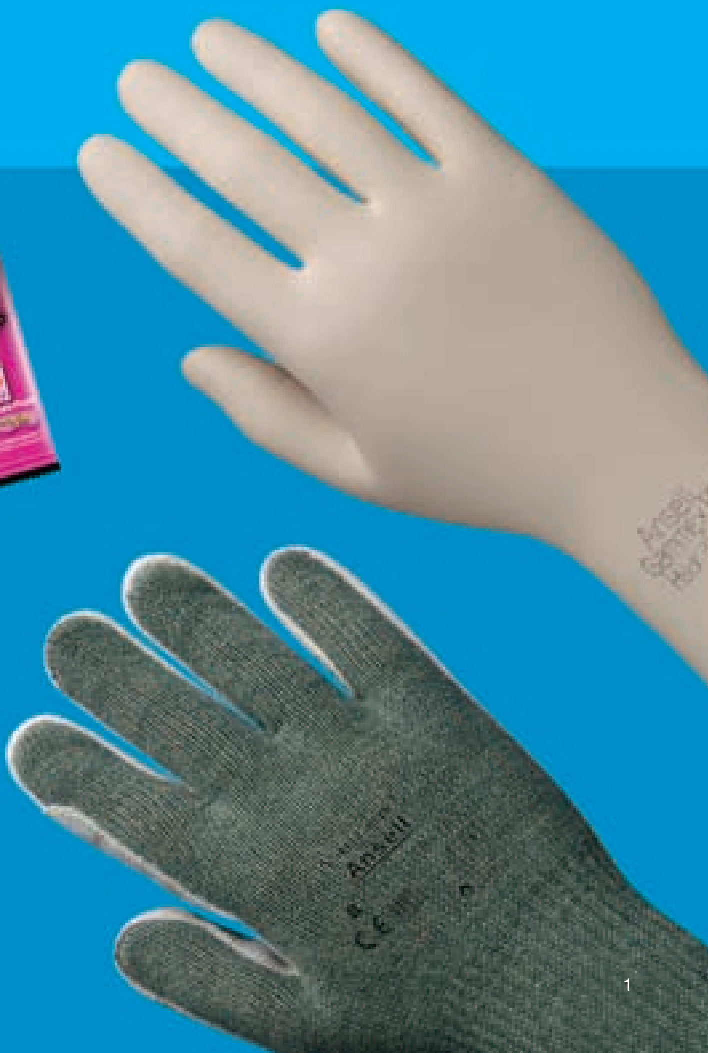
Return on shareholders' equity **18%**

Annual results in summary

	2008 $m	2007 $m	2008 US$m	2007 US$m
Sales	**1,245**	1,239	**1,116**	975
EBIT	**124**	123	**111**	96
Profit Attributable	**103**	100	**92**	79
Total Assets	**1,157**	1,250	**1,111**	1,059
Total Funds Employed	**685**	749	**659**	635
Return on average shareholders' equity	**18**	16		
Shares on issue (million)	**136**	145		
Earnings per share (cents)	**74**	68	**66**	53
Dividend per share (cents)	**26.5**	24		







Ansell Limited ABN 89 004 085 330

The Annual General Meeting will be held at the RACV Club, Level 17, 501 Bourke Street, Melbourne, on Friday 7 November 2008 at 2.00pm. Details of the business of the meeting are contained in the Notice of Meeting that has been distributed to shareholders. Shareholders unable to attend the Annual General Meeting are encouraged to participate in the Company's affairs by completing and returning the proxy form enclosed with the Notice of Meeting.

The United States dollar (US$) is the predominant global currency of our business transactions. To assist readers, United States dollar values are included in this Report wherever appropriate. Unless otherwise stated, the values appearing in this Report are Australian dollars.

The Chairman's and Chief Executive Officer's Review

We are pleased to present the Ansell Limited Annual Report for 2008. In a year that has seen significant turbulence in the world economy, Ansell has been able to produce outstanding results. The business continues to grow at the sales and profit lines, while maintaining an investment grade balance sheet and financial metrics that give it the flexibility to fund acquisitions and/or continue to buy back its shares and/or make other investments in the marketplace.

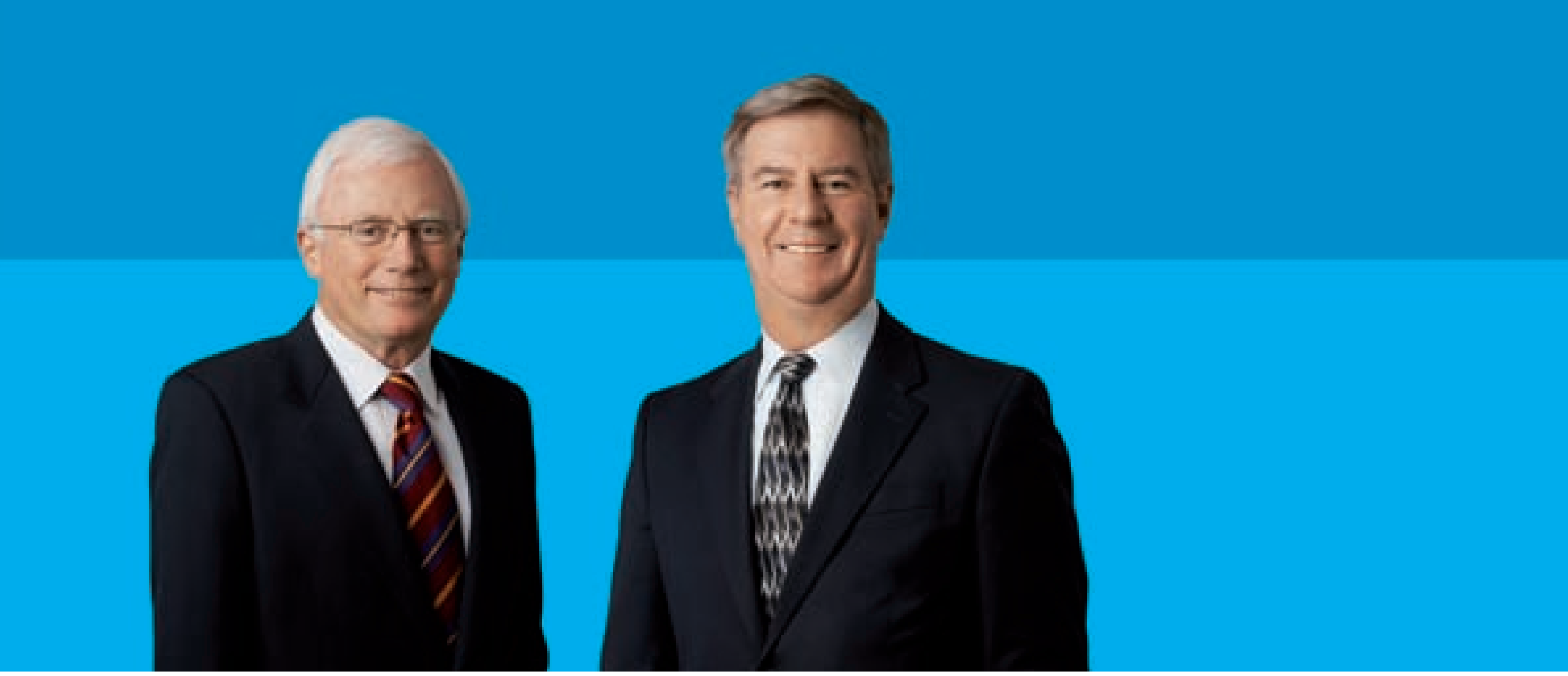
Year in Review

Overall, the Company had a very successful year, reaching record high sales levels and achieving strong growth in each of its core businesses of Occupational, Professional and Consumer Healthcare. One of Ansell's foremost objectives for the year was to continue its profitable expansion and expand its revenue base as measured in US dollars, the currency in which our businesses are managed. This objective was successfully achieved with sales reaching US$1.16 billion, an increase of 14% over the previous year.

While every one of our businesses and regions has done well compared with last year, the performance of our Occupational business in the Europe, Middle East and Africa region was particularly strong, the profitability of our Professional business rebounded and Jissbon and Blowtex, two of our recent acquisitions, achieved strong sales and profit results.

Ansell's diverse global portfolio of barrier protection products continues to be a major driver of our ability to deliver consistent and sustained business performance.

Profit attributable to shareholders was $102.6 million (US$91.7 million), up on the previous year's $100 million (US$79 million), and the 2008 result was ahead of the Earnings Per Share guidance that had been provided to the market. The guidance had foreshadowed the ongoing effect of high natural rubber latex prices, as well as planned investment and increased spending in manufacturing initiatives to reduce costs, and on research, new product development and business development initiatives designed to provide and support market share growth in current and emerging markets. We delivered all of those actions and achieved further internal efficiencies via plant restructurings, which enhanced our overall competitiveness.



Dividend

A final dividend of 15.5 cents per share payable on 24 September 2008 took total dividends for the year to 26.5 cents per share, which represents an increase of 10.4% on the previous year. Ansell's dividends are unfranked as most of the Group's earnings are generated outside of Australia and the Company therefore does not accumulate sufficient franking credits to enable dividends to be franked.

Capital Management and Returns to Shareholders

In the 2003 financial year, Ansell initiated a balanced capital management program. The strategy of this program is to return excess funds to shareholders via dividends and share buy-backs. This program is ongoing and in the 2008 financial year a further $146.9 million, comprising share buy-backs and dividends of $111.9 million and $35 million, respectively, was returned to shareholders.

Shareholders at the 2007 Annual General Meeting voted to refresh the Company's ability to buy-back up to 10% of its issued shares. In the current economic climate, Ansell believes attractive acquisition opportunities may arise in line with its growth strategy. However, the Board also recognises that, especially in the current environment of volatile equity markets, there are advantages to having a program in place that would allow it to buy-back shares, therefore in April 2008 the Company announced a further five million share on market buy-back program.

New Products/Innovation

We have a disciplined process and focus on the development of new barrier protection products. We will continue to develop new products that provide competitive leverage, and channel our resources into products and initiatives that will make a difference to our customers. The development of a pipeline of new products, processes and manufacturing innovation to foster sales growth and enhanced profitability is a high priority.

New Business Opportunities

The Company has plans in place to penetrate new channels, new markets, new geographies, and to bolster the existing core business with a continuous stream of new products and ongoing improvements in the execution of the Company's business model.

On 2 July 2008, Ansell Limited announced the acquisition of the assets of the Hawkeye Glove Company, a leading glove supplier to the US military. Hawkeye brings to Ansell knowledge, expertise and technology in a channel that will be broadly incremental to our current business, and as a leading supplier in the military channel, Hawkeye brings an excellent opportunity for Ansell to develop its core business.

People Development

We have a committed workforce of 11,000 spread across 33 countries dedicated to the manufacture, marketing and distribution of our products all around the world. We know that the men and women of Ansell are a core ingredient and catalyst for success. Ansell continues to invest in its people, whether in conferences, seminars, in-house training sessions, leadership development programs or individual mentoring.

Ansell continues to develop the management team to align its strengths and capabilities with the business plans and to recognise the environments in which it operates. Our future growth will only be achieved via the development of a group of strong leaders, and this continues to be a core priority for the Company.

Neither the achievements of 2008 nor the bright outlook for the future could occur without the considerable efforts and commitment of the men and women of Ansell.

Outlook

The Company's strong balance sheet and cash flow place Ansell in a good position to pursue our growth strategy and new opportunities. We continue to be challenged by rising raw material costs and the ongoing turbulence in world economies; however, Ansell's 2008 momentum has carried into the 2009 financial year, which has commenced well, and we confirm our Earnings Per Share guidance previously provided of US70 cents to US74 cents.

Peter Barnes Chairman

Doug Tough Chief Executive Officer

Review of Operations

Ansell Group

Profit Attributable to shareholders for the 2008 financial year was A$102.6 million (US$91.7 million) and compares with the result for the previous year of A$100.0 million (US$79.1 million).

Profit Attributable for the 2008 financial year was determined after allowing for a one-off depreciation expense of A$7.2 million (US$6.3 million) following a comprehensive review of manufacturing dip line useful lives. In addition, as a result of strong US profits and a revised medium term outlook, un-booked US federal tax losses were recognised as a deferred tax asset in the first half of the financial year. After adjusting for other tax provisions, applying the full federal tax rate to US profits and factoring in minority interests, the net impact of all these items was to increase Profit Attributable by A$1.0 million (US$0.9 million). Ansell's Underlying Profit Attributable was therefore A$101.6 million (US$90.8 million) compared with the Underlying Profit Attributable for the 2007 financial year, calculated on an equivalent basis, of A$90.5 million (US$71.6 million).

Group sales of US$1,116.0 million were 14.4% above the previous corresponding period. Ansell continued to deliver solid operating results in the 2008 financial year. The Occupational business had an outstanding year with double digit sales and profit growth plus a 150 basis point improvement in the Segment EBIT/sales ratio. This result was achieved in a period of US economic slowdown. Solid recovery was achieved in the Professional business, where margins were higher as a result of increased prices and improved sales mix by selling more surgical gloves. The Consumer business was adversely impacted by below plan results at Unimil, our condom business in Poland and ongoing profitability challenges in the US market. Strong results were, however, achieved by our Chinese and Brazilian condom businesses.

The strong Euro, Australian and Canadian dollars proved beneficial again this year, improving sales and profits reported in US dollars. Stronger cost currencies, such as the Malaysian Ringgit and Thai Baht, increased product costs, but the overall impact of FX rate movements on US dollar profitability was beneficial.

Sales by business segment and region were as follows:

Sales by Business Segment

	2008 US$m	2007 US$m	Movement %
Occupational Healthcare	**547.7**	478.9	+14.4
Professional Healthcare	**356.6**	320.3	+11.3
Consumer Healthcare	**211.7**	176.2	+20.1
Total Sales	**1,116.0**	975.4	+14.4

Sales by Region

	2008 US$m	2007 US$m	Movement %
Americas	**467.4**	434.9	+7.5
Europe, Middle East & Africa	**461.3**	378.5	+21.9
Asia Pacific	**187.3**	162.0	+15.6

Strong year on year sales growth was achieved by all the businesses and regions.

Strong year on year Segment Earnings before Interest and Tax (EBIT) growth was achieved in two of the three businesses and in all the regions.

Segment EBIT by business and region was:

Segment EBIT by Business

	2008 US$m	2007 US$m	Movement %
Occupational Healthcare	**79.3**	62.3	+27.3
Professional Healthcare	**26.6**	19.7	+35.0
Consumer Healthcare	**17.5**	23.5	-25.5
Total Business Segments EBIT	**123.4**	105.5	+17.0

Segment EBIT by Region

	2008 US$m	2007 US$m	Movement %
Americas	**40.9**	32.3	+26.6
Europe, Middle East & Africa	**52.6**	47.1	+11.7
Asia Pacific	**29.9**	26.1	+14.5

Net cash provided by operating activities was US$142.5 million, 20.0% higher than the previous year.

Free cash flow for the group of US$79.8 million was up 27.5% and this was after higher tax and interest payments and increased capital expenditure. Capital expenditure of US$21.4 million was US$4.4 million higher than the previous year, mainly as a result of the investment in additional production capacity. Net financing costs of US$9.3 million were US$2.2 million higher than the previous year, however the average cost of debt at 30 June 2008 was 4.61% compared with 4.83% the previous year.

The major usage of free cash flow in 2008 was for on-market share buy-backs (US$98.1 million) and dividends (US$30.7 million).

Gearing (net interest bearing debt as a percentage of net interest bearing debt plus equity) of 20.3% is up marginally on the 2007 level of 18.1%. Interest cover remains strong at 15.1 times and liquidity is high with US$187 million of cash and available undrawn bank facilities of US$105 million. The Company has retained its investment grade ratings from both Moody's and Standard & Poor's.

Dividends for the full-year totalled 26.5 cents per share, an increase of 10.4% on the previous year.

Occupational Healthcare

The Occupational Healthcare segment accounted for 49% of Sales and 64% of Business Segment EBIT for the 2008 financial year.

This business continues to grow at an excellent rate, organic sales were up 14.4% on the previous year, while Business Segment EBIT rose 27.3%. In addition, the EBIT to sales margin rose from 13.0% last year to 14.5%.

Sales and profits are growing in both mature and developing markets. Brazil, Mexico, China and Russia are just a few of the Emerging Markets where Ansell's investment in people and infrastructure is paying off. The US business has continued to grow despite an economic slow down. This reflects both Ansell's product and customer diversity in its Occupational portfolio and the shifting of resources from slowing industrial sectors to faster growing areas.

The HyFlex® range, which offers a wide variety of gloves for industrial applications, continued to grow with volumes up 20.4% and sales value up 29.7%.

New product development is a key to success and in the 2008 financial year, 10.2% of sales came from new products brought to market in the last three years.

Two Occupational glove plants (in the US and India) were closed during the year as planned. An ongoing focus on product cost reduction through plant restructuring from higher cost to lower cost plants, outsourcing and targeted capital investment continued to yield benefits.

Professional Healthcare

The Professional Healthcare segment accounted for 32% of Sales and 22% of Business Segment EBIT for the 2008 financial year.

This business saw significant improvement over the year, with sales increasing 11.3% and Business Segment EBIT up 35.0%. The EBIT to sales margin continued to improve and but for a one off depreciation adjustment, would have been 8.9% (a 46% increase year on year). A shift in sales mix to surgical gloves, together with pricing increases offset the impact of higher latex and energy costs.

New product development has provided ongoing improvement in sales, with 16.6% of sales coming from new products launched in the last three years. These included HydraSoft® surgical gloves, polyisoprene surgical gloves and cytostatic surgical gloves. New products and successful trials have helped Ansell gain market share in the US natural rubber latex powder-free surgical and synthetic surgical segments during the year.

Significant surgical capacity additions came on stream, some older surgical and exam equipment was written off and Ansell's competitive position improved.

Consumer Healthcare

The Consumer Healthcare segment accounted for 19% of Sales and 14% of Business Segment EBIT for the 2008 financial year.

A good overall sales performance, up 5.1% excluding acquisitions that did not flow through to the bottom line due mainly to US retail and Unimil, Poland issues.

The US branded retail condom market continued to be very competitive and Ansell continued to experience sales and margin declines. Unimil's market share has eroded since the quarter before the acquisition, and the resulting pressure on margins along with the effect of low plant utilisation has resulted in a disappointing operational result, exacerbated by restructuring costs.

These problems masked strong performances elsewhere. Results in China and Brazil were stellar, with strong top line and Business Segment EBIT growth. Jissbon has launched the Manix® brand in China and Blowtex has extended its product offering, utilising Ansell's wider condom range. Both have performed ahead of their acquisition business cases.

Only 7.7% of sales came from new products in this segment, but the new SKYN™ polyisoprene condom introduced towards year end in the US is already doing well.

One manufacturing plant, in Poland, ceased operations and some equipment was moved to Brazil to help meet rapidly growing demand there.

Corporate Business Development

On announcing the latest five million share buy-back in April 2008, Ansell indicated its preference in the short term was to accumulate cash for potential acquisitions. This continues to be Ansell's aim, and on 1 July 2008, it acquired the assets of the Hawkeye Glove Company for US$10.8 million.

Hawkeye is the leading glove supplier to the US military with sales of approximately $20 million and is a premier manufacturer of hand wear with US manufacturing operations. Importantly, Hawkeye takes Ansell into a new channel and provides expertise in specialist leather gloves.

The Company continues to search actively for other acquisition opportunities.

Board of Directors

Peter L Barnes

BCom, MBA (Melb)

Age 65. Resides in Australia

Appointed Non-executive Director in October 2001 and Chairman in August 2005. Member of the Nomination, Remuneration and Evaluation Committee.

Peter Barnes is a Director of News Corporation and Deputy Chairman of Metcash Limited, and is Chairman of Samuel Smith & Son Pty Limited.

Peter Barnes brings to the Board experience in finance, marketing and general management in the international arena. His background includes a long career with Philip Morris International Inc., where he held several senior management positions in Australia and overseas, including Managing Director, Lindeman Holdings Ltd, and President, Asia Region, based in Hong Kong.

The Board considers Peter Barnes to be an independent Director.

Douglas D Tough

MBA, BBA

Age 59. Resides in USA

Managing Director and Chief Executive Officer since 1 July 2004.

Prior to joining Ansell, Mr Tough spent 17 years with Cadbury Schweppes plc in a number of international and domestic leadership roles, including President and Chief Executive Officer of its largest division worldwide, Dr Pepper/Seven Up, North America.

Mr Tough has also had 12 years' experience with Procter & Gamble in various sales and marketing assignments. He holds an MBA from the University of Western Ontario, Canada, and a BBA from the University of Kentucky, USA.

As an Executive Director, Douglas Tough is not independent.

Glenn L L Barnes

BAg SCI (Melb), CPM, FAMI, FAIM, FAICD, SF Fin, FRSA

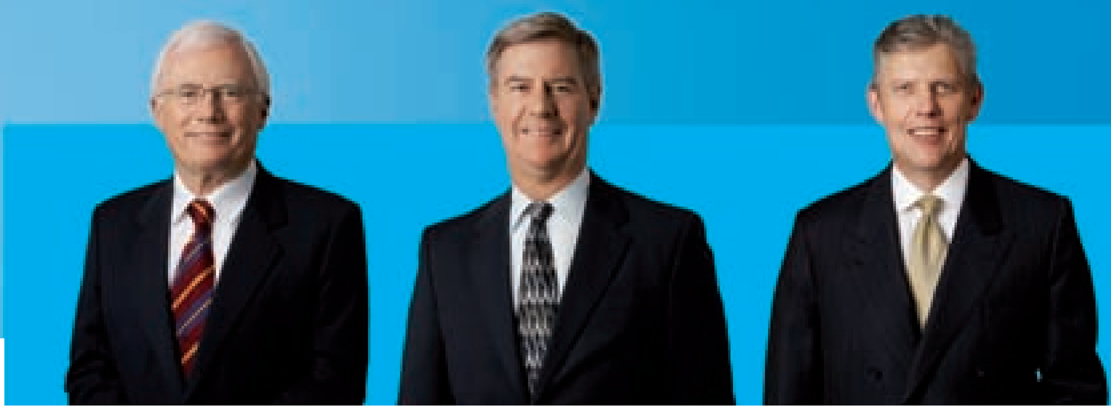
Age 61. Resides in Australia

Appointed Non-executive Director in September 2005. Member of the Audit and Risk Committee and Nomination, Remuneration and Evaluation Committee.

Glenn Barnes is a Director of Lion Nathan Limited. He also serves as Chairman and Director of a number of not-for-profit and private interest companies. He was formerly Chairman of Veda Advantage Limited and a non-executive Director of Banksia Wines Limited, Repco Corporation Limited and National Foods Limited.

Glenn Barnes' management career spanned FMCG, banking and financial services for over 30 years as a senior executive and executive Director in Australia and overseas. Since retiring from executive roles in 2002, Mr Barnes has focused on governance and consulting.

The Board considers Glenn Barnes to be an independent Director.



Ronald J S Bell

BA (Strathclyde)

Age 58. Resides in UK

Appointed Non-executive Director in August 2005. Chairman of the Nomination, Remuneration and Evaluation Committee.

Mr Bell is a Director of Northern Foods Plc and Edrington Group and is Chairman of the Milk Link Co-operative. Mr Bell is an experienced international consumer industry executive with a background of over 30 years in highly competitive global branded products. He is a former President of Kraft Foods, Europe and served as Executive Vice President of Kraft Foods Inc.

Mr Bell brings to the Board broad general management and marketing skills, particularly in the European and North American markets.

The Board considers Ronald Bell to be an independent Director.

L Dale Crandall

MBA UC Berkeley, CPA

Age 67. Resides in USA

Appointed Non-executive Director in November 2002. Chairman of the Audit and Risk Committee.

Mr Crandall is a Director of Union Bank of California, Coventry Health Care Inc, Metavante Technologies Inc. and Serena Software Inc. He is also a Trustee of Dodge & Cox Mutual Funds.

Mr Crandall has a background in accounting and finance, and is a former Group Managing Partner for Southern California for Price Waterhouse. He was formerly President and Chief Operating Officer of Kaiser Foundation Health Plan and Hospitals in the USA.

The Board considers Dale Crandall to be an independent Director.

W Peter Day

LLB (Hons – UK), MBA, FCPA, FCA (Aust & UK), GAICD

Age 58. Resides in Australia

Appointed Non-executive Director in August 2007. Member of the Audit and Risk Committee.

Peter Day is currently Non-executive Director and Chairman of Orbital Corporation Limited, Non-executive Director of Multiple Sclerosis Limited (and related entities), Financial Executives International of Australia Limited and SAI Global Limited. He is a member of the Monash University Business and Economics Advisory Committee. He was appointed a member of the Risk Management and Audit Committee of the Australian Prudential Regulatory Authority (APRA) in September 2008.

Mr Day was formerly Executive General Manager Finance for Amcor Limited and has also held senior executive positions with Bonlac Foods, Rio Tinto, CRA and Comalco.

Mr Day has a diversified background in financial reporting, finance and general management.

The Board considers Peter Day to be an independent Director.

Marissa T Peterson

MBA (Harvard), BSc (Mech)

Age 46. Resides in USA

Appointed Non-executive Director on 22 August 2006. Member of the Audit and Risk Committee.

Marissa Peterson is a Director of Supervalu Inc., Lucille Packard Children's Hospital in California and Humana Inc.

Ms Peterson retired from executive roles in mid-2006, having spent the previous 18 years with Sun Microsystems in senior executive positions. She has extensive experience in supply chain management, manufacturing, supplier management and procurement, logistics and distribution and services.

The Board considers Marissa Peterson to be an independent Director.

Three Year Summary

of Ansell Limited and Subsidiaries for the year ended 30 June

	2008 $m	2007 $m	2006 $m	2008 US$m	2007 US$m	2006 US$m
Income Statement						
Sales	1,245	1,239	1,138	1,116	975	849
Depreciation and amortisation	33	26	25	29	20	19
EBIT	124	123	133	111	96	99
Net financing costs	10	9	6	9	7	4
Income tax expense	8	10	8	7	7	6
Outside equity interests	3	4	3	3	3	2
Profit attributable	103	100	116	92	79	87
for six months to 30 June	46	56	65	42	45	49
for six months to 31 December	57	44	51	50	34	38
Balance Sheet						
Cash – excluding restricted deposits [a]	195	231	311	187	195	230
Other current assets	388	410	427	373	348	316
Property, plant and equipment	168	192	196	161	163	145
Goodwill	197	216	185	189	183	137
Brand names	110	107	110	106	91	81
Other non-current assets	99	94	79	95	79	58
Total assets	1,157	1,250	1,308	1,111	1,059	967
Current payables	160	154	142	154	130	105
Current interest bearing liabilities	15	17	114	14	15	85
Other current liabilities	62	61	62	58	52	45
Non-current payables	1	1	1	1	1	1
Non-current interest bearing liabilities	319	349	276	307	295	204
Other non-current liabilities	54	54	59	52	46	44
Total liabilities	611	636	654	586	539	484
Net assets	546	614	654	525	520	483
Issued capital	944	1,056	1,137	908	895	841
Reserves	(55)	(36)	(5)	(53)	(31)	(4)
Accumulated losses	(356)	(421)	(492)	(342)	(357)	(364)
Ansell Limited shareholders' equity	533	599	640	513	507	473
Minority interests	13	15	14	12	13	10
Total shareholders' equity	546	614	654	525	520	483
Total funds employed [b]	685	749	733	659	635	542
Share Information						
Basic earnings per share (cents)	73.9	67.6	73.4	66.1	53.4	54.8
Diluted earnings per share (cents)	72.5	66.7	72.7	64.8	52.7	54.2
Dividends per share (cents)	26.5	24.0	21.0	–	–	–
Net assets per share ($)	4.0	4.2	4.3	3.9	3.6	3.2
General						
Net cash from operating activities	163	148	132	143	119	98
Capital expenditure	24	23	17	21	18	12
Shareholders (no.)	33,899	36,509	40,295	NA	NA	NA
Employees (no.)	11,230	11,522	11,317	NA	NA	NA
Ratios						
Return on average shareholders' equity (%)	18.3	16.4	18.5	NA	NA	NA
EBIT return on funds employed (%)	18.1	16.4	18.1	NA	NA	NA
EBIT margin (%)	10.0	9.9	11.7	NA	NA	NA
Average days working capital	74.7	81.2	79.5	NA	NA	NA
Interest cover (times)	15.1	16.6	26.9	NA	NA	NA
Net liabilities to shareholders' equity (%) [c]	76.2	66.1	52.4	NA	NA	NA
Number of shares at 30 June (million)	136	145	152	NA	NA	NA

[a] Cash includes cash at bank and short-term deposits, but excludes restricted deposits which have been classified as other current assets.
[b] Total funds employed equals total shareholders' equity plus interest bearing liabilities less cash – excluding restricted deposits.
[c] Net liabilities equals total liabilities less cash – excluding restricted deposits.

Corporate Governance

Introduction

In accordance with the Company's Constitution and the Corporations Act, the Company operates through its Board of Directors and management.

The Board, which has authority for ultimate oversight of the Company, works under a set of well-established corporate governance policies and charters. These policies are publicly available on the Company's website, www.ansell.com. The Board has undertaken a comprehensive review of its charter and policies this year and made a number of amendments to these documents as part of its review. The Board regularly reviews and updates these policies and charters to ensure that they remain in accordance with best practice. The Board is aware of, and has had regard to, developments in Australia and overseas in relation to good corporate governance practice.

This report sets out the Company's Corporate Governance practice for the financial year ending 30 June 2008 and is divided into four sections:

- the way in which the Board is formed;
- the way in which the Board operates;
- governance policies specific to the Board; and
- governance policies adopted by the Board that apply generally throughout Ansell.

Part 1 – Composition of the Board

Relevant policies and charters (see www.ansell.com)	• Board Charter

Maintaining a balance of experience and skills is an important factor in Board composition. Details of the skills, experience and expertise of each Director, as well as the period for which each Director has held office, are set out on pages 6 and 7.

The Board's policy is that there should be a majority of independent Non-executive Directors. This is a requirement embodied in the Company's Constitution and the Board Charter, ensuring that all Board discussions or decisions have the benefit of predominantly outside views and experience, and that the majority of Directors are free from interests and influences that may create a conflict with their duty to the Company.

The requirement under the Constitution is for at least twice as many Non-executive Directors as Executive Directors. As an additional safeguard in preserving independence, there should be a separation of the roles of the Chairman and the Chief Executive Officer, and the Chairman should be an independent Non-executive Director.

The Board has adopted the definition of independence set out in the IFSA Blue Book (October 2004).* The Board has developed guidelines to determine materiality thresholds for the purposes of that definition. Broadly speaking, these guidelines seek to determine whether the Director is generally free of any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Company currently has seven Directors, one of whom is an Executive Director (the Chief Executive Officer, who is also the Managing Director). All of the Non-executive Directors, including the Chairman, are considered to be 'independent'.

Board election process

New Directors are nominated by the Board, as described below, and then stand for election at the next Annual General Meeting in order to be confirmed in office. Criteria for selection of new Non-executive Directors include a candidate's personal qualities, professional and business experience, and availability and time to commit to all aspects of the Board's program. All Directors other than the Managing Director must submit for re-election every three years. The performance of Directors seeking re-election is considered by the Board to enable it to make a recommendation to shareholders in relation to the Directors' re-election.

Appointment terms

New Directors are provided with a letter of appointment setting out the terms of their appointment, including their powers, rights and obligations.

In order to ensure that the composition of the Board will change over time, the Board has a general policy that Non-executive Directors should not serve for a period exceeding 12 years, and that the Chairman should not serve in that role for more than 10 years.

However, the Board does not consider this length of tenure would necessarily compromise independence or interfere in a material way with a Director's ability to act in the best interests of the Company. Should the situation arise, the Board would make an assessment regarding an individual Director's ongoing service having regard for the length of service of all members of the Board, and the mix of experience, skills and knowledge of the Board.

In order to ensure that Directors are able to fully discharge their duties to the Company, all Directors must consult with the Chairman of the Board and advise the Nomination, Remuneration and Evaluation Committee prior to accepting a position as a Non-executive Director of another company.

Part 2 – Operation of the Board

Relevant policies and charters (see www.ansell.com)	• Board Charter • Audit and Risk Committee Charter • Nomination, Remuneration and Evaluation Committee Charter

Division of responsibility between Board and management

The Board has ultimate responsibility for setting policy regarding the business and affairs of the Company and its subsidiaries for the benefit of the shareholders and other stakeholders, and is accountable to shareholders for the performance of the Group.

The table following summarises the Board's main responsibilities and functions, which have been grouped into three areas:

- strategy, planning and monitoring;
- shareholder communication and compliance; and
- risk management and internal controls.

* Corporate Governance, *A Guide for Fund Managers and Corporations – Blue Book*, Investment and Financial Services Association, October 2004 (copy available at www.ifsa.com.au).

	Strategy, planning and monitoring	Shareholder communication and compliance	Risk management and internal controls
Approving	• corporate strategies, budgets, plans and policies • appointment of the Chief Executive Officer and other members of the senior management team including the Company Secretary • remuneration of the Chief Executive Officer, the Non-executive Directors (within shareholder approved limits) and the policy for remunerating senior executives	• procedures to ensure compliance with applicable laws, regulations, accounting standards, ethical standards and business practices • shareholder communication strategies	• the Company's risk management framework and internal compliance and controls systems
Reviewing and monitoring	• implementation of corporate strategies, budgets, plans and policies • financial and business results (including the audit process) in order to understand the financial position of the Group	• implementation of compliance procedures • timeliness and accuracy of information provided to shareholders and the financial market	• implementation of risk management framework and internal compliance and controls systems • the Company's wider risk management profile • internal processes for determining, monitoring and assessing key risk areas
Evaluating	• performance against corporate strategies, budgets, plans and policies • the performance of the Chief Executive Officer and other members of the senior management team	• the effectiveness of reporting procedures and mechanisms • whether adequate, accurate and timely information is provided to shareholders and the financial market	• the process for assessing the effectiveness of risk management practices

In carrying out its duties, the Board meets formally at least six times a year, with additional meetings held as required to address specific issues. Directors also participate in meetings of various Board Committees, which assist the full Board in examining particular areas or issues. It is the Board's practice that the Non-executive Directors meet periodically without the presence of management.

The Board delegates management of the Company's resources to the executive team, under the leadership of the Chief Executive Officer, to deliver the strategic direction and achieve the goals determined by the Board. Any powers not specifically reserved for the Board have been delegated to the executive team.

The Board is free to alter the matters reserved for its decision, subject to the limitations imposed by the Company's Constitution and the law.

Board Committees

The Board has established two standing Committees, being the:

- Audit and Risk Committee; and
- Nomination, Remuneration and Evaluation Committee.

Each Committee operates under a specific Charter, which is reviewed periodically by the Board. The Board also delegates specific functions to ad hoc Committees of Directors on an 'as needs' basis. The powers delegated to these Committees are set out in Board resolutions.

Further details regarding the two standing Committees are set out in the table on the following page.

	Audit and Risk Committee	Nomination, Remuneration and Evaluation Committee
Members	L D Crandall (Chair) G L L Barnes M T Peterson W P Day	R J S Bell (Chair) G L L Barnes P L Barnes
Composition	Committee members are required to: • be independent, Non-executive Directors (minimum of three required) • be financially literate • possess sufficient financial expertise and knowledge of the industry in which Ansell operates	The Committee is required to: • comprise a majority of independent, Non-executive Directors (minimum of three required)
Functions	Reviewing: • financial statements • adequacy of financial controls • annual audit arrangements (internal and external) • activities of internal and external auditors • independence and remuneration of external auditor • processes for identifying, managing and reporting both financial and non-financial business risk Advising Board on: • appointment, removal and remuneration of external auditor • independence of external auditor and the provision of non-audit services by the external auditor • financial reporting and business risk controls and systems, including their adequacy • national and international accounting standards • applicable Company policies, regulatory and statutory requirements	Reviewing: • the structure and performance of the Board, the Committees and individual Directors (and to recommend changes where required) Establishing: • policies and criteria for Non-executive Director selection, and identifying suitable candidates for appointment Advising Board on: • succession planning • remuneration of Chief Executive Officer and the Non-executive Directors • senior executive remuneration policy (including incentive plans, equity awards, retirement payments and service contracts)
Attendance	Details regarding attendance at Committee meetings during the year are set out in the table below	Details regarding attendance at Committee meetings during the year are set out in the table below
Consultation	Other Directors, members of management and the principal external audit partner are invited to attend Committee meetings to provide reports and/or guidance where appropriate	As required, the Committee may engage independent professional advisers to: • assist in identifying high-calibre Directors and executives • advise on whether the Company's employment policies and practices, including terms and conditions, are competitive and consistent with those offered by comparable companies The Committee may also request members of management to attend meetings and/or provide information where appropriate

Attendance at Board and Board Committee meetings during the year ended 30 June 2008

	Board		Audit and Risk		Nomination, Remuneration and Evaluation	
	Held	Attended	Held	Attended	Held	Attended
P L Barnes	6	6			3	3
G L L Barnes	6	6	5	5	3	3
R J S Bell	6	6			3	3
L D Crandall	6	6	5	5		
W P Day	6	6	4	4		
M T Peterson	6	6	5	4		
D D Tough	6	6				

Held – Indicates the number of meetings held while each Director was a member of the Board or Committee.
Attended – Indicates the number of meetings attended during the period that each Director was a member of the Board or Committee.

A meeting of a special Board Committee comprising P L Barnes, G L L Barnes and D D Tough was convened on 15 August 2007 in relation to the review and lodgement of the 2007 Full Year Results announcement. A meeting of a special Board Committee comprising P L Barnes and G L L Barnes was convened on 7 September 2007 to review the accounts for the year ended 30 June 2007. A meeting of a special Board Committee comprising P L Barnes and D D Tough was convened on 14 September in relation to the signing of the accounts for the year ended 30 June 2007. A meeting of a special Board Committee comprising W P Day and D D Tough was convened on 11 February 2008 in relation to the review and lodgement of the Half-Year Results announcement, Reports and financial statements for the six months ended 31 December 2007. Audit and Risk Committee meetings were generally attended by all other Directors.

Corporate Governance continued

Performance evaluation

The Board periodically conducts a formal review of its performance using a comprehensive and structured self-assessment approach based on the individual input and responses of Directors. The reviews include:

- assessment and consideration of the effectiveness and composition of the Board;
- an assessment of the effectiveness of the Chairman by all other Directors;
- an assessment of the performance of the Chief Executive Officer by the Non-executive Directors; and
- an assessment of whether the Company's corporate governance principles are appropriate and reflect 'good practice'.

Since the date of the last report, the Board has conducted an assessment of its performance as outlined above, and has also formally assessed the performance of the Chief Executive Officer.

A formal process for the evaluation of the performance of senior executives of the Company is conducted by the Chief Executive Officer on an annual basis. The results of the evaluation process are presented to and discussed with the Chairman on behalf of the Board.

Part 3 – Governance policies applicable to the Board

Relevant policies and charters (see www.ansell.com)	• Code of Conduct

Remuneration

Full details of the remuneration paid to Non-executive and Executive Directors and the Company's senior executives are set out in the Remuneration Report on pages 16 to 26.

Conflict of interest

In order to ensure that any 'interests' of a Director in a particular matter to be considered by the Board are brought to the attention of each Director, the Company has developed protocols, to require each Director to disclose any contracts, offices held, interests in transactions, contracts and other directorships which may involve any potential conflict. Appropriate procedures have been adopted to ensure that, where the possibility of a material conflict arises, relevant information is not provided to the Director, and the Director does not participate in discussion on the particular issue or vote in respect of the matter at the meeting where the matter is considered.

External advice

Any Director can seek independent professional advice at the Company's expense in the furtherance of his or her duties, subject to prior discussion with the Chairman. If this occurs, the Chairman must notify the other Directors of the approach, with any resulting advice received to be generally circulated to all Directors.

Induction and ongoing education

New Directors participate in an induction program that covers the operation of the Board and its Committees, and the Company's financial, strategic, operational and risk management positions.

Directors also participate in management presentations and analysis to ensure that they are kept up-to-date with developments in the industry, and to enable them to discharge their duties.

It is the Company's practice for Directors to visit some of the Company's facilities in each year. During the 2008 financial year, Board meetings were held in conjunction with visits to the Group's manufacturing operations in Malaysia and the European head office in Brussels, Belgium.

Part 4 – Governance policies of general application throughout Ansell

Relevant policies and charters (see www.ansell.com)	• Code of Conduct • Share Trading Policy • Continuous Disclosure Policy • Risk Management Policy

Code of Conduct

The Company is committed to upholding the highest legal, moral and ethical standards in all of its corporate activities, and has adopted a Code of Conduct consisting of both a Statement of Guiding Principles and Policies on Business Conduct, which aim to strengthen its ethical climate and provide basic guidelines for situations in which ethical issues arise. The Code of Conduct is available on the Company's website, www.ansell.com.

The Code of Conduct applies to Directors, executives, management and employees, sets high standards for ethical behaviour and business practice beyond complying with the law, and is based on guiding principles whereby the Company:

- strives to uphold high ethical standards in all corporate activities;
- is committed to competing lawfully, fairly and ethically in the marketplace, consistent with its aim of providing quality products to its customers;
- is committed to pursuing sound growth and earnings goals, by operating in the best interests of the Company and shareholders;
- strives to treat all employees and applicants with fairness, honesty and respect;
- expects all employees to work together for the common good and to avoid placing themselves in a position that is in conflict with the interests of the Company;
- is committed to good corporate citizenship and participating actively in and improving the communities in which the Company does business; and
- expects all employees to conduct themselves in accordance with the guiding principles.

It is the Company's policy to comply with the letter and spirit of all applicable laws; and no Director, executive or manager has authority to violate any law or to direct another employee or any other person to violate any law on behalf of the Company. Assistance is available to clarify whether particular laws apply and how they may be interpreted.

The Code of Conduct also sets out the Company's policies in respect of ethical issues such as conflicts of interest, social accountability and fair dealing.

The Company also provides avenues for employees to report their concerns of suspected breaches and seek compliance advice, including anonymously to an independent hotline. Individuals who report their concerns in good faith are protected under the Company's policies from any form of retaliation.

Employees and Directors are required to participate in compliance training programs to ensure that they remain up-to-date regarding relevant legal and industry developments, as well as ethical practices. During the year computer-based courses in 27 subject matters (some in up to nine languages), including courses relating to corrupt practices, data protection, intellectual property, financial integrity, competitive law, environmental awareness, and Ansell's Code of Conduct, were implemented across the organisation globally.

Dealing in shares

Subject to the restriction that persons may not deal in any securities when they are in possession of price-sensitive information, Directors and employees generally may only buy or sell Ansell shares in the period immediately following any price-sensitive announcements, including the half-year and full year results and the Annual General Meeting. At other times, Directors dealing in Ansell shares must obtain prior approval from the Chairman.

It is the Company's policy that executives who participate in the Ansell Long Term Incentive Plan are prohibited from entering into hedging arrangements in respect of unvested options and performance rights.

Where a Director or Executive holds Ansell shares under the terms of a margin lending arrangement, the Company will disclose details to the market where required by law or practice, having regard to the materiality of the arrangement.

External audit

It is Board policy that the lead external audit partner and review partner are each rotated periodically. The Board has adopted a policy in relation to the provision of non-audit services by the Company's external auditor that is based on the principle that work that may detract from the external auditor's independence and impartiality, or be perceived as doing so, should not be carried out by the external auditor. Details of the amounts paid to the external auditor for non-audit services performed during the year are set out in the Report of the Directors on page 15. The Company's external auditor has also confirmed its independence to the Directors in accordance with applicable laws and standards as set out in the Report of the Directors.

Risk management

Ansell places a high priority on risk identification and management throughout all its operations, and has processes in place to review their adequacy.

The Company's risk management practices include:

- a comprehensive risk control program that includes property protection and health, safety and environmental audits using underwriters, self-audits, and engineering and professional advisers;
- processes to identify the business risks (both financial and non-financial) applicable to each area of the Group's activities and the maintenance of a specific framework that prioritises and monitors the mitigation of those risks; and
- regular reporting to the Audit and Risk Committee and the Board.

The diagram below sets out division of risk management functions and responsibilities within the Company.

Management assurance

Financial risk

In accordance with the Company's system of internal sign-offs, the Chief Executive Officer and Chief Financial Officer have provided assurances to the Board that having made appropriate enquiries, they have formed the opinion that:

- the financial records of the Company and its subsidiaries are maintained in accordance with the Corporations Act;
- the financial statements for the year ended 30 June 2008 has been prepared in accordance with the relevant accounting standards, and gives a true and fair view, in all material respects, of the financial position and performance of the Company and its subsidiaries; and
- the assurances given are based on a sound system of risk management and internal compliance and control which, in all material respects:
  - is consistent with the policies adopted and delegated by the Board;
  - was based on the risk management framework adopted by the Board; and
  - was operating effectively in relation to financial reporting risks.

Non-financial risk

Management also reports to the Board on strategic and operational issues, including an assessment of the material business risks facing the Company and the effectiveness of the systems and policies in place to manage those risks.

Disclosure to investors

The Company has implemented procedures to ensure that it provides relevant and timely information to its shareholders and to the broader investment community, in accordance with its obligations under the ASX continuous disclosure regime.

In addition to the Company's obligations to disclose information to the ASX and to distribute information to shareholders, the Company publishes annual and half-year reports, media releases and other investor relations publications on its website.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and discussion of the Group's strategy and goals. The external auditor attends the Annual General Meeting to answer shareholder questions about the conduct of the audit, and the preparation and content of the auditor's report.

Division of risk management functions

Board

- Approving risk management framework and internal compliance systems
- Reviewing the Company's wider risk profile
- Overseeing implementation of risk management policies, procedures and systems

Audit and Risk Committee

- Liaising with, and reviewing activities of, internal and external audit functions
- Reviewing adequacy of financial controls
- Monitoring relevant legal and regulatory requirements
- Overseeing the identification, management and reporting of business risks by management

CEO/CFO

- Assessing whether risk management procedures and systems are operating efficiently and effectively in all material respects
- Providing sign-off to Board regarding the Company's risk management framework (including internal compliance and control systems)

Internal Audit

- Reviewing effectiveness of the Company's risk management framework (including internal compliance and control systems)
- Reporting to the Audit and Risk Committee regarding operation of risk management procedures and systems

Management

- Identification and management of risks (including financial, operational, reputational and compliance risks)
- Implementing policies, procedures and systems adopted by the Board
- Providing internal sign-offs and reporting to the Audit and Risk Committee regarding risk management procedures and systems

Report of the Directors

This Report by the Directors of Ansell Limited ('the Company') is made for the year ended 30 June 2008. The information set out below is to be read in conjunction with the:

- Remuneration Report appearing on pages 16 to 26.
- Notes 23 and 26 to the financial statements.

Directors and Secretary

The names and details of each person who has been a Director of the Company during or since the end of the financial year are:

- Peter L Barnes (Chairman)
- Douglas D Tough (Managing Director and Chief Executive Officer)
- Glenn L L Barnes
- Ronald J S Bell
- L Dale Crandall
- W Peter Day (appointed 20 August 2007)
- Marissa T Peterson

Particulars of the qualifications, experience and special responsibilities of each Director, as at the date of this Report, and of their other directorships, are set out on pages 6 to 7.

Details of meetings of the Company's Directors (including meetings of Committees of Directors) and each Director's attendance are also set out in the Corporate Governance Statement, on page 11. As described on pages 10 and 11 of this Report, the Board has established an Audit and Risk Committee and a Nomination, Remuneration and Evaluation Committee.

The Company Secretary is Craig Cameron, B Bus (Acc), CA, who was appointed to that position in January 2008. Mr Cameron joined the Company in 1984, and has an accounting, finance and tax background. He has held senior positions in the Corporate Head Office, the last seven years as Group Chief Accountant and Secretary to the Audit and Risk Committee.

Principal activities

The activities of the Ansell group of companies ('the Group') principally involve the development, manufacturing and sourcing, distribution and sale of gloves and protective products in the Occupational Healthcare, Professional Healthcare and Consumer Healthcare global markets.

Review of operations

The Company achieved an increase in total sales revenues through broad-based organic growth in the business segments and regions in which it operates and as a result of the full year benefit of acquisitions completed in the 2007 financial year. The Company also maintained its investment grade balance sheet. The Occupational business performed strongly and the Professional business benefited from the ongoing improvement in sales of new products.

Refer to the Review of Operations section on pages 4 and 5 of this Report for additional information on the operations and financial position of the Group.

State of affairs

No significant changes occurred in the state of affairs of the Group during the financial year.

Dividends and share buy-back

The final dividend of 14 cents per share (unfranked) in respect of the year ended 30 June 2007 was paid to shareholders on 19 September 2007. An interim cash dividend of 11 cents per share (unfranked) in respect of the half-year ended 31 December 2007 was paid to shareholders on 19 March 2008. A final dividend of 15.5 cents per share (unfranked) in respect of the year ended 30 June 2008 is payable on 24 September 2008 to shareholders registered on 1 September 2008.

The Company bought back shares during the year as follows:

- 8,934,459 shares at a cost of $107,748,628, to complete the on-market buy-back program that was announced on 15 February 2007.
- 350,970 shares at a cost of $3,499,207, under the on-market buy-back program that was announced on 24 April 2008.

Details of unissued shares under option at the date of this Report and shares issued during or since the end of the financial year as a result of the exercise of options are set out in Note 5 to the financial statements contained in this Report.

Interests in the shares and options of the Company

The relevant interests of each Director in the share capital of the Company, as at the date of this Report, as notified to the ASX Limited pursuant to the Listing Rules and section 205G of the Corporations Act 2001, were:

	1	2
P L Barnes	18,526	
G L L Barnes	12,114	
R J S Bell	2,484	
L D Crandall	11,724	
W P Day	2,766	
M T Peterson	6,531	
D D Tough	201,089	1,062,616

1. Beneficially held in own name or in the name of a trust, nominee company or private company.
2. Executive Share Options (786,666) and Performance Rights (PRs) (275,950). 172,009 PRs and 172,009 Options were granted to Mr Tough on 2 November 2007 and constitute his 2008 LTI grant as approved by shareholders at the 2007 Annual General Meeting. Full details in relation to these Options and PRs are set out on pages 20 to 24. The remainder relate to the grants made in 2004 upon Mr Tough's appointment as CEO and in 2006 as part of Mr Tough's 2007 LTI grant.

Performance in relation to environmental regulations

Group entities are subject to environmental regulation in the jurisdictions in which they operate. The Group has risk management programs in place to address the requirements of the various regulations.

From time to time, Group entities receive notices from relevant authorities pursuant to local environmental legislation. On receiving such notices, the Group evaluates potential remediation or other options, associated costs relating to the matters raised and, where appropriate, makes provision for such costs.

The Directors are not aware of any material breaches of Australian or international environmental regulations during the year.

The Board monitors compliance with the Group's environmental policies and practices, and believes that any outstanding environmental issues are well understood and are being actively managed. At the date of this Report, any costs associated with remediation or changes to comply with regulations in the jurisdictions in which Group entities operate are not considered material.

Events after balance date

On 2 July 2008, Ansell Limited announced the acquisition of the assets of Hawkeye Glove Company, a leading glove supplier to the US military, for US$10.8 million.

Since the end of the financial year, there have been no matters or circumstances that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent financial years.

Likely developments

The Company's objective is to continue its profitable expansion both organically and by using the strength of Ansell's balance sheet to create further shareholder value. In the opinion of the Directors, it would be likely to result in unreasonable prejudice to the Group if further information was to be included.

Indemnity

Upon their appointment to the Board, each Director enters into a Deed of Access, Indemnity and Insurance. These Deeds provide for indemnification of the Directors to the maximum extent permitted under law. They do not indemnify for any liability involving a lack of good faith. Since the date of the previous Report of the Directors, no new Deeds were entered into by any Director.

No Director or officer of the Company has received the benefit of an indemnity from the Company during or since the end of the year.

Rule 61 of the Company's Constitution also provides an indemnity in favour of officers (including the Directors and Company Secretary) of the Company against liabilities incurred while acting as such officers to the extent permitted by law. In accordance with the powers set out in the Constitution, the Company maintains a Directors' and officers' insurance policy. Due to confidentiality obligations and undertakings of the policy, no further details in respect of the premium or the policy can be disclosed.

Auditor independence

The Directors received the Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001, as follows:

To: The Directors of Ansell Limited,

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2008 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Peter Jovic
Partner

Melbourne
9 September 2008

Non-audit services

During the year, the Company's auditor, KPMG, was paid the following amounts in relation to non-audit services provided by KPMG:

- Taxation Services $111,553
- Assurance Services $22,395

The Directors are satisfied, based on the advice of the Audit and Risk Committee, that the provision of the non-audit services detailed above by KPMG during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The reasons for forming this opinion are:

- The taxation services related predominantly to compliance matters in connection with statutory lodgements.
- The assurance services related predominantly to compliance matters in connection with statutory lodgements.

Rounding

Ansell Limited is a company of the kind referred to in Australian Securities and Investments Commission Class Order 98/100 (as in force on 30 June 2008), and, unless otherwise shown, amounts in this Report have been rounded off to the nearest one hundred thousand dollars.

This Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

P L Barnes
Director

D D Tough
Director

Dated in Melbourne this
9th day of September 2008.

Remuneration Report

The Directors of Ansell Limited present the Remuneration Report prepared in accordance with section 300A of the Corporations Act for the Company and the Group for the year ended 30 June 2008. This Report, which has been audited by KPMG, forms part of the Report of the Directors.

Table 1 – Remuneration Snapshot

Non-executive Directors

Peter L Barnes
Glenn L L Barnes
Ronald J S Bell
L Dale Crandall
W Peter Day (appointed 20 August 2007)
Marissa T Peterson

Element of Remuneration	Summary	Discussion in Report
Fees	Fees are not linked to the performance of the Company so that independence and impartiality is maintained. Directors are required to invest a minimum of 10% of their gross fees in acquiring shares, and may elect to invest a higher proportion.	Page 17
Other benefits	Directors are entitled to be reimbursed for all business related expenses, including travel as may be incurred in the discharge of their duties.	Page 17
Post-employment	Superannuation contributions are made at a rate that satisfies the Company's statutory superannuation obligations. No additional retirement benefits are paid.	Page 17

CEO and other key management personnel [(1)]

Douglas D Tough	Managing Director & Chief Executive Officer (CEO)
Peter B Carroll	Vice President & Regional Director, Asia Pacific (from 2 July 2007)
Phil W Corke	Senior Vice President, Human Resources and Communications
Scott R Corriveau	Chief Strategy & Global Marketing Officer
Werner J Heintz	Senior Vice President & Regional Director, Europe, Middle East and Africa
Rustom F Jilla	Senior Vice President & Chief Financial Officer (CFO)
Scott Papier	Vice President & Regional Director, Professional/Consumer, Americas
William J Reed	Senior Vice President & Regional Director, Occupational, Americas
William G Reilly, Jr	Senior Vice President & General Counsel

Element of Remuneration	Summary	Discussion in Report
Fixed remuneration	Fixed remuneration is set by reference to appropriate benchmark information, and having regard for the executive's responsibilities, performance, qualifications, experience and location.	Pages 18–19
Annual cash incentive	Participation in the Company's annual short-term incentive program gives executives the opportunity to earn a cash bonus if they achieve performance targets based on annual growth in sales revenue, Business Segment EBIT, manufacturing profitability, Profit Attributable and agreed personal objectives.	Pages 19–20
Long-term incentive	Participation in the Company's long-term incentive arrangements gives executives the opportunity to acquire shares in the Company subject to the achievement of performance targets based on total shareholder return and earnings per share over a rolling three-year period.	Pages 20–24
Post-employment	Executives may be entitled to post-employment benefits, depending on the circumstances in which their employment is terminated.	Pages 25–26

[(1)] For the purposes of this Report, the Board has determined that in addition to the Non-executive Directors and the CEO, the key management personnel of the Group (being those persons with authority and responsibility for planning, directing and controlling the activities of the Group) comprise the eight current group executives named above.

This Report is signed in accordance with a resolution of the Nomination, Remuneration and Evaluation Committee made on 8 September 2008.

R J S Bell
Chairman of Nomination, Remuneration and Evaluation Committee

Section 1 Non-executive Directors' remuneration

A. Policy

The table below sets out the key principles relating to Non-executive Directors' remuneration.

Principle	Comment
Aggregate Board and Committee fees are approved by shareholders	The current aggregate fee pool for Non-executive Directors of $900,000 was approved by shareholders at the 2006 Annual General Meeting. (Note: Some benefits are payable outside of the shareholder-approved cap – refer table 2 for details.)
Remuneration is structured to preserve independence while creating alignment	To preserve independence and impartiality, no element of Non-executive Director remuneration is linked to the performance of the Company. However, to create alignment between Directors and Shareholders, the equivalent of at least 10% (and up to 100% if the Director elects) of gross annual fees must be invested from after-tax income to acquire Ansell shares at market value.
Fees are set by reference to key considerations	Board and Committee fees are set by reference to a number of relevant considerations including: • responsibilities and risks attaching to the role of Director • time commitment expected of Directors • fees paid by peer companies • independent advice received from external advisers.
No retirement benefits	No additional benefits are paid to Non-executive Directors upon their retirement from office (i.e. in addition to their existing superannuation entitlements).
Regular reviews of remuneration	The Board periodically reviews its approach to Non-executive Director remuneration to ensure it remains in line with general industry practice and best practice principles of corporate governance.

B. Components of remuneration

The table below summarises the components of Non-executive Director remuneration.

Table 2 – Elements of Non-executive Directors' remuneration

Element	Board fees	Committee fees	Other fees/benefits	Post-employment benefits
Description	Fees per annum for the 2008 financial year were: • $92,000 for Board member • $230,000 for Chair (2.5 times the Board fee)	Committee fees per annum for the 2008 financial year were: • $9,200 for Committee member (10% of the Board fee) • $23,000 for Chair of the Audit and Risk Committee (2.5 times the Committee fee) • $18,400 for Chair of the Nomination, Remuneration and Evaluation Committee (2 times the Committee fee)	Non-executive Directors are permitted to be paid additional fees for special duties Directors are also entitled to be reimbursed for all business-related expenses including travel expenses as may be incurred in the discharge of their duties	Superannuation contributions are made on behalf of the Non-executive Directors at a rate of 9%
Included in shareholder approved cap?	Yes	Yes	No	No

The table opposite contains details of the shares acquired by Non-executive Directors during the year through participation in the Non-executive Directors' Share Plan.

Shares are acquired quarterly on the ASX at the prevailing market price and are registered in the name of the Director, but are subject to a restriction on dealing until the Director ceases to hold office.

Shares were purchased on behalf of the Directors in September 2007 (at $12.31 per share), December 2007 (at $11.69 per share), March 2008 (at $11.98 per share) and June 2008 (at $10.10 per share).

Table 3 – Number of shares acquired by Non-executive Directors in the 2008 financial year

P L Barnes	2,079
G L L Barnes	1,003
R J S Bell	945
L D Crandall	998
M T Peterson	876
W P Day	766

C. Remuneration for 2008

Details of Non-executive Directors' remuneration for the 2008 financial year are set out in the following table.

Table 4 – Non-executive Directors' remuneration

	Short-term		Post-employment	Total
	Fees $	Non-monetary benefits [1] $	Superannuation contributions $	$
P L Barnes	240,561	930	21,528	263,019
G L L Barnes	126,618	–	–	126,618
R J S Bell	113,992	–	4,909	118,901
L D Crandall	120,175	15,462	5,175	140,812
M T Peterson	105,754	–	4,554	110,308
W P Day	87,660	–	7,889	95,549

[1] Includes spouse travel incurred in accompanying the Director while on Company business.

The total remuneration for all Directors for the 2008 and 2007 financial years is detailed in Note 26 to the financial statements contained in this Report.

Section 2 CEO and Senior Executive remuneration

A. Policy

Remuneration strategy is designed to:

Create shareholder value	Reward, motivate and retain key executives	Be flexible enough to reflect local market conditions

'Pay for performance'
Total remuneration set by reference to local geographic market at:
- 62.5th percentile for target performance
- 75th percentile for stretch performance

Fixed remuneration	At-risk STI	At-risk LTI
25–50%	50–75% (at target levels of performance)	
Based on: • market rate for job skills; • job requirements; and • individual performance	Targets linked to: • individual; • business unit; and • corporate performance	Challenging and transparent targets linked to the creation of shareholder value

B. Components of remuneration

I. Fixed remuneration

Fixed remuneration comprises base salary plus contributions to superannuation and pension plans in accordance with relevant legislation or as contractually required.

Base salary, which is expressed in local currency, is set at the mid-point of the market rate for a comparable role by reference to appropriate benchmark information and having regard to an individual's responsibilities, performance, qualifications, experience and location. Executive management salaries are benchmarked against global salary and grade data supplied by Watson Wyatt and Ernst & Young. In addition, internal benchmarking is conducted using a global broad-band grading system.

II. At-risk remuneration

Annual cash incentive

Table 5 – Summary of short-term incentive plan

What is the STI and who participates?	The annual short-term incentive program (STI) is a cash-based plan that involves linking specific targets with the opportunity to earn incentives based on a percentage of fixed salary for senior executives, including the CEO and CFO.
Why does the Board consider the STI to be an appropriate incentive?	The STI is designed to put a large proportion of executive remuneration 'at-risk' against meeting targets linked to Ansell's annual business objectives.
What is the maximum amount executives can earn under the STI?	In relation to members of the senior executive team, this generally comprises an amount equal to 30%–60% (75% for the CEO) of their fixed annual remuneration for target performance, and up to 60%–120% (150% for the CEO) of their fixed annual remuneration for performance that is well in excess of target performance.
What are the performance conditions for the STI?	Performance measures for 2008 were based on a mix of improvement in sales revenue (Sales), earnings before interest and tax (Business Segment EBIT), manufacturing profitability and, for some executives with more direct responsibility for overall corporate performance, profit attributable to shareholders (Profit Attributable). In addition, the performance of each senior executive was assessed against key strategic objectives specific to their role and responsibilities, as determined by and agreed with the CEO. The hurdles were set so that achievement of the internal financial goals (business plan) and personal objectives would result in 100% of the award being earned. Incentives would start to be earned at 50% of the STI target level once performance measures exceeded threshold levels, which were set at 98% of the 2008 business plan goals. Additional incentive payments were available for performance exceeding target objectives.
Why were these performance conditions chosen?	The Board considers these performance measures to be appropriate as they are aligned with the Company's objectives of delivering profitable growth and improving shareholder return. In addition, executives have a clear line of sight to the targets and are able to affect results through their actions.
Who assesses performance and when?	The Nomination, Remuneration and Evaluation Committee assesses performance against the conditions in respect of the CEO and makes a recommendation to the Board. The CEO assesses the performance against the conditions in respect of other senior executives and makes recommendations to the Nomination, Remuneration and Evaluation Committee. Performance against the hurdles is determined, and incentives paid, following the completion of the audit of the accounts for the financial year.
To what extent were performance conditions met during the year?	The level of performance achieved in respect of the 2008 STI performance measures was as follows: • Sales – the stretch goals were met in the majority of cases. • Business Segment EBIT – the stretch goals were met in the majority of cases. • Profit Attributable – the stretch goal was exceeded. • Manufacturing profitability – threshold performance was exceeded. Specific information relating to the STI payable for target performance and the percentage of the target awards achieved in respect of the CEO and Key Management Personnel are set out in Table 6.

Table 6 – Cash incentive payments provided in relation to the 2008 financial year for Key Management Personnel pursuant to the Company's STI plan

	Value of award at target level (1)	Value of award achieved (2)	Percentage of target award achieved
D D Tough	US$603,750	US$1,136,861	188.3%
P W Corke	US$136,000	US$242,488	178.3%
S R Corriveau	US$130,000	US$231,790	178.3%
R F Jilla	US$241,800	US$455,309	188.3%
S Papier	US$130,000	US$153,790	118.3%
W J Reed	US$146,500	US$169,369	115.6%
W G Reilly	US$160,000	US$285,280	178.3%
W J Heintz	€167,500	€315,403	188.3%
P B Carroll	$122,500	$218,418	178.3%

(1) Target award is the level at which achievement of the performance measures would result in 100% of the incentive being earned. Achievement of performance measures between target and stretch goals resulted in above-target awards being provided.
(2) The value of grants provided under the STI during the year is set out in this table. The minimum value of the STI, if the performance targets had not been satisfied, would have been nil.

Long-term incentive

Table 7 – Summary of long-term incentive plan

What is the LTI and who participates?	The long-term incentive plan (LTI) is an element of the Company's remuneration strategy and links reward with ongoing creation of shareholder value through the grant of equity securities, subject to performance conditions which underpin sustainable growth in shareholder value. Participation is only offered to executives who are able, or have the potential, to influence shareholder value.
How is the amount of the LTI grant determined?	Key Management Personnel (including the CEO) are offered a grant under the Plan which is designed to be the equivalent of approximately 30%–60% of their total remuneration (on an annualised basis). Other executives are offered grants representing a lower proportion of their total remuneration.
What equity instruments are granted under the LTI?	Under the LTI, participating senior executives receive annual grants of performance rights (PRs) and, for members of the executive management team, options under the Company's Long Term Incentive Plan which was implemented in the 2007 financial year. Details of the grants made to Key Management Personnel during the 2008 financial year are set out in Table 8.
What are the key terms of PRs and options granted under the LTI?	PRs and options are granted at no cost to the participant. Each option or PR granted will entitle the participant to one ordinary share in the Company, subject to satisfaction of performance conditions set by the Board in respect of the grant. Grants under the Plan are tested over a three-year period. If the relevant performance conditions are satisfied at the end of the performance period, then: • the PRs will vest automatically and shares in the Company will be allocated to the participant; and • the options will vest, and participants may exercise their options from the vesting date up until the seventh anniversary of the grant date. Upon exercising their options each participant must pay the applicable exercise price. PRs and options granted under the Plan are not transferable, and participating executives are prohibited from entering into hedging arrangements in respect of unvested options and PRs.
Are the shares granted upon vesting of PRs and exercise of options subject to restrictions?	Shares allocated upon vesting of PRs and exercise of options will be unrestricted, and will carry full dividend and voting rights from the date of allocation.

Table 7 – Summary of long-term incentive plan continued

<table>
<tr><td rowspan="7">What are the performance conditions for the PRs granted in the 2008 financial year?</td><td colspan="2">The PRs are subject to a performance condition based on growth in the Company's earnings per share (EPS) over the relevant period. The Board selected US$0.58, being the mid-point of the guidance provided to the market in August 2007, as the base EPS for the 2008 financial year (Base Point).
The target EPS growth rate is 12% per annum compound, measured from the Base Point to the end of the 2010 financial year.
The stretch hurdle is an EPS value that is 7.5% above the target EPS value.</td></tr>
<tr><td colspan="2">The Board will exclude the effect of net changes in capital when measuring EPS performance. This ensures the Company's capital management program of share buy-backs will not influence performance against these targets.</td></tr>
<tr><td colspan="2">The percentage of PRs which vest at particular EPS growth rates is as follows:</td></tr>
<tr><td>EPS growth</td><td>PRs that vest (%)</td></tr>
<tr><td>Below target</td><td>0</td></tr>
<tr><td>Target</td><td>50</td></tr>
<tr><td>Between target and stretch
Above stretch</td><td>Sliding scale from 50 to 100
100</td></tr>
<tr><td rowspan="8">What are the performance conditions for the options granted in the 2008 financial year?</td><td colspan="2">The options are subject to a performance condition based on the Company's Total Shareholder Return (TSR) over the three-year vesting period. TSR measures the return to a shareholder over the performance period in terms of changes in the market value of the shares plus the value of the dividends paid on the shares.
The growth in the Company's TSR over the performance period will be compared with the TSR performance of a comparator group comprising global organisations operating within the same or similar industry segments as the Company. For the purposes of the grant made in the 2008 financial year, the comparator group comprises the following companies:</td></tr>
<tr><td>• Sperian Protection SA (France)
• Bergman & Beving AB (Sweden)
• Church & Dwight Co, Inc (USA)
• Kimberly-Clark Corporation (USA)
• Mine Safety Appliances Company (USA)</td><td>• Paul Hartman AG (Germany)
• Semperit AG Holding (Austria)
• SSL International plc (UK)
• Steris Corporation (USA)
• Top Glove Corporation Bhd. (Malaysia)</td></tr>
<tr><td colspan="2">The percentage of options which vest will be determined by reference to the level of TSR growth achieved by the Company over the vesting period compared with the performance of other companies in the comparator group as follows:</td></tr>
<tr><td>TSR growth – percentile ranking</td><td>Options that vest (%)</td></tr>
<tr><td>Below 50th percentile</td><td>0</td></tr>
<tr><td>50th percentile</td><td>50</td></tr>
<tr><td>Between 50th and 75th percentile</td><td>Sliding scale from 50 to 100</td></tr>
<tr><td>75th percentile or above</td><td>100</td></tr>
<tr><td>Why were these performance conditions chosen?</td><td colspan="2">The Board selected EPS as a performance measure for vesting of PRs on the basis that it:
• is a relevant indicator of increases in shareholder value; and
• is a target that provides a suitable line of sight to encourage executive performance.
The Board selected TSR as a performance measure for vesting of options, on the basis that it:
• ensures an alignment between comparative shareholder return and reward for the executive; and
• provides a relative, external, market-based performance measure against those companies with which the Company competes for capital, customers and talent.
The Board believes the performance measures and targets it has adopted for the LTI are appropriately tailored to motivate senior executives to deliver sustained returns to shareholders.</td></tr>
</table>

Table 7 – Summary of long-term incentive plan continued

Is there any re-testing of PRs and options?	No re-testing of PRs or options is permitted. Any PRs or options which do not vest at the end of the applicable performance period will lapse.
What happens in the event of a change of control?	The Directors have discretion to determine that the PRs and options will vest in the event of a change of control, subject to pro-rata performance up to the relevant date.
What happens if the executive ceases employment during the performance period?	Where a participating executive ceases employment with the Company: • any unvested PRs and options will lapse, except where employment ceases due to death, disability or other exceptional circumstances with the approval of the Board, in which case the Board has a discretion to determine that the PRs and options will vest on a pro-rata basis (having regard to performance up to cessation of employment); and • any vested options will lapse unless they are exercised within 90 days of the executive ceasing employment.

Previous long-term incentive arrangements

Table 9 sets out details of the movements in options, PSRs and PRs held by Key Management Personnel during the year, including details of the PSRs, PRs and options that vested.

2007

During 2007, Performance Rights (PRs) were granted to senior executives under the Ansell Long Term Incentive Plan. Additional options were granted to members of the executive management team.

As a one-off transitional arrangement for the 2007 grant, half of the PRs granted were to be tested over a two-year period (Tranche 1). The balance of the PRs and all of the options granted were to be tested over the usual three-year period (Tranche 2).

This transitional arrangement ensured that all senior executives (including the CEO) have awards available for vesting in the 2008 financial year, which would not otherwise have been the case (due to the applicable vesting periods for equity instruments granted under the Company's previous LTI plan).

Tranche 1 of the 2007 PRs was subject to a two-year performance period that was tested following the end of the 2008 financial year. Upon testing of the performance conditions 100% of the PRs vested. 103,942 PRs that were granted to the CEO as part of his 2007 long-term incentive grant as approved by shareholders at the 2006 Annual General Meeting were available for vesting at the end of the July 2007 – June 2008 performance period and were tested following the end of the financial year. Upon testing of the performance conditions 100% of the PSRs vested.

Tranche 2 of the PRs and all of the options granted in 2007 are subject to a three-year performance period that will be tested at the end of the 2009 financial year. The performance hurdles applicable to the PRs (which are EPS based) and the options (which are TSR based) were set out in the 2007 Remuneration Report.

Prior to 2007

Prior to 2007, executives were granted performance share rights (PSRs) under the Ansell Stock Incentive Plan. This LTI plan operated until the end of the 2006 financial year. The table below summarises details regarding the outstanding PSRs under that Plan.

Year of grant	Tranche	Performance Period	Status
2006	Tranche 3	July 2007 – June 2008	Performance conditions tested and resulted in vesting of 100% of PSRs.

The CEO and participating executives may sell shares on vesting of PSRs to the extent necessary to meet any taxation liabilities arising from the grant or vesting plus, in the case of participating executives other than the CEO, 50% of the balance. The remainder of the shares from that tranche may not be sold within 12 months of their allotment.

For Tranche 3 of the PSRs, which were tested against performance targets for the 2008 financial year, the performance measures comprised Sales and EPS growth. The Board selected these performance measures on the basis that Sales growth is essential for the generation of improved earnings, and EPS growth, in addition to being a relevant indicator of increases in shareholder value, is one that provides suitable line of sight to encourage executive performance.

Options/PRs granted and on issue

As part of its remuneration strategy, the Company granted options and PRs during the year to Key Management Personnel as set out below.

Table 8 – Equity grants made to key management personnel

	No. of PRs granted [(1)]	No. of options granted [(2)]	Maximum value of PRs granted [(3)]	Maximum value of options granted [(4)]	Aggregate maximum value
D D Tough	172,009	172,009	US$1,805,169	US$473,259	US$2,278,428
P W Corke	46,496	46,496	US$487,958	US$127,927	US$615,885
S R Corriveau	44,444	44,444	US$466,423	US$122,282	US$588,705
R F Jilla	96,444	96,444	US$1,012,143	US$265,353	US$1,277,496
S Papier	44,444	44,444	US$466,423	US$122,282	US$588,705
W J Reed	50,085	50,085	US$525,623	US$137,802	US$663,425
W G Reilly	54,701	54,701	US$574,066	US$150,502	US$724,569
W J Heintz	45,333	45,333	€323,622	€84,844	€408,465
P B Carroll	25,000	25,000	$292,750	$76,750	$369,500
Total					US$6,737,213
					€408,465
					$369,500

(1) Grants of Performance Rights (PRs) made on 2 November 2007 in accordance with a resolution of the Nomination, Remuneration and Evaluation Committee. The grants made to the executives during the year constituted 100% of the grants available for the year. As the PRs only vest on satisfaction of the performance conditions, to be tested at the end of the 2010 financial year, none of the PRs detailed above were forfeited during the year. Details of the relevant performance conditions are set out in Table 7.

(2) Grants of options made on 2 November 2007 in accordance with a resolution of the Nomination, Remuneration and Evaluation Committee. As the options only vest on satisfaction of the performance conditions, to be tested at the end of the 2010 financial year, none of the options detailed above were forfeited during the year. Details of the relevant performance conditions are set out in Table 7.

(3) The value per PR was calculated as $11.71, using a binomial valuation model. The assumptions used in the calculation of these values are set out in Note 23 to the financial statements contained in this Report. The minimum total value of the grant, if the applicable performance conditions are not met, is nil in all cases.

(4) The value per option was calculated as $3.07, using a binomial valuation model. The assumptions used in the calculation of this value are set out in Note 23 to the financial statements contained in this Report. The minimum total value of the grant, if the applicable performance conditions are not met, is nil in all cases.

The following table sets out, in respect of the Key Management Personnel, details of the movement in options, PSRs and PRs during the year.

Table 9 – Movement in options, PSRs and PRs on issue

		Movements during the year					Vested at the date of this report		
		Held at 1 July 2007	Granted during year [1]	PSRs vested/ options exercised during year [2][3]	Lapsed/ forfeited/ other [4]	Held at 30 June 2008	PSRs & PRs vested/ options vested & exercisable [5]	Options vested but not exercisable	Total options vested
D D Tough	PSRs & PRs	282,433	172,009	60,124	14,426	379,892	103,942		
	Options	635,074	172,009	–	20,417	786,666	406,774		406,774
R F Jilla	PSRs & PRs	169,144	96,444	35,000	–	230,588	76,239		
	Options	355,810	96,444	–	–	452,254	240,000		240,000
P W Corke	PSRs & PRs	79,490	46,496	15,000	–	110,986	36,412		
	Options	56,156	46,496	–	–	102,652			
S R Corriveau	PSRs & PRs	50,400	44,444	2,500	–	92,344	30,200		
	Options	45,400	44,444	–	–	89,844			
S Papier	PSRs & PRs	77,330	44,444	15,000	–	106,774	35,332		
	Options	53,996	44,444	–	–	98,440			
W J Reed	PSRs & PRs	86,125	50,085	16,667	–	119,543	38,896		
	Options	61,124	50,085	–	–	111,209			
W G Reilly	PSRs & PRs	88,128	54,701	15,000	–	127,829	40,731		
	Options	64,794	54,701	–	–	119,495			
W J Heintz	PSRs & PRs	58,175	45,333	16,667	–	86,841	24,921		
	Options	33,174	45,333	–	–	78,507			
P B Carroll	PSRs & PRs	–	25,000	–	–	25,000	–		
	Options	–	25,000	–	–	25,000			
Total	PSRs & PRs	891,225	578,956	175,958	14,426	1,279,797	386,673		
	Options	1,305,528	578,956	–	20,417	1,864,067	646,774		646,774

(1) The maximum total value of the options and PRs granted during the year is set out in Table 8.
(2) The value of each PSR on the date of vesting was $12.41 being the closing market price of Ansell Limited shares on the ASX on the day of vesting. The aggregate value of PSRs vested during the year was $2,183,639.
(3) No options were exercised during the year.
(4) The value of a PSR, PR or option on the day it lapses represents the benefit foregone calculated using binomial valuation techniques. The aggregate value of PSR's and options lapsed or forfeited during the year was $148,646. No PRs lapsed or were forfeited during the year.
(5) 386,673 PSRs and PRs that have vested since balance date result in the allocation of one fully paid ordinary share to the holder for each PSR and PR that has vested.

C. Remuneration for 2008

Details of the remuneration provided to Key Management Personnel (incorporating the five senior executives who received the highest remuneration relating to the 2008 financial year) are set out in the following table.

Table 10 – Key Management Personnel Remuneration

	Short-term			Post-employment	Equity		
	Fixed salary	Annual cash incentive	Non-salary benefits (1)	Superannuation contributions (2)	Options/ rights (3)	Total	Value of options as a % of total remuneration
D D Tough (4)	US$804,327	US$1,136,861	US$102,819	US$287,688	US$1,777,202	US$4,108,897	7.8%
P W Corke (4)	US$271,769	US$242,488	US$44,046	US$75,644	US$503,741	US$1,137,688	7.6%
S R Corriveau (4)	US$259,615	US$231,790	US$58,166	US$57,144	US$427,906	US$1,034,621	7.4%
R F Jilla (4)	US$402,615	US$455,309	US$39,780	US$119,722	US$1,044,551	US$2,061,977	8.7%
S Papier (4)	US$259,808	US$153,790	US$33,022	US$63,085	US$484,106	US$993,811	8.3%
W J Reed (4)	US$292,808	US$169,369	US$54,433	US$132,990	US$543,909	US$1,193,509	7.8%
W G Reilly (4)	US$319,615	US$285,280	US$27,750	US$90,163	US$582,257	US$1,305,065	7.7%
W J Heintz (5)	€335,000	€315,403	€50,879	€106,758	€262,628	€1,070,668	4.3%
P B Carroll (6)	$350,000	$218,418	$41,730	$70,000	$123,154	$803,302	3.2%
Total Remuneration – key management personnel (7)	US$2,610,557	US$2,674,887	US$360,016	US$826,436	US$5,363,672	US$11,835,568	
	€335,000	€315,403	€50,879	€106,758	€262,628	€1,070,668	
	$350,000	$218,418	$41,730	$70,000	$123,154	$803,302	

(1) Includes the cost to the Company of cash benefits such as motor vehicle and travel allowances, telephone expenses, cost of living and relocation allowances, and executive insurance.
(2) Includes contributions to USA benefit or non-qualified pension plans, European pension plan and to an Australian superannuation fund, as applicable.
(3) Includes a proportion of the fair value of options, PSRs or PRs granted or outstanding during the year. The fair value is determined as at grant date and is progressively allocated over the vesting period for these securities. The amount included as remuneration is not related to, nor indicative of, the benefit (if any) that individual executives may ultimately realise should the options, PSRs or PRs vest. Further details of PSRs and PRs provided to the CEO and Key Management Personnel as remuneration, including the basis of valuation, is included in Notes 23 and 26 to the financial statements contained in this Report. The percentage of total remuneration for the 2008 financial year that consisted of options/PSRs/PRs was in the range of 15% to 50% for the CEO and Key Management Personnel.
(4) USA-based officers paid in US$. The average exchange rate for the 2008 financial year is US$0.89621 = A$1.00.
(5) Europe-based officer, paid in €. The average exchange rate for the 2008 financial year is €0.60963 = A$1.00.
(6) Australian-based officer paid in A$.
(7) The total remuneration for all Key Management Personnel (including the CEO) is detailed in Note 26 to the financial statements contained in this Report.

D. Service agreements

The remuneration and other terms of employment for the CEO and other Key Management Personnel are covered in formal agreements or letters of offer. Each of these agreements makes provision for a fixed remuneration component, performance-related cash incentives (as described above), other benefits, and participation, where eligible, in the Company's LTI arrangements (as described above).

Chief Executive Officer

The Employment Agreement entered into with the CEO:

- does not specify a fixed term of employment;
- provides that the Company may terminate the CEO's employment upon giving 12 months' notice or payment in lieu;
- specifies certain circumstances, such as a substantial diminution of responsibility, in which the Company may be deemed to have terminated the CEO's employment and would be liable to make a termination payment equivalent to 12 months' base salary plus the average of his short-term incentive earned during the three years prior to his termination;
- requires the CEO to give the Company at least six months' notice of resignation; and
- in order to protect the Company's business interests, prohibits the CEO from engaging in any activity that would compete with the Company for a period of 12 months following termination of his employment for any reason.

Remuneration Report continued

Other Key Management Personnel

Current executives

Each of P Corke, S Corriveau, R Jilla, S Papier, W Reed and W Reilly, all of whom are USA-based, are assumed to be employed 'at will' and as such, their respective service agreements do not specify a fixed term of employment. These executives are, in general, eligible for payments upon termination (other than for gross misconduct) equal to 12 months' base salary plus certain other benefits. These executives would typically be expected to give the Company four weeks' notice of resignation. In certain circumstances, such as a diminution of responsibility, the Company may be deemed to have terminated Mr Jilla's appointment and would be liable to make a termination payment equivalent to 12 months' base salary and his target annual incentive for the relevant year.

W Heintz is a Europe-based executive, and in the event of his termination without cause, he would receive a severance payment calculated by taking into account a range of factors, such as notice period given, seniority, age, total annual remuneration, total bonus received in the year prior to termination, and the value of non-monetary benefits.

Section 3 Company Performance

The table below summarises key indicators of the performance of the Company and the effect on shareholder value over the past five years.

In reviewing these indicators it should be recognised that the Company's predominant global currency is the US dollar, the Company's global businesses are managed in US dollars and the majority of the current Key Management Personnel operate out of the Company's operational headquarters located in the USA and therefore are paid in US dollars.

Table 11 – Key indicators of Company performance

	2004 [1]	2005	2006	2007	2008
Sales (US$m)	791.9	812.1	849.1	975.4	**1,116.0**
Business Segment EBIT (US$m)	104.1	115.7	107.6	105.5	**123.4**
Business Segment EBIT (A$m)	146.3	153.7	144.2	133.9	**137.4**
Profit Attributable (A$m) [1]	70.7	54.4	116.1	100.0	**102.6**
Share Price at 30 June (A$)	7.74	10.04	9.67	12.20	**9.26**
Full-year dividend (A$)	0.13	0.17	0.21	0.24	**0.265**
EPS (A$ cents) [1]	39.1	32.5	73.4	67.6	**73.9**
Share buy-backs (A$m)	65.4	156.1	103.1	81.5	**111.9**

[1] 2004 is reported on an AGAAP basis and may not be directly comparable to 2005–2008.

These indicators demonstrate that over the past five years:

- Compound growth of 11.8% in total shareholder return (movement in share price plus dividends received) has been achieved.
- Compound growth in full-year dividend has been 19.2%.
- Total remuneration applicable to the nine current Key Management Personnel positions, including the CEO, referred to in this Report has increased by a compound 19.2%, of which base salaries in the relevant local currencies have increased by a compound 8.1%.

Over the same period, the Company has returned $518.0 million to shareholders by way of share buy-backs. In addition, the Company has made sizeable investment in the development of new products, business development initiatives in the pursuit of market share growth in current and emerging markets, and has made strategic acquisitions as part of the Company's multifaceted approach to growth. As a result, the compound growth rate in sales revenue in US dollars has significantly increased from 2.3% over the five-year period to the end of the 2006 financial year to 8% over the five-year period to the end of the 2008 financial year.

Discussion and Analysis of the Financial Statements

Although the Company reports in Australian dollars, the United States (US) dollar is the currency in which the global business is managed. The following discussion and analysis is provided to assist members in understanding the financial report and includes references to Australian dollars ($) and US dollars (US$). Presentation of the Company's results in US dollars can be found in the Supplementary Unaudited US Dollar Financial Information set out on pages 77 to 81.

Financial Performance – Income Statement

Sales revenue in 2007/2008 from the Occupational, Professional and Consumer businesses was $1,244.7 million (US$1116.0 million) compared with $1,239.2 million (US$975.4) in 2006/2007 and is the first time sales have exceeded US$1 billion. In US dollar terms Occupational sales increased by 14.4%, Professional sales increased by 11.3% while Consumer sales increased by 20.1% assisted by a full year contribution from Unimil and Blowtex acquired during the previous year. Business Segment Earnings before Interest and Tax (EBIT) increased by 17.0% from US$105.5 million ($133.9 million) to US$123.4 million $137.4 million) due to strong performances by the Occupational and Professional businesses.

The Occupational business accounted for 49% of Ansell's 2007/2008 sales and 64% of Business Segment EBIT. This business continues to grow at an excellent rate, in US dollar terms organic sales were up 14.4% on the previous year while Business Segment EBIT rose 27.3%. In addition, the EBIT to sales margin rose from 13.0% last year to 14.5%. Sales and profits are growing in both mature and developing markets. Brazil, Mexico, China and Russia are just a few of the emerging markets where Ansell's investment in people and infrastructure is paying off. The US business has continued to grow despite an economic slow down with sales in the second half of 2007/2008 higher than both the first half and the comparative period in 2006/2007. This reflects both Ansell's product and customer diversity in its Occupational portfolio and the shifting of resources from slowing industrial sectors to faster growing areas.

The Hyflex® range, which offers a wide variety of gloves for industrial applications, continued to grow with volumes up 20.4% and sales value up 29.7%. New product development is a key to success and in the current year 10.2% of sales arose from new products brought to market in the last three years.

Two Occupational glove plants (in the US and India) were closed during the year as planned. An ongoing focus on product cost reduction through plant restructuring from higher- to lower-cost plants, outsourcing and targeted capital investment continued to yield benefits.

The Professional business accounted for 32% of Ansell's 2007/2008 sales and 22% of Business Segment EBIT. Sales (in US dollar terms) increased 11.3% on the previous year and Business Segment EBIT was up 35.0%. The EBIT to sales margin continued to improve and but for a one-off depreciation adjustment (as a result of the reassessment of the estimated useful lives of dip lines including associated refurbishments and conversions) would have been 8.9% (a 46% increase over the previous year). A shift in sales mix to surgical gloves, together with pricing increases offset the impact of higher latex and energy costs. However, margins remain unacceptable and exiting some lower-margin exam product lines is necessary.

New product development has provided ongoing improvement in sales, with 16.6% of sales coming from new products launched in the last three years. These included Hydrasoft® surgical gloves, polyisoprene surgical gloves and cytostatic surgical gloves. New products and successful trials have helped Ansell gain market share in the US natural rubber latex powder-free surgical and synthetic surgical segments during the year.

The Consumer business accounted for 19% of Ansell's 2007/2008 sales and 14% of Business Segment EBIT. A good overall sales performance, up 5.1% in US dollars excluding acquisitions, did not flow through to the bottom line due mainly to US retail and Unimil issues. The US branded retail condom market continued to be very competitive and Ansell continued to experience sales and margin declines.

Unimil's market share has eroded since the quarter before the acquisition and the resulting pressure on margins along with the effect of low plant utilisation has resulted in a disappointing operational result, exacerbated by restructuring costs.

These problems masked strong performances elsewhere. Results in China and Brazil were excellent, with strong top line and Business Segment EBIT growth. Jissbon has launched the Manix® brand in China and Blowtex has extended its product offering, utilising Ansell's wider condom range.

Only 7.7% of sales came from new products in this segment but the new SKYN™ polyisoprene condom introduced towards year end is already doing well. One manufacturing plant, in Poland, ceased operations and some equipment was moved to Brazil to help meet rapidly growing demand there.

Net interest expense increased as share buy-backs continued however interest cover remains strong at 15.1 times.

Income tax expense was $7.6 million (US$7.5 million) compared to $9.5 million (US$7.2 million) the previous year. During the year the remaining unbooked US federal tax losses were recognised as a deferred tax asset reducing the current year's income tax charge by $28.2 million (US$24.6 million). In the previous year US federal tax losses of $16.6 million (US$13.6 million) were recognised.

The net profit attributable to shareholders for the year was $102.6 million (US$91.7 million) compared to $100.0 million (US$79.1 million) in 2006/2007.

Earnings per share was 73.9 cents (US 66.1 cents) up on the previous year's 67.6 cents (US 53.4 cents).

Discussion and Analysis of the Financial Statements continued

Financial Position – Balance Sheet

Total assets increased in US dollar terms from US$1,058.8 million to US$1,111.3 million; however, reduced from $1,250.1 million to $1,156.5 million as a result of the strengthening of the Australian dollar. Similarly total liabilities increased in US dollar terms from US$539.1 million to US$586.7 million and fell from $636.5 million to $610.5 million. Working capital increased 5.6% in US dollar terms, well below the 14.4% increase in sales. Progress was evidenced by working capital days (down 6.5 days) and the working capital to sales ratio, which improved from 21.8% to 20.1%.

Gearing (net debt to net debt plus equity) remains conservative at 20.3%, up marginally on the previous year's 18.1%.

Restricted deposits of $4.6 million (US$4.4 million) have been set aside to cover the provisions established to address any remaining liability to members of the Group to claims arising with respect to the Accufix Pacing Leads. Restricted deposits at 30 June 2007 totalled $5.3 million (US$4.5 million).

Cash Flow Statement

Net cash provided by operating activities was $162.5 million (US$142.5 million) compared to $148.1 million (US$118.7 million) in 2006/2007. Income taxes paid and capital expenditure were in line with the previous year. The Company returned a further $146.9 million (US$128.8 million) to its shareholders via share buy-backs of $111.9 million (US$98.1 million) and dividends of $35.0 million (US$30.7 million).

Financing Costs

Net financing costs for the year were $10.3 million (US$9.2 million) compared with $9.0 million (US$7.0 million) in the previous year.

The average cost of debt at 30 June 2008 was 4.61% compared to 4.83% the previous year.

The Group has a US$300 million and Euro 65 million revolving credit bank facility. Of the US$300 million, US$100 million matures on 30 April 2012, US$150 million on 30 April 2010 and US$50 million on 30 April 2009. The Euro 65 million matures on 5 June 2012. The facility can be accessed by certain Australian, US and European subsidiaries. US$195 million and Euro 65 million of the facility had been drawn down at 30 June 2008 (30 June 2007 US$195 million and Euro 65 million) leaving an unused balance of the total facility at that date of US$105 million.

This facility when combined with the Group's cash on deposit ensures continuing strong financial flexibility and liquidity. At year end the borrowing portfolio's average debt facility maturity was 1,009 days (previous year 1,313 days) with approximately 83% at fixed interest rates and the remaining 17% at floating rates.

Ratings

Ansell's ratings are as follows:

	Long Term	Outlook	Short Term
Moody's	Baa3	Stable	P3
Standard & Poor's	BBB-	Stable	–

Working Capital

Average working capital days in 2007/2008 was 74.7 days compared to 81.2 days in 2006/2007.
This is comprised of the following:

	2008	2007
Inventory days held	**57.4**	63.6
Days sales outstanding	**57.3**	57.7
Days payable outstanding	**40.0**	40.1

Depreciation

(Including amortisation of leasehold land and buildings)

	2008 $m	2007 $m	**2008 US$m**	2007 US$m
Consolidated	**33**	26	**29**	20

Depreciation for the year was impacted by the reassessment of the estimated useful lives of dip lines (including associated refurbishments and conversions) resulting in a one-off increase in the current year of $7.2 million (US$6.3 million).

Factories by Region

	2008	2007
Asia Pacific	**8**	9
Americas	**4**	5
Europe, Middle East and Africa	**2**	3
Total	**14**	17

Income Statements

of Ansell Limited and Subsidiaries for the year ended 30 June 2008

	Note	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Revenue					
Total revenue	2	1,254.4	1,248.7	168.3	189.6
Expenses					
Cost of goods sold		756.9	782.7	72.8	80.1
Distribution		61.6	63.5	5.3	5.0
Selling, general and administration		302.7	270.4	49.9	17.3
Other	3(b)	–	–	(10.9)	–
Total expenses, excluding financing costs		1,121.2	1,116.6	117.1	102.4
Financing costs	3(a)	20.0	18.5	0.8	2.3
Profit before income tax		113.2	113.6	50.4	84.9
Income tax	7	7.6	9.5	1.0	0.7
Profit for the period		105.6	104.1	49.4	84.2
Profit for the period is attributable to:					
Ansell Limited shareholders		102.6	100.0	49.4	84.2
Minority interests		3.0	4.1	–	–
Profit for the period		105.6	104.1	49.4	84.2
		cents	cents		
Earnings per share is based on profit attributable to Ansell Limited shareholders					
Basic earnings per share	31	73.9	67.6		
Diluted earnings per share	31	72.5	66.7		

The above income statements should be read in conjunction with the accompanying notes.

Statements of Recognised Income and Expense

of Ansell Limited and Subsidiaries for the year ended 30 June 2008

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Actuarial (loss)/gain on defined benefit pension/ post-retirement health benefit plans	(2.1)	4.4	(2.1)	1.1
Net exchange difference on translation of financial statements of foreign operations	(24.6)	(38.5)	–	–
Net movement in effective hedges for year	(3.3)	(1.1)	(2.3)	(1.1)
Net loss recognised directly in equity	(30.0)	(35.2)	(4.4)	–
Profit for the period	105.6	104.1	49.4	84.2
Total recognised income and expense for the period	75.6	68.9	45.0	84.2
Attributable to:				
Members of Ansell Limited	72.6	64.8	45.0	84.2
Minority interests	3.0	4.1	–	–
Total recognised income and expense for the period	75.6	68.9	45.0	84.2

The above statements of recognised income and expense should be read in conjunction with the accompanying notes.

Balance Sheets

of Ansell Limited and Subsidiaries as at 30 June 2008

	Note	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Current Assets					
Cash on hand	9	1.0	0.5	–	–
Cash at bank and on deposit	9	195.0	230.7	59.7	0.4
Cash assets – restricted deposits	9	4.6	5.3	–	–
Trade and other receivables	10	203.3	207.8	258.7	261.1
Inventories	11	168.1	183.0	13.1	13.1
Other	12	10.9	13.6	0.6	1.1
Total Current Assets		582.9	640.9	332.1	275.7
Non-Current Assets					
Trade and other receivables	10	17.3	18.1	–	–
Other financial assets	13	–	–	1,454.8	1,463.3
Property, plant and equipment	14	167.9	192.2	0.3	0.3
Intangible assets	15	314.3	331.5	163.2	158.5
Deferred tax assets	16	74.1	67.4	–	–
Total Non-Current Assets		573.6	609.2	1,618.3	1,622.1
Total Assets		1,156.5	1,250.1	1,950.4	1,897.8
Current Liabilities					
Trade and other payables	17	160.0	154.1	1,033.4	889.0
Interest bearing liabilities	18	14.4	17.2	–	–
Provisions	19	51.9	51.3	4.0	3.6
Current tax liabilities		10.2	10.5	–	0.6
Total Current Liabilities		236.5	233.1	1,037.4	893.2
Non-Current Liabilities					
Trade and other payables	17	0.8	0.5	–	–
Interest bearing liabilities	18	319.4	348.5	9.4	10.6
Provisions	19	20.0	20.3	0.1	0.1
Retirement benefit obligations	20	9.8	8.7	0.4	(1.8)
Deferred tax liabilities	21	24.0	25.4	–	–
Total Non-Current Liabilities		374.0	403.4	9.9	8.9
Total Liabilities		610.5	636.5	1,047.3	902.1
Net Assets		546.0	613.6	903.1	995.7
Equity					
Issued capital	5	944.5	1,056.4	944.5	1,056.4
Reserves	6	(55.0)	(36.7)	20.3	13.3
Accumulated losses	6	(356.2)	(421.4)	(61.7)	(74.0)
Total equity attributable to Ansell Limited shareholders		533.3	598.3	903.1	995.7
Minority interests		12.7	15.3	–	–
Total Equity		546.0	613.6	903.1	995.7

The above balance sheets should be read in conjunction with the accompanying notes.

Cash Flow Statements

of Ansell Limited and Subsidiaries for the year ended 30 June 2008

	Note	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Cash Flows Related to Operating Activities					
Receipts from customers		1,253.4	1,267.8	111.4	127.2
Payments to suppliers and employees		(1,069.7)	(1,096.9)	(119.4)	(108.0)
Net receipts from operations		183.7	170.9	(8.0)	19.2
Income taxes paid		(21.2)	(22.8)	(1.0)	(0.1)
Dividends received		–	–	54.4	74.6
Net Cash Provided by Operating Activities	28(a)	162.5	148.1	45.4	93.7
Cash Flows Related to Investing Activities					
Payments for businesses, net of cash acquired	29	–	(72.3)	–	–
Payments for property, plant and equipment		(23.9)	(23.0)	(0.2)	(0.2)
Payments for brand names		–	–	(4.7)	(45.1)
Proceeds from sale of property, plant and equipment		1.7	2.1	–	–
Net loans from subsidiaries	28(c)	–	–	164.4	156.5
Net Cash Provided by/(Used in) Investing Activities		(22.2)	(93.2)	159.5	111.2
Cash Flows Related to Financing Activities					
Proceeds from borrowings		–	155.0	–	–
Repayments of borrowings		(5.7)	(130.7)	–	(90.2)
Net proceeds from/(repayments of) borrowings		(5.7)	24.3	–	(90.2)
Proceeds from issues of shares		–	1.1	–	1.1
Payments for share buy-back		(111.9)	(81.5)	(111.9)	(81.5)
Dividends paid		(39.0)	(33.7)	(35.0)	(32.9)
Interest received		9.6	9.6	2.0	0.1
Interest and financing costs paid		(20.2)	(19.7)	(0.7)	(2.3)
Net Cash Used in Financing Activities		(167.2)	(99.9)	(145.6)	(205.7)
Net increase/(decrease) in cash and cash equivalents		(26.9)	(45.0)	59.3	(0.8)
Cash and cash equivalents at the beginning of the financial year		236.4	303.0	0.4	1.2
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies at the beginning of the financial year		(8.9)	(21.6)	–	–
Cash and Cash Equivalents at the End of the Financial Year	28(b)	200.6	236.4	59.7	0.4

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

Business and Regional Segments

of Ansell Limited and Subsidiaries for the year ended 30 June 2008

	Operating Revenue 2008 $m	Operating Revenue 2007 $m	Operating Result 2008 $m	Operating Result 2007 $m
Business Segments				
Occupational Healthcare	610.6	608.9	88.3	79.1
Professional Healthcare	397.7	406.9	29.3	24.9
Consumer Healthcare	236.4	223.4	19.8	29.9
Total Business Segments	1,244.7	1,239.2	137.4	133.9
Corporate revenue/costs	9.7	9.5	(13.9)	(11.3)
Earnings before Net Interest and Income Tax (EBIT)			123.5	122.6
Financing costs net of interest revenue			(10.3)	(9.0)
Profit before Income Tax			113.2	113.6
Income tax			(7.6)	(9.5)
Profit for the Period			105.6	104.1
Minority interests			(3.0)	(4.1)
Total Consolidated	1,254.4	1,248.7	102.6	100.0
Regional Segments				
Asia Pacific	209.1	205.9	33.4	33.2
Americas	522.1	553.2	45.6	41.2
Europe, Middle East and Africa	513.5	480.1	58.4	59.5
Total Regional Segments	1,244.7	1,239.2	137.4	133.9

	Assets Employed 2008 $m	Assets Employed 2007 $m	Liabilities 2008 $m	Liabilities 2007 $m
Business Segments				
Occupational Healthcare	381.2	402.3	102.0	109.9
Professional Healthcare	293.9	320.9	70.6	71.4
Consumer Healthcare	227.8	229.5	34.7	38.2
Total Business Segments	902.9	952.7	207.3	219.5
Corporate assets/liabilities	53.0	60.9	403.2	417.0
Cash	200.6	236.5	–	–
Total Consolidated	1,156.5	1,250.1	610.5	636.5
Regional Segments				
Asia Pacific	213.2	231.1	69.6	74.8
Americas	194.0	210.5	73.4	79.1
Europe, Middle East and Africa	189.0	188.2	64.3	65.6
Goodwill and brand names	306.7	322.9	–	–
Total Regional Segments	902.9	952.7	207.3	219.5

The above Business and Regional Segments report should be read in conjunction with the accompanying notes, including Note 27.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

General

Ansell Limited ('the Company') and its subsidiaries (together referred to as the 'Group') is a multinational healthcare solutions provider of products that provide barrier protection against injury, infection and contamination. The Group's principal line of business, determined and reported on the basis of differing products and services, is the manufacture and supply of barrier protection products into the Occupational, Professional and Consumer healthcare markets.

The Group manufactures industrial gloves, medical gloves and consumer products, including household gloves and condoms in the Asia Pacific, Europe, Middle East and Africa (EMEA), and America's regions, and markets these products globally.

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial reports of the Group and the Company also comply with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

Basis of Accounting

The financial report is presented in Australian dollars and on the historical cost basis except that assets and liabilities in respect of derivative financial instruments are stated at their fair value.

The following standards, amendments and interpretations that may have an impact on the Company's or Group's financial statements were available for early adoption but have not been applied in these financial statements:

- Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* were issued in September 2007 and are applicable for annual reporting periods beginning on or after 1 January 2009. The revised AASB 101 will impact the presentation of the income statement and statement of recognised income and expense, and may impact the positioning of the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements.
- Revised AASB 3 *Business Combinations* (March 2008) is applicable for annual reporting periods beginning on or after 1 July 2009. The key changes to the standard are that transaction costs associated with an acquisition are to be expensed immediately rather than included as part of the cost of the acquisition and that contingent consideration must be measured and recognised at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are to be recognised in the income statement.
- AASB 8 *Operating Segments* (February 2007) replaces the presentation requirements of segment reporting in AASB 114 and is applicable for annual reporting periods beginning on or after 1 January 2009.
- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (February 2007) makes amendments to AASB 5 *Non-current Assets held for Sale and Discontinued Operations*, AASB 6 *Exploration for and Evaluation of Mineral Resources*, AASB 102 *Inventories*, AASB 107 *Cash Flow Statements*, AASB 134 *Interim Financial Reporting*, AASB 136 *Impairment of Assets*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 8 *Operating Segments*.
- AASB 123 *Borrowing Costs* (June 2007) revises AASB 123 issued in July 2004 and requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised as part of the asset's carrying value. The revised standard is applicable to reporting periods beginning on or after 1 January 2009.
- AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* (June 2007) makes amendments to AASB 1, AASB 101, AASB 107, AASB 111 *Construction Contracts*, AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* arising from the issuance of the revised AASB 123. AASB 2007-6 is applicable for reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 123.
- Revised AASB 127 *Consolidated and Separate Financial Statements* (March 2008) changes the accounting for investments in subsidiaries. The key changes are the remeasurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in profit or loss and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard is applicable for reporting periods beginning on or after 1 July 2009.
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share Based Payment: Vesting Conditions and Cancellations* changes the measurement of share-based payments that contain non-vesting conditions. AASB 2008-1 is applicable for reporting periods beginning on or after 1 January 2009.
- Interpretation 14 AASB 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (August 2007) provides guidance on how to assess the limit on the recognition of an asset/liability arising from a surplus/deficit in a defined benefit plan where the plan is subject to a statutory or contractual minimum funding requirement. Interpretation 14 is applicable to reporting periods beginning on or after 1 January 2008.

The initial application of AASB 8 and AASB 2007-3 is not expected to have an impact on the financial results of the Company and the Group as the standard and amendments are concerned only with disclosure. The potential impact of the revised AASB 3, AASB 123, AASB 2007-6 and Interpretation 14 on the Company's and Group's financial statements has yet to be assessed.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

A summary of the significant accounting policies of the Group are disclosed below. The accounting policies have been applied consistently by all entities in the Group.

Principles of Consolidation

The financial statements of the Group include the financial statements of the Company being the parent entity, and its subsidiaries.

The financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at balance date and the results of all subsidiaries for the year then ended. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Results of subsidiaries are included in the income statement from the date on which control commences and continue to be included until the date control ceases to exist.

The effects of all transactions between entities in the Group are eliminated in full. Minority interests in the results and equity of subsidiaries are shown separately in the income statement and balance sheet respectively.

Foreign Currency

Transactions

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of each transaction. At balance date, amounts payable and receivable in foreign currencies are converted at the rates of exchange ruling at that date with any resultant gain or loss recognised in the income statement except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation

The financial statements of overseas subsidiaries are maintained in their functional currencies and are converted to the Group's presentation currency as follows:

- assets and liabilities are translated at the rate of exchange as at balance date;
- income statements are translated at average exchange rates for the reporting period which approximate the rates ruling at the dates of the transactions;
- all resultant exchange differences are recorded in the foreign currency translation reserve.

On consolidation, exchange differences arising from borrowings and any other currency instruments designated as hedges of investments in overseas subsidiaries, are transferred to the foreign currency translation reserve on a net of tax basis where applicable.

When an overseas subsidiary is sold the cumulative amount recognised in the foreign currency translation reserve relating to the subsidiary is recognised in the income statement as part of the gain or loss on sale.

Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST).

Sales Revenue

Sales revenue comprises revenue earned (net of returns, discounts and allowances which are accrued at expected levels as sales occur) from the provision of products to entities outside the Group. Sales revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Interest Income

Interest income is recognised as it accrues.

Financing Costs

Financing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and other related charges.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or current liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Income Tax

Income tax in the income statement for the periods presented comprises current and deferred tax adjusted for income tax over/under provided in previous years except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. The estimated liability for income tax outstanding in respect of the period's operations is included in the balance sheet as a current liability.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill and goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that are not part of a business combination and do not affect either accounting or taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

In jurisdictions where unbooked tax losses exist, regular reviews are undertaken of the past trading history and projected future trading performance of the operations in these jurisdictions as part of the determination of the value of any deferred tax asset that should be reflected in the accounts in respect of such losses. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or when the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Trade Debtors and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off to the income statement. An allowance for impairment is established when there is sufficient evidence to indicate that not all amounts due will be collected.

Inventories

Stock on Hand and Work in Progress

Stock on hand and work in progress are consistently valued on the basis of the lower of cost and net realisable value. The methods generally adopted throughout the Group in determining costs are:

Raw materials and other stock
Actual costs, determined on a first in, first out basis or standard costs approximating actual costs.

1. Summary of Significant Accounting Policies (continued)

Inventories (continued)

Finished goods and work in progress

Manufactured inventories and work in progress are valued at standard costs which approximate actual costs and include an appropriate allocation of manufacturing overheads. Outsourced finished goods are valued at actual cost into store, determined on a first in, first out basis.

Obsolete and slow moving stocks are written down to net realisable value where such value is below cost. Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

Investments

Subsidiaries

All investments are valued at the lower of cost and recoverable value. Dividends and distributions are brought to account in the income statement when they are paid by the subsidiary.

Property, Plant and Equipment

Acquisition

Items of property, plant and equipment are initially recorded at cost and depreciated as set out below. The cost of property, plant and equipment constructed by the Group includes the cost of materials, direct labour, capitalised interest and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Depreciation and Amortisation

Depreciation and amortisation is calculated on a straight-line basis so as to write off the net cost of each item of property, plant and equipment, excluding land, over its estimated useful life.

The expected useful lives in the current and prior years are as follows:

Freehold buildings	20–40 years
Leasehold buildings	Life of lease
Plant and equipment	3–20 years

Depreciation and amortisation rates and methods are reviewed annually for appropriateness.

Leases

Operating lease payments are expensed as incurred on a straight-line basis over the term of the lease.

Recoverable Amount of Non-Current Assets Valued on the Cost Basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date.

An impairment loss is recognised whenever the carrying amount of a non-current asset exceeds its recoverable amount. The impairment loss is recognised as an expense in the income statement in the reporting period in which it occurs.

The recoverable amount of a non-current asset is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Impairment losses, other than those in respect of goodwill, are reversed through the income statement when there is an indication that the impairment loss may no longer exist.

Intangible Assets

Goodwill and Brand Names

Goodwill on acquisition is measured at cost being the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is not amortised. Brand names are initially recorded at cost based on independent valuation at acquisition date (which equates to fair value). Based on the nature of the major brand names acquired by the Group, which are international brands that benefit from competitive advantages due to technology, innovation and product development, it is not possible to make an arbitrary assessment that these brand names have a finite useful life, quantifiable in terms of years. As such the Group believes that the lives of the brand names are indefinite at this point in time and no amortisation is provided against their carrying value.

Goodwill and brand names are reviewed at least annually, or more frequently if events or changes in circumstances indicate that their carrying values may be impaired, and are carried at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill and brand names are allocated to cash generating units (which equate to the Group's reportable business segments, i.e. Occupational Healthcare, Professional Healthcare and Consumer Healthcare) upon acquisition. Acquired businesses can readily be allocated to one of the business segments on the basis of products manufactured and/or marketed. Such manufacturing and marketing operations tend to cover more than one geographical region. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill and brand names relate. Where the recoverable amount of the cash generating unit is less than the carrying value, an impairment charge to goodwill and/or brand names is recognised in the income statement. An impairment loss in respect of goodwill is not reversed.

Development Costs

Expenditure on research and development is written off in the period in which it is incurred, except for development expenditure on new products or substantially improved existing products which is capitalised only when future recoverability is reasonably assured. Amortisation of the capitalised expenditure commences in the half year period following the product's commercialisation and continues for a three year period. Capitalised costs are regularly reviewed and when the criterion for capitalisation is no longer met, such costs are written off.

Payables

Trade and Other Creditors

Trade and other creditors are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company or the Group.

Interest Bearing Liabilities

Interest bearing liabilities are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition interest bearing liabilities are stated at amortised cost. Any difference between the cost and redemption value is recognised in the income statement over the period of the liability using the effective interest method.

Employee Entitlements

Wages, Salaries and Annual Leave

Liabilities for employee entitlements to wages, salaries and annual leave represent the amount which the Company and the Group have a present obligation to pay resulting from employees' services provided up to the balance date calculated at undiscounted amounts based on expected wage and salary rates that will be paid when the obligation is settled and include related on-costs.

Long Service Leave and Post-Retirement Health Benefits

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the Company and the Group resulting from employees' services provided in the current and prior periods.

Post-retirement health benefits are subject to annual actuarial reviews.

The liability is calculated using estimated future increases in wage and salary rates including related on-costs, expected settlement dates based on turnover history and medical cost trends and is discounted using rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

Retirement Benefit Obligations

The Company and certain subsidiaries contribute to certain defined benefit and defined contribution superannuation plans maintained to provide superannuation benefits for employees. The defined benefit plans generally provide benefits based on salary in the period prior to retirement. The defined contribution plans receive contributions from the Company and subsidiaries and the Group's legal or constructive obligation is limited to these contributions.

A liability or asset in respect of each defined benefit superannuation plan is recognised in the balance sheet and is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. This benefit is discounted to determine its present value and the fair value of plan assets is deducted. The present value of the defined benefit is based on expected future payments calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

Actuarial gains or losses are taken directly to accumulated losses. Contributions to defined contribution plans are recognised as an expense as they become payable.

Share-Based Payments

The Company operates the Ansell Limited Long Term Incentive Plan under which options and Performance Rights (PRs) were granted to employees. Options and Performance Share Rights (PSRs) were also granted to employees under the Ansell Limited Stock Incentive Plan, which operated until the end of the 2006 financial year.

Options granted before 7 November 2002 and vested before 1 January 2005

No expense is recognised in respect of these options. The shares are recognised when the options are exercised and the proceeds allocated to issued capital.

Options, PSRs and PRs granted before or after 7 November 2002 and vested after 1 January 2005

The fair value of options, PSRs and PRs granted under the Incentive Plans is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options, PSRs or PRs.

Options, PSRs and PRs subject to non-market vesting conditions

The fair value at grant date is independently determined using binomial tree techniques that take into account the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option or PSR. The fair value excludes the impact of non-market vesting conditions with such conditions being factored into the assumptions about the number of options, PSRs or PRs that will vest. At each balance date the number of options, PSRs and PRs that are expected to vest is reviewed and the employee benefit expense for the period is adjusted accordingly.

Options subject to market vesting conditions

The fair value at grant date is independently determined using the methodology described above and also incorporating the probability of the market vesting condition being met. No adjustment to the employee benefit expense for the period is made to take account of the actual number of options expected to vest.

Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

A provision is determined by discounting the expected future cash flows required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Rationalisation and restructuring

Provisions for rationalisation and restructuring are only recognised when a detailed plan has been approved and the restructuring has either commenced or been publicly announced, or firm contracts related to the restructuring have been entered into. Costs related to ongoing activities are not provided for.

Accufix pacing lead related expenses and insurance claims

The Group provides for certain specifically identified or obligated costs when these amounts are reasonably determinable.

Dividends

A provision for dividends payable is recognised in the reporting period in which the dividends are declared.

Derivatives

The Company and Group use derivative financial instruments, principally foreign exchange and interest rate related, to reduce their exposure to foreign exchange rate and interest rate movements.

The Group has adopted certain principles in relation to derivative financial instruments:

- derivatives may be used to hedge underlying business exposures of the Group. Trading in derivatives is not undertaken;
- derivatives acquired must be able to be recorded on the Group's treasury management systems, which contain extensive internal controls; and
- the Group predominantly does not deal with counter-parties rated lower than A minus by Standard & Poor's or A3 by Moody's Investors Service.

The Company and Group follow the same credit policies, legal processes, monitoring of market and operational risks in the area of derivative financial instruments, as they do in relation to other financial assets and liabilities on the balance sheet.

On a continuing basis, the Group monitors its future exposures and on some occasions hedges all or part of these exposures. The transactions which may be covered are future net cash flows of overseas subsidiaries, future foreign exchange requirements and interest rate positions.

These exposures are then monitored and may be modified from time to time. The foreign exchange hedge instruments rarely exceed 12 months duration and are used to hedge operational transactions the Group expects to occur in this time frame. From time to time minor mismatches occur in the forward book, however these mismatches are managed under guidelines, limits and internal controls with stop loss parameters. Interest rate derivative instruments can be for periods up to seven years as the critical terms of the instruments are matched to the underlying borrowings.

1. Summary of Significant Accounting Policies (continued)

Derivatives (continued)

Derivative financial instruments are recognised initially at fair value and subsequently remeasured to their fair value at each reporting date. The fair value of forward exchange contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to markets for similar instruments.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and continues to satisfy the conditions for hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Gains or losses that are recognised in the hedging reserve are transferred to the income statement in the periods when the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains or losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer meets the conditions for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the forecasted transaction is ultimately recognised in the income statement. When a hedged transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting
Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax where applicable, from the proceeds. When shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity.

Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue and share split.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary and dilutive potential ordinary shares adjusted for any bonus issue.

Accounting Estimates and Judgements

The preparation of consolidated financial statements in conformity with Australian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Actual results could differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions that may have a significant impact on the financial statements are as follows:

Impairment of goodwill and brand names
The Group tests whether goodwill and brand names are impaired at least annually, or more frequently if events or changes in circumstances indicate that their carrying values may be impaired, in accordance with the accounting policy on Intangible Assets. The policy requires the use of assumptions in assessing the carrying values of cash generating units.

These assumptions are detailed in Note 15.

Income tax
The reviews undertaken to determine whether a deferred tax asset should be recognised in jurisdictions where unbooked tax losses exist and in assessing the recoverability of booked tax losses, involve the use of judgements and estimates in assessing the projected future trading performances of relevant operations.

These judgements and estimates are subject to risk and uncertainty hence there is a possibility that changes in circumstances will alter expectations which may impact on the amount of the deferred tax asset in respect of tax losses recognised on the balance sheet. In such circumstances the carrying amount of this asset may require adjustment resulting in a corresponding credit or charge to the income statement.

Defined benefit superannuation plans
Various actuarial assumptions are utilised in the determination of the Group's defined benefit superannuation plan obligations.

These assumptions are detailed in Note 20.

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
2. Total Revenue				
Revenue from the Sale of Goods	1,244.7	1,239.2	111.9	114.9
Dividend income				
From shares in subsidiaries	–	–	54.4	74.6
Interest Received or Due and Receivable				
From others	9.7	9.5	2.0	0.1
Total Revenue	1,254.4	1,248.7	168.3	189.6

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
3. Profit Before Income Tax				
(a) Profit before income tax has been arrived at after charging/(crediting) the following items:				
Financing Costs				
Interest Paid or Due and Payable				
To others	19.0	17.3	0.6	2.0
Other Financing Costs	1.0	1.2	0.2	0.3
Total Financing Costs	20.0	18.5	0.8	2.3
Depreciation				
Buildings	1.6	1.6	–	–
Plant and equipment	30.2	23.0	0.2	0.2
Amortisation				
Leasehold land and buildings	1.2	1.3	–	–
Capitalised development costs	0.8	0.8	–	–
Research and Development Costs				
Expensed as incurred	11.5	10.7	–	–
Previously capitalised development costs written off	1.7	–	–	–
Net Bad Debts Expense	(0.1)	0.7	–	–
Amounts Set Aside to/(Released from) Provision for:				
Impairment of trade debtors	2.0	(0.5)	–	(0.2)
Rationalisation and restructuring costs	(1.1)	(2.1)	–	–
Rebates and allowances	11.1	13.7	2.4	2.2
Employee Related Expenses				
Wages and salaries	177.7	172.7	9.6	8.9
Increase/(decrease) in provision for employee entitlements	13.3	16.6	0.9	(0.2)
Defined contribution superannuation plan expense	4.6	5.9	0.6	0.4
Defined benefit superannuation plan expense	1.6	1.7	0.4	–
Equity settled share-based payments expense	9.3	7.1	9.3	7.1
Net Foreign Exchange Loss/(Gain)	5.8	1.7	10.5	(0.1)
(Gains)/Losses Arising from Sale of Property, Plant and Equipment	(0.2)	0.4	–	–
Operating Lease Rentals	20.4	22.1	0.7	0.6
Write-down in Value of Inventories	1.1	3.5	–	–
(b) Exceptional items included in profit before income tax				
Reversal of prior years impairment loss on investments in and intercompany balances with subsidiaries	–	–	(10.9)	–

Notes to the Financial Statements continued

	Consolidated 2008 $'000	Consolidated 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
4. Auditors' Remuneration				
Audit and review of the financial reports:				
Auditors of Ansell Limited and Australian entities – KPMG	1,072	1,117	1,072	1,117
Other member firms of KPMG	1,755	1,800	–	–
	2,827	2,917	1,072	1,117
Other services:				
Other audit and assurance services (including acquisitions and disposals)				
Auditors of Ansell Limited and Australian entities – KPMG	–	145	–	145
Other member firms of KPMG	22	6	–	–
Taxation and other services				
Auditors of Ansell Limited and Australian entities – KPMG	18	14	18	14
Other member firms of KPMG	94	21	–	–
Total other services	134	186	18	159
Total Auditors' Remuneration	2,961	3,103	1,090	1,276

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
5. Issued Capital				
Issued Capital				
135,851,540 (2007 – 144,790,363) ordinary shares, fully paid	944.5	1,056.4	944.4	1,232.7
78,900 (2007 – 139,000) ordinary plan shares, paid to 5 cents	–	–	0.1	0.1
Total Issued Capital	944.5	1,056.4	944.5	1,232.8
Issued Capital Reconciliation				
Balance at the beginning of the financial year	1,056.4	1,136.8	1,056.4	1,136.8
Increase in Issued Capital:				
Additional capital issued	–	1.1	–	1.1
Decrease in Issued Capital:				
Share buy-back	(111.9)	(81.5)	(111.9)	(81.5)
Balance at the end of the financial year	944.5	1,056.4	944.5	1,056.4

The Company does not have authorised capital or par value in respect of its issued shares.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation. Refer to Note 26 Key Management Personnel Disclosures for details of shares subject to options, Performance Share Rights and Performance Rights granted under the Ansell Limited Long Term Incentive Plan and the Ansell Limited Stock Incentive Plan.

Share Buy-Back

On 24 August 2006 and 15 February 2007 the Board authorised two on-market buy-back programs of 5,700,000 shares and 10,000,000 shares respectively under which 6,765,541 shares were bought back during the previous year and 8,934,459 in the current year.

On 24 April 2008 the Board announced a further on-market buy-back program of 5,000,000 shares under which 350,970 shares were bought back during the current year.

Executive Share Plan

As previously reported, the Pacific Dunlop Executive Share Plan was closed to new members effective 12 September 1996, and no further issues of Executive Plan Shares will be made.

During the financial year, the amounts outstanding on 16,800 existing Executive Plan shares were fully paid and 43,300 were forfeited and subsequently cancelled. Shares allotted under the Pacific Dunlop Executive Share Plan have been paid to 5 cents per share. Refer to Note 23 Ownership-Based Remuneration Schemes for details of the price payable for shares issued under this plan.

Options

As at the date of this report 2,248,720 unissued shares in the Company remain under option.

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
6. Accumulated Losses and Reserves				
Share-based payments reserve	24.0	14.7	24.0	14.7
Hedging reserve	(4.7)	(1.4)	(3.7)	(1.4)
General reserve	7.3	7.0	–	–
Foreign currency translation reserve	(81.6)	(57.0)	–	–
Total Reserves	(55.0)	(36.7)	20.3	13.3
Accumulated losses	(356.2)	(421.4)	(61.7)	(74.0)
Total Accumulated Losses and Reserves	(411.2)	(458.1)	(41.4)	(60.7)
Movements during the year:				
Share-Based Payments Reserve				
Balance at the beginning of the financial year	14.7	7.6	14.7	7.6
Charge to the income statement for the year	9.3	7.1	9.3	7.1
Balance at the end of the financial year	24.0	14.7	24.0	14.7
Hedging Reserve				
Balance at the beginning of the financial year	(1.4)	(0.3)	(1.4)	(0.3)
Net movement in effective hedges for year	(3.3)	(1.1)	(2.3)	(1.1)
Balance at the end of the financial year	(4.7)	(1.4)	(3.7)	(1.4)
General Reserve				
Balance at the beginning of the financial year	7.0	6.0	–	–
Transfer from accumulated losses	0.3	1.0	–	–
Balance at the end of the financial year	7.3	7.0	–	–
Foreign Currency Translation Reserve				
Balance at the beginning of the financial year	(57.0)	(18.5)	–	–
Currency translation differences arising during the year	(24.6)	(38.5)	–	–
Balance at the end of the financial year	(81.6)	(57.0)	–	–
Accumulated Losses				
Balance at the beginning of the financial year	(421.4)	(491.9)	(74.0)	(126.4)
Transfer to reserves	(0.3)	(1.0)	–	–
Net profit attributable to Ansell Limited shareholders	102.6	100.0	49.4	84.2
Actuarial (loss)/gain on defined benefit pension/ post-retirement health benefit plans	(2.1)	4.4	(2.1)	1.1
Dividends paid	(35.0)	(32.9)	(35.0)	(32.9)
Balance at the end of the financial year	(356.2)	(421.4)	(61.7)	(74.0)

Nature and purpose of reserves

Share-based payments

This reserve is used to record the value of equity benefits provided to employees as part of their remuneration under the Company's long-term incentive plans. Refer to Note 23 for further details of these plans.

Hedging

This reserve records the portion of the gains or losses on cash flow hedges that are deemed to be effective.

General

In certain jurisdictions regulatory requirements result in appropriations being made to a general reserve. The amount standing to the credit of the general reserve is available for release to accumulated losses.

Foreign currency translation

The foreign currency translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the Group, as well as the translation of borrowings or any other currency instruments that hedge the Company's net investment in a foreign operation. Refer to Note 1 Summary of Significant Accounting Policies.

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
7. Income Tax				
Prima facie income tax calculated at 30% (2007: 30%) on profit before income tax	34.0	34.1	15.1	25.5
Increased taxation arising from:				
Impairment of intergroup investments and intercompany balances	–	–	3.3	–
Income tax under/(over) provided in prior years	(0.4)	0.8	–	–
Net higher/(lower) overseas tax rates	(0.4)	2.3	–	–
Reduced taxation arising from:				
Investment and export incentive allowances	(2.4)	(3.8)	–	–
Recognition of previously unbooked deferred tax asset in respect of tax losses	(28.2)	(16.6)	–	–
Other permanent differences*	5.0	(7.3)	(17.4)	(24.8)
Income tax attributable to profit before income tax	7.6	9.5	1.0	0.7
Income tax attributable to operating profit before income tax is made up of:				
Current year income tax	22.8	26.9	1.0	0.7
Under/(over) provision in respect of previous years	(0.4)	0.8	–	–
Deferred income tax attributable to:				
Increase in deferred tax liability	2.0	2.9	–	–
(Increase) in deferred tax asset	(16.8)	(21.1)	–	–
	7.6	9.5	1.0	0.7

* Includes utilisation of tax losses not previously brought to account.

	The Company	
	2008 $m	2007 $m
8. Dividends Paid or Declared		
Dividends Paid		
The following dividends were paid during the year to Ansell Limited shareholders:		
A final dividend of 14 cents per share unfranked for the year ended 30 June 2007 (June 2006 – 12 cents unfranked) was paid on 19 September 2007 (2006 – 5 October 2006)	19.9	18.2
An interim dividend of 11 cents per share unfranked for the year ended 30 June 2008 (June 2007 – 10 cents unfranked) was paid on 19 March 2008 (2007 – 28 March 2007)	15.1	14.7
	35.0	32.9

Dividends Declared

Since the end of the financial year the Directors have declared a final dividend of 15.5 cents per share unfranked, for the year ended 30 June 2008.

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2008 and will be recognised in subsequent financial reports.

Dividend Franking Account

The balance of the dividend franking account as at 30 June 2008 was nil (2007 – nil).

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
9. Cash and Cash Equivalents				
Cash on hand	1.0	0.5	–	–
Cash at bank	72.7	66.7	2.9	0.4
Short-term deposits	122.3	164.0	56.8	–
	196.0	231.2	59.7	0.4
Restricted deposits	4.6	5.3	–	–
Total Cash and Cash Equivalents	200.6	236.5	59.7	0.4

Restricted deposits represent cash set aside to cover the provisions established to address any remaining liability of members of the consolidated entity for claims arising with respect to the Accufix pacing lead (refer Note 19 – Provision for Accufix pacing lead related expenses).

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
10. Trade and Other Receivables				
Current				
Trade debtors	221.6	223.5	21.2	19.6
Less provision for impairment	10.3	9.3	0.3	0.3
Less provision for rebates and allowances	20.0	24.3	4.5	4.1
	191.3	189.9	16.4	15.2
Amounts owing by subsidiaries	–	–	922.4	943.9
Less provision for impairment	–	–	680.4	699.8
Other amounts receivable	12.0	17.9	0.3	1.8
Total Current	203.3	207.8	258.7	261.1
Non-Current				
Other amounts receivable	17.3	18.1	–	–
Total Non-Current	17.3	18.1	–	–
Total Receivables	220.6	225.9	258.7	261.1

The reconciliations of provision for impairment – trade debtors are presented below:

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Balance at the beginning of the financial year	9.3	7.3	0.3	0.5
Amounts charged/(credited) to the income statement	2.0	(0.5)	–	(0.2)
Amounts utilised for intended purposes	(0.9)	(0.4)	–	–
Acquired entities	–	3.6	–	–
Net exchange differences on translation of foreign operations	(0.1)	(0.7)	–	–
Balance at the end of the financial year	10.3	9.3	0.3	0.3

11. Inventories

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
At Cost				
Raw materials	22.5	24.9	0.5	0.7
Work in progress	12.9	13.0	–	–
Finished goods	121.6	104.7	12.6	12.4
Other stock	1.6	0.9	–	–
Total Inventory at Cost	158.6	143.5	13.1	13.1
Net Realisable Value				
Finished goods	9.5	39.5	–	–
Total Inventory at Net Realisable Value	9.5	39.5	–	–
Total Inventories	168.1	183.0	13.1	13.1
Inventories recognised as an expense	712.0	756.3	72.8	80.1

12. Current Assets – Other

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Prepayments	7.5	9.5	0.6	1.1
Engineering spares	3.4	4.1	–	–
Total Current Assets – Other	10.9	13.6	0.6	1.1

13. Other Financial Assets (Investments)

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Shares in Subsidiaries				
Subsidiaries				
Not quoted on a prescribed stock exchange:				
At cost	–	–	2,161.8	2,161.8
Less provision for impairment	–	–	707.0	698.5
Total Other Financial Assets	–	–	1,454.8	1,463.3

14. Property, Plant and Equipment

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
(a) Freehold Land				
At cost	13.2	14.1	–	–
(b) Freehold Buildings				
At cost	49.5	50.2	–	–
Less provision for depreciation	19.2	19.6	–	–
	30.3	30.6	–	–
(c) Leasehold Land and Buildings				
At cost	41.3	44.2	–	–
Less provision for amortisation	13.3	13.3	–	–
	28.0	30.9	–	–
(d) Plant and Equipment				
At cost	373.4	403.0	2.1	2.1
Less provision for depreciation	287.4	294.1	1.8	1.8
	86.0	108.9	0.3	0.3
(e) Buildings and Plant under construction				
At cost	10.4	7.7	–	–
Total Property, Plant and Equipment	167.9	192.2	0.3	0.3

14. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the balances for each class of property, plant and equipment are set out below:

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Freehold Land				
Balance at the beginning of the financial year	14.1	11.9	–	–
Additions through entities acquired	–	3.1	–	–
Disposals/write-downs	–	(0.2)	–	–
Net exchange differences on translation of foreign operations	(0.9)	(0.7)	–	–
Balance at the end of the financial year	13.2	14.1	–	–
Freehold Buildings				
Balance at the beginning of the financial year	30.6	22.8	–	–
Additions	0.2	0.1	–	–
Additions through entities acquired*	1.5	10.4	–	–
Disposals/write-downs	–	(0.8)	–	–
Transfer from buildings and plant under construction	0.5	1.5	–	–
Depreciation	(1.6)	(1.6)	–	–
Net exchange differences on translation of foreign operations	(0.9)	(1.8)	–	–
Balance at the end of the financial year	30.3	30.6	–	–
Leasehold Land and Buildings				
Balance at the beginning of the financial year	30.9	35.1	–	–
Additions	0.4	0.1	–	–
Transfer from buildings and plant under construction	0.4	0.2	–	–
Amortisation	(1.2)	(1.3)	–	–
Net exchange differences on translation of foreign operations	(2.5)	(3.2)	–	–
Balance at the end of the financial year	28.0	30.9	–	–
Plant and Equipment				
Balance at the beginning of the financial year	108.9	118.1	0.3	0.3
Additions	7.0	5.6	0.2	0.2
Additions through entities acquired	–	6.4	–	–
Disposals/write-downs	(2.4)	(4.3)	–	–
Transfer from buildings and plant under construction	11.4	13.9	–	–
Depreciation	(30.2)	(23.0)	(0.2)	(0.2)
Net exchange differences on translation of foreign operations	(8.7)	(7.8)	–	–
Balance at the end of the financial year	86.0	108.9	0.3	0.3
Buildings and Plant under construction				
Balance at the beginning of the financial year	7.7	7.7	–	–
Additions	16.3	17.2	–	–
Transfers to property, plant and equipment	(12.3)	(15.6)	–	–
Net exchange differences on translation of foreign operations	(1.3)	(1.6)	–	–
Balance at the end of the financial year	10.4	7.7	–	–

* Includes adjustments in the current year as a result of the completion of the acquisition accounting for Unimil S.A. which was acquired during the previous year.

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
15. Intangible Assets				
Brand Names				
At cost				
Balance at the beginning of the financial year	106.9	109.5	158.5	113.3
Additions through entities acquired*	9.0	11.0	–	–
Amounts recognised as a result of inter-group transactions**	–	–	4.7	45.2
Net exchange differences on translation of foreign operations	(5.9)	(13.6)	–	–
Balance at the end of the financial year	110.0	106.9	163.2	158.5
Goodwill				
At cost				
Balance at the beginning of the financial year	380.3	372.8	–	–
Additions through entities acquired*	(8.7)	43.7	–	–
Net exchange differences on translation of foreign operations	(29.5)	(36.2)	–	–
Balance at the end of the financial year	342.1	380.3	–	–
Provision for impairment				
Balance at the beginning of the financial year	164.3	188.2	–	–
Net exchange differences on translation of foreign operations	(18.9)	(23.9)	–	–
Balance at the end of the financial year	145.4	164.3	–	–
Written down value of goodwill at the end of the financial year	196.7	216.0	–	–
Development costs (internally generated intangible asset)				
Balance at the beginning of the financial year	8.6	5.7	–	–
Expenditure deferred in the current period	2.7	4.6	–	–
Previously capitalised costs charged to the income statement	(1.7)	–	–	–
Amortisation	(0.8)	(0.8)	–	–
Net exchange differences on translation of foreign operations	(1.2)	(0.9)	–	–
Balance at the end of the financial year	7.6	8.6	–	–
Total Intangible Assets	314.3	331.5	163.2	158.5

* Brand names and goodwill have been impacted during the current year by the completion of the acquisition accounting for Unimil S.A. and Fabrica de Artefatos de Latex Blowtex Ltda which were acquired during the previous year. This has resulted in the recognition of brand names of $9.0 million and a reduction in goodwill of $8.7 million.
See also Note 29 Acquisition of Subsidiaries.

** Amounts represent transfers of brand names previously owned by subsidiaries to the Company and as such do not reflect movements in the consolidated accounts.

Impairment testing of Goodwill and Brand Names

Goodwill and brand names are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

For the purposes of impairment testing, goodwill and brand names are allocated to cash generating units (CGUs), which equate to the Group's reportable business segments, i.e. Occupational Healthcare, Professional Healthcare and Consumer Healthcare, upon acquisition.

Carrying amount of goodwill and brand names allocated to each of the cash generating units:

	Consolidated			
	Goodwill		Brand Names	
	2008 $m	2007 $m	2008 $m	2007 $m
Occupational Healthcare	84.8	93.1	51.3	52.8
Professional Healthcare	44.9	49.8	32.6	37.0
Consumer Healthcare	67.0	73.1	26.1	17.1
	196.7	216.0	110.0	106.9

The recoverable amount of the CGUs has been determined based on a value in use calculation utilising five-year cash flow projections based on budgets for the next financial year as approved by the Board and internal forecasts for the 2009/2010 and 2010/2011 financial years. A zero growth rate has been assumed for the subsequent two years. The terminal value is based on the cash flows for year five and a zero growth rate. The pre-tax cash flow discount rate applied is 10%, which equates to the Group's pre-tax weighted average cost of capital.

The results of the impairment testing indicated that the value in use of each of the CGUs was in excess of the carrying value of its net operating assets (inclusive of goodwill and brand names) and no impairment charge was necessary.

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m

16. Deferred Tax Assets

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Deferred tax assets arising from:				
Accumulated temporary differences	25.2	38.1	–	–
Accumulated tax losses	48.9	29.3	–	–
	74.1	67.4	–	–

Deferred tax assets are attributable to the following:

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Trading stock tax adjustments	5.9	4.3	–	–
Provisions	10.9	14.3	–	–
Accruals	2.6	6.1	–	–
Plant and equipment and capital allowances	1.8	2.6	–	–
Capitalised development costs	4.0	10.8	–	–
Accumulated tax losses	48.9	29.3	–	–
Total Temporary Differences	74.1	67.4	–	–

The Group has not recognised the tax value of deferred tax assets in respect of trading tax losses of $208.0 million (2007 – $220.8 million) and $195.8 million of capital losses (2007 – $231.2 million). The Company (as the head entity in the Australian tax-consolidated group) has unrecognised deferred tax assets of $179.1 million in respect of trading losses (2007 – $179.9 million) and capital losses of $175.2 million (2007 – $214.8 million). Deferred tax assets in respect of these losses have not been recognised as it is not probable that future taxable profits will be available against which these losses can be utilised.

The expiry dates of gross trading and capital losses for which deferred tax assets have not been recognised are as follows (in respect of financial years ending on 30 June):

	Consolidated		The Company	
Year	2008 $m	2007 $m	2008 $m	2007 $m
2008	–	0.3	–	–
2009	37.7	42.8	–	–
2011	–	0.1	–	–
2012	0.3	53.6	–	–
2013	0.9	0.9	–	–
2019	1.1	22.7	–	–
2020	2.9	2.9	–	–
2022	–	7.9	–	–
2024	–	0.3	–	–
No expiry date	1,290.6	1,346.9	1,181.0	1,315.8

Details of the movement in the balance of deferred tax assets are as follows:

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Balance at the beginning of the financial year	67.4	54.7	–	–
Over provision of prior year balance	(0.6)	(1.0)	–	–
Amount credited to the income statement	16.8	21.1	–	–
Net exchange differences on translation of foreign operations	(9.5)	(7.4)	–	–
Balance at the end of the financial year	74.1	67.4	–	–

There were no movements in deferred tax assets taken directly to equity during the year.

Notes to the Financial Statements continued

17. Trade and Other Payables

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Current				
Amounts owing to subsidiaries	–	–	1,021.8	878.9
Trade creditors	126.0	122.2	5.9	5.4
Other creditors	28.9	33.1	1.4	7.2
Derivative financial instruments	5.1	(1.2)	4.3	(2.5)
Total Current	160.0	154.1	1,033.4	889.0
Non-Current				
Other creditors	0.8	0.5	–	–
Total Non-Current	0.8	0.5	–	–
Total Payables	160.8	154.6	1,033.4	889.0

18. Interest Bearing Liabilities

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Current				
Bank overdrafts	–	0.1	–	–
Bank loans repayable in:				
Canadian dollars	10.2	15.0	–	–
Euros	3.0	–	–	–
Indian rupees	1.2	2.1	–	–
Total Current	14.4	17.2	–	–
Non-Current				
Bank loans repayable in:				
Euros	107.1	107.7	–	–
US dollars	202.9	230.2	–	–
Other loans repayable in:				
US dollars	9.4	10.6	9.4	10.6
Total Non-Current	319.4	348.5	9.4	10.6
Total Interest Bearing Liabilities	333.8	365.7	9.4	10.6

At 30 June 2008 bank loans totalling $3.8 million (2007: $3.7 million) were secured, principally against property, plant and equipment having carrying values in excess of the secured amounts payable.

The Group has a US$300 million and Euro 65 million revolving credit bank facility. Of the US$300 million, US$100 million matures on 30 April 2012, US$150 million on 30 April 2010 and US$50 million on 30 April 2009. The Euro 65 million matures on 5 June 2012. The facility can be accessed by certain Australian, US and European subsidiaries. US$195 million and Euro 65 million of the facility had been drawn down at 30 June 2008 (30 June 2007 US$195 million and Euro 65 million) leaving an unused balance of the total facility at that date of US$105 million.

There are a number of financial covenants attaching to this facility including restrictions on the level of borrowings of non-guarantor subsidiaries and ensuring certain financial ratios are maintained. If any breaches of these covenants occur all monies outstanding under the facility become immediately due and payable. The Company is in compliance with all covenants. The interest rate for this facility is determined based on market rates at the time amounts are drawn down.

18. Interest Bearing Liabilities (continued)

The following table sets out details in respect of the major components of Interest Bearing Liabilities at 30 June, 2008.

Nature and Currency of Borrowing	Amount $m	Interest Rate % p.a.	Maturity Date
Bank Loans			
Current			
Canadian dollars	10.2	4.24	2009
Euros	0.5	5.50	2009
Euros	2.5	4.50	2009
Indian rupees	1.2	11.00	2009
	14.4		
Non-Current			
Euros	24.6	5.22	2012
Euros	82.5	5.29	2012
United States dollars	10.4	4.01	2010
United States dollars	20.8	4.27	2010
United States dollars	20.8	4.03	2010
United States dollars	10.4	2.60	2010
United States dollars	26.0	3.74	2010
United States dollars	10.4	5.36	2010
United States dollars	10.4	5.38	2010
United States dollars	15.6	5.33	2010
United States dollars	5.3	4.86	2010
United States dollars	20.8	3.13	2010
United States dollars	20.8	4.10	2012
United States dollars	10.4	3.05	2012
United States dollars	20.8	5.28	2012
	310.0		
Total Bank Loans	324.4		
Other Loans			
Non-Current			
United States dollars	9.4	5.05	2010
	9.4		
Total Interest Bearing Liabilities	333.8		
Maturity Schedule			
Term to maturity:			
Within one year	14.4		
One to two years	160.3		
Two to three years	159.1		
Total	333.8		

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Net Interest Bearing Debt				
Current interest bearing liabilities	14.4	17.2	–	–
Non-current interest bearing liabilities	319.4	348.5	9.4	10.6
Cash at bank and short-term deposits	(195.0)	(230.7)	(59.7)	(0.4)
Net Interest Bearing Debt	138.8	135.0	(50.3)	10.2

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
19. Provisions				
Current				
Provision for employee entitlements	38.8	34.7	4.0	3.6
Provision for rationalisation and restructuring costs	4.8	6.1	–	–
Provision for Accufix pacing lead related expenses	4.4	5.8	–	–
Provision for insurance claims	3.9	4.7	–	–
Total Current	51.9	51.3	4.0	3.6
Non-Current				
Provision for employee entitlements	20.0	20.3	0.1	0.1
Total Non-Current	20.0	20.3	0.1	0.1
Total Provisions	71.9	71.6	4.1	3.7

Reconciliations of the carrying amount of each class of provision, except for employee entitlements, are set out below.

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Provision for rationalisation and restructuring				
Balance at the beginning of the financial year	6.1	8.5	–	–
Amounts charged/(credited) to the income statement	(1.1)	(2.1)	–	–
Amounts utilised for intended purposes	(0.2)	(0.3)	–	–
Balance at the end of the financial year	4.8	6.1	–	–
Provision for Accufix pacing lead related expenses				
Balance at the beginning of the financial year	5.8	6.9	–	–
Amounts utilised for intended purposes	(1.0)	(0.7)	–	–
Net exchange differences on translation of foreign operations	(0.4)	(0.4)	–	–
Balance at the end of the financial year	4.4	5.8	–	–
Provision for insurance claims (Captive Insurance Companies)				
Balance at the beginning of the financial year	4.7	4.7	–	–
Amounts utilised for intended purposes	(0.8)	–	–	–
Balance at the end of the financial year	3.9	4.7	–	–

Provision for rationalisation and restructuring costs

This provision covers a variety of matters predominantly relating to the sale of businesses and former subsidiaries and is regularly reviewed in light of issues that have been settled or new events that have arisen during the reporting period.

Provision for Accufix pacing lead related expenses

This provision is to meet the costs of patients associated with the monitoring and (where appropriate) explantation of Accufix pacing leads and for legal costs in defence of claims made in respect of the Accufix pacing leads. This provision is predominantly covered by cash required to be set aside by the Courts (refer Note 9 – Cash and Cash Equivalents – Restricted deposits).

Provision for insurance claims (Captive Insurance Companies)

Corrvas Insurance Pty Ltd and Corrvas Insurance (Singapore) Pte Ltd are entities authorised by their respective jurisdiction's regulatory authority to operate as captive insurance companies for Ansell Limited and its subsidiaries. This provision comprises current open claims where the reserves are set for the total estimated costs of individual claims that have not been fully paid out and 'Incurred but not reported' (IBNR) claims.

In Australia, the provision is required to be supported by a 'Liability Valuation Report' prepared by an actuary approved by the Australian Prudential Regulatory Authority. In Singapore, captives are exempted from undertaking an actuarial assessment of their insurance liabilities and are not required to lodge such a report with the Monetary Authority of Singapore (MAS). In line with MAS regulations, the IBNR estimates are in accordance with a policy approved by the board of Corrvas Insurance (Singapore) Pte Ltd.

20. Retirement Benefit Obligations

Ansell Limited and certain subsidiaries contribute to defined benefit and defined contribution superannuation plans maintained to provide superannuation benefits for employees.

The following sets out details in respect of defined benefit plans.

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
(a) Balance sheet amounts				
Present value of defined benefit obligations	65.5	72.7	12.9	13.9
Fair value of defined benefit plan assets	55.7	64.0	12.5	15.7
Net liability/(asset) in the balance sheet	9.8	8.7	0.4	(1.8)

The Company and its subsidiaries are obliged to contribute to the various superannuation plans as a consequence of legislation or Trust Deeds; legal enforceability is dependent on the terms of the legislation or the Trust Deeds.

(b) Reconciliations of benefit obligations and plan assets

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Present value of defined benefit obligations				
Balance at the beginning of the financial year	72.7	84.3	13.9	16.5
Current service cost	1.6	2.4	0.6	1.2
Interest cost	3.7	4.0	0.8	0.8
Contributions by plan participants	0.4	0.4	0.2	0.2
Actuarial gains	(2.4)	(2.4)	(0.1)	(0.7)
Taxes and expenses paid	(0.2)	(0.2)	(0.1)	(0.1)
Settlements	(2.0)	(2.6)	–	–
Benefits paid	(3.7)	(5.3)	(2.4)	(4.0)
Exchange rate changes/other movements	(4.6)	(7.9)	–	–
Balance at the end of the financial year	65.5	72.7	12.9	13.9
Fair value of plan assets				
Balance at the beginning of the financial year	64.0	70.8	15.7	17.2
Expected return on plan assets	3.8	5.0	1.0	2.0
Actuarial (losses)/gains	(4.5)	2.0	(2.2)	0.4
Contributions by employer	2.1	0.8	0.3	–
Contributions by plan participants	0.4	0.4	0.2	0.2
Taxes and expenses paid	(0.2)	(0.2)	(0.1)	(0.1)
Settlements	(2.1)	(2.9)	–	–
Benefits paid	(3.7)	(5.3)	(2.4)	(4.0)
Exchange rate changes/other movements	(4.1)	(6.6)	–	–
Balance at the end of the financial year	55.7	64.0	12.5	15.7

(c) Categories of plan assets

The major categories of plan assets are as follows:

	Consolidated 2008 %	Consolidated 2007 %	The Company 2008 %	The Company 2007 %
Equity securities	62	63	59	62
Fixed interest securities	25	25	12	17
Property	6	8	14	13
Other	7	4	15	8

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m

20. Retirement Benefit Obligations (continued)

(d) Amounts recognised in the income statement

	Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Current service cost	1.6	2.4	0.6	1.2
Interest cost	3.7	4.0	0.8	0.8
Settlements	0.1	0.3	–	–
Expected return on plan assets	(3.8)	(5.0)	(1.0)	(2.0)
Total expense recognised in the income statement	1.6	1.7	0.4	–

The expense is recognised in the following lines within the income statement:

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Cost of goods sold	0.1	0.2	–	–
Selling, distribution and administration	1.5	1.5	0.4	–
	1.6	1.7	0.4	–
Actual return on plan assets	(0.7)	7.0	(1.2)	2.4

(e) Amounts recognised directly in accumulated losses

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Actuarial gain recognised for year	(2.1)	4.4	(2.1)	1.1
Cumulative actuarial gain	3.0	5.1	1.5	3.6

(f) Principal actuarial assumptions

The principal actuarial assumptions used (expressed as a weighted average) were as follows:

	Consolidated		The Company	
	2008 %	2007 %	2008 %	2007 %
Discount rate	5.8	5.7	5.5	6.1
Expected return on plan assets	6.4	6.5	7.0	7.0
Future salary increases	4.4	3.8	5.0	4.0

(g) Historical summary

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Defined benefit plan obligation	65.5	72.7	12.9	13.9
Plan assets	55.7	64.0	12.5	15.7
Deficit/(surplus)	9.8	8.7	0.4	(1.8)
Experience adjustments (gain)/loss – plan liabilities	(0.7)	(0.9)	(0.2)	(0.4)
Experience adjustments (gain)/loss – plan assets	4.4	(2.6)	2.1	(1.1)

(h) Defined contribution superannuation plans

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Contributions to defined contribution plans during the year	4.6	5.9	0.6	0.4

21. Deferred Tax Liabilities

The tax effect of temporary differences that give rise to significant portions of the provision for deferred income tax are presented below:

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Depreciation on plant adjustments	5.3	7.9	–	–
Amortisation of intangible assets	18.7	17.1	–	–
Other	–	0.4	–	–
Total	24.0	25.4	–	–

Details of the movement in the balance of deferred tax liabilities are as follows:

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Balance at the beginning of the financial year	25.4	25.5	–	–
Over provision of prior year balance	(0.7)	(0.1)	–	–
Amount charged to the income statement	2.0	2.9	–	–
Net exchange differences on translation of foreign operations	(2.7)	(2.9)	–	–
Balance at the end of the financial year	24.0	25.4	–	–

There were no movements in deferred tax liabilities taken directly to equity during the year.

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m

22. Expenditure Commitments

(a) Capital expenditure commitments

Contracted but not provided for in the financial statements:				
Plant and equipment	0.6	0.3	–	–
	0.6	0.3	–	–
Payable within one year	0.6	0.3	–	–

(b) Operating lease commitments

Future operating lease commitments not provided for in the financial statements and payable:				
Within one year	6.9	7.8	1.0	1.7
One year or later and no later than five years	19.2	19.1	2.5	0.4
Later than five years	4.1	4.5	–	–
	30.2	31.4	3.5	2.1

The Group leases property under operating leases expiring from one to fifteen years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated.

23. Ownership-Based Remuneration Schemes

Ansell Limited Long Term Incentive Plan

The Company operates one equity incentive plan, the Ansell Limited Long Term Incentive Plan under which options and Performance Rights (PRs) are issued to employees. Options and Performance Share Rights (PSRs) were also granted to employees under the Ansell Limited Stock Incentive Plan, which operated until the end of the 2006 financial year. Details of the operation of the Plans and the details and number of options and PRs granted during the year are set out in Section 2B of the Remuneration Report and Note 26 Key Management Personnel Disclosures.

In accordance with the disclosure requirements of Australian Accounting Standards remuneration includes a proportion of the fair value of options, PSRs and PRs granted or outstanding during the year. The fair value is determined as at grant date and is progressively allocated over the vesting period for these securities. The amount included as remuneration (as disclosed in the Remuneration Report and Note 26) is not related to, or indicative of, the benefit (if any) that individual executives may ultimately realise should the options, PSRs or PRs vest.

The fair value of options, PSRs and PRs is calculated at grant date using binomial tree techniques. The fair values and the factors and assumptions used in determining the fair values of the tranches of options, PSRs and PRs applicable for financial year 2008 are as follows:

Instrument	Number Issued	Grant Date	Expiry Date	Fair Value	Exercise Price	Share Price on Grant Date	Risk-Free Interest Rate	Dividend Yield
Options	525,000	30/6/2004	30/6/2014	$2.35–$2.38	$7.40	$7.74	6.1%	2.0%
PSRs	500,000	16/8/2005	30/6/2008	$9.45–$9.83	N/A	$10.00	N/A	2.0%
PRs	1,118,833	17/12/2006	30/6/2009	$10.89–$11.11	N/A	$11.45	N/A	2.0%
Options	836,832	17/12/2006	17/12/2013	$2.61	$11.47	$11.45	5.9%	2.0%
PRs	1,113,614	2/11/2007	30/6/2010	$11.71	N/A	$12.34	N/A	2.0%
Options	765,113	2/11/2007	2/11/2014	$3.07	$12.36	$12.34	6.5%	2.0%

An estimated volatility factor of up to 23% has been applied in the above valuations and is based on an analysis of historical share price data. Where options are subject to market conditions the probability of achieving such conditions is also factored into the fair value.

Options – Generally

As at the date of this report 2,248,720 unissued ordinary shares in the Company remain under option.

Discontinued Executive and Employee Share Plans

The Company (when it was Pacific Dunlop Limited) historically operated two share plans for employees and Directors of the Group:

- the Pacific Dunlop Executive Share Plan ('Executive Plan') – discontinued in 1996; and
- the Pacific Dunlop Employee Share Plan ('Employee Plan') – discontinued in 1994 and all loan liabilities were discharged in the previous financial year.

Shares issued under the Executive Plan to selected employees ('Executives') were paid up to 5 cents and were subject to restrictions for a period. While partly paid, the shares are not transferable, carry no voting rights and no entitlement to dividends (but are entitled to participate in bonus or rights issues as if fully paid). The price payable for shares issued under the Executive Plan varies according to the event giving rise to a call being made. Once restrictions ceased the price payable upon a call being made is the lesser of $10.00 ($2.50 for issues prior to 13 September 1991) and the last sale price of the Company's ordinary shares on the Australian Securities Exchange.

The number of Executive Plan Shares (ordinary plan shares paid to five cents) as at balance date are shown in Note 5.

The market price of the Company's shares as at 30 June 2008 was $9.26.

24. Contingent Liabilities

Litigation

Several subsidiaries of the Group are currently party to legal actions, which have arisen in the ordinary course of business. These actions are not currently considered material and:

- in relation to the Accufix Litigation, the balance of the provision made for settlements as at 30 June 2008 is considered to be adequate to address any remaining liability of members of the Group; and
- in relation to the United States Latex Allergy Litigation, it is not possible to quantify the potential impact of the remaining cases on the Group. However, they are not considered to have a material impact on the result either individually or on an aggregate basis.

Business and Asset Sales

The Company and various subsidiaries have in the course of undertaking transactions involving the disposal of businesses and assets provided warranties, indemnities, undertakings or guarantees. No formal claims have been received and it is not expected that any potential future claims will have a material financial impact on the Group.

25. Financial Risk Management

Ansell has a range of financial policies designed to enable management to ensure financial risk (including foreign exchange and interest rate exposure) does not negatively affect the Group's results and in particular any financial forecasts the Company may make. This is achieved as follows:

(a) Foreign Exchange Risk

The Group is exposed to a number of foreign currencies however the predominant operating currency is the US dollar (US$). As such the Group has determined it appropriate to manage its foreign currency exposure against the US$. On this basis the Company manages its two types of exposures as follows:

(i) Translation

At 30 June and 31 December each year the Group translates its accounts from US$ to Australian dollars (A$) for statutory reporting purposes in Australia. No foreign exchange contracts are taken out as these are non-cash journal entries.

(ii) Transaction

Major revenue and cost currency net cash flow exposures are predominantly hedged back to US$ on a 12-month rolling basis with the initial six months more heavily hedged than the second six-month period.

The Group undertakes a range of derivative financial instruments, which can be defined in the following broad categories:

(i) Forward/Future Contracts

These transactions enable the Group to buy or sell specific amounts of foreign exchange, financial instruments or commodities at an agreed rate/price at a specified future date. Maturities of these contracts are principally between six months and two years.

(ii) Foreign Exchange Options

This is a contract between two parties, which gives the buyer of the put or call option the right, but not the obligation, to transact at a specified exchange rate. The Group typically uses a combination of a bought and sold option, generally for zero cost, to hedge foreign currency receivable and payable cash flows out to one year.

(iii) Swaps

These agreements enable parties to swap interest rate (from or to a fixed or floating basis) or currency (from one currency to another currency) positions for a defined period of time. Maturities of the contracts are principally between two and five years.

(b) Interest Rate Risk

The Company has the broad aim of managing interest rate risk by setting a minimum level of interest rate risk days (the weighted average term of all interest rates in the portfolio) and a minimum fixed/floating interest rate ratio.

Prior to the beginning of each year, the Group calculates its financial budget for the upcoming year using an updated set of financial assumptions and management's view of the marketplace in the coming financial year. The Group forecasts interest rates for all debt repricing and new financing.

In this context interest rate risk is the risk that the Group will, as a result of adverse movements in interest rates, experience:

- Unacceptable variations to the cost of debt in the review period for which the financial budget has been finalised; and
- Unacceptable variations in interest expense from year to year.

It is recognised that movements in interest rates may be beneficial to the Group.

25. Financial Risk Management (continued)

(b) Interest Rate Risk (continued)

Within the context of the Group's operations, interest rate exposure occurs from the amount of debt repricing that occurs in any one year. The exposure to interest rate risk and the effective weighted average interest rate for classes of income earning financial assets and interest bearing financial liabilities are set out below:

Consolidated	Weighted Average Effective Interest Rate %	Floating $m	Fixed Interest repricing in: 1 year or less $m	1 to 2 years $m	2 to 5 years $m	Non-Interest Bearing $m	Total $m
2008							
Interest earning financial assets							
Cash on hand and at bank	5.5	44.2	–	–	–	29.5	73.7
Short-term and restricted deposits	6.6	100.7	26.0	–	–	0.2	126.9
Interest bearing financial liabilities							
Bank and other loans	4.5	(60.2)	(52.0)	(115.1)	(106.5)	–	(333.8)
Effect of interest rate swaps	0.1	71.8	–	(25.0)	(46.8)	–	–
		156.5	(26.0)	(140.1)	(153.3)	29.7	(133.2)
2007							
Interest earning financial assets							
Cash on hand and at bank	4.5	51.9	–	–	–	15.3	67.2
Short-term and restricted deposits	5.3	120.0	47.1	–	–	2.2	169.3
Interest bearing financial liabilities							
Bank overdraft	6.5	(0.1)	–	–	–	–	(0.1)
Bank and other loans	4.9	(51.5)	–	(4.1)	(310.0)	–	(365.6)
Effect of interest rate swaps	(0.1)	10.6	–	–	(10.6)	–	–
		130.9	47.1	(4.1)	(320.6)	17.5	(129.2)

The Company	Weighted Average Effective Interest Rate %	Floating $m	Fixed Interest repricing in: 1 year or less $m	1 to 2 years $m	2 to 5 years $m	Non-Interest Bearing $m	Total $m
2008							
Interest earning financial assets							
Cash on hand and at bank	–	–	–	–	–	2.9	2.9
Short-term and restricted deposits	7.3	56.8	–	–	–	–	56.8
Interest bearing financial liabilities							
Bank and other loans	3.6	(9.4)	–	–	–	–	(9.4)
Effect of interest rate swaps	1.5	9.4	–	–	(9.4)	–	–
		56.8	–	–	(9.4)	2.9	50.3
2007							
Interest earning financial assets							
Cash on hand and at bank	5.9	0.1	–	–	–	0.3	0.4
Interest bearing financial liabilities							
Bank and other loans	6.2	(10.6)	–	–	–	–	(10.6)
Effect of interest rate swaps	(1.1)	10.6	–	–	(10.6)	–	–
		0.1	–	–	(10.6)	0.3	(10.2)

25. Financial Risk Management (continued)

(b) Interest Rate Risk (continued)

A separate analysis of debt by currency can be found at Note 18 – Interest Bearing Liabilities.

The table below shows the effect on profit for the period and equity, if interest rates had been 10% higher or lower with all other variables held constant, taking into account all underlying exposures and related hedges. A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short-term and long-term Australian dollar interest rates.

	Consolidated				The Company			
	Profit for the period		Equity		Profit for the period		Equity	
	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m
If interest rates were 10% higher with all other variables held constant	–	–	0.4	0.1	–	–	–	0.1
If interest rates were 10% lower with all other variables held constant	–	–	(0.4)	(0.1)	–	–	–	(0.1)

(c) Credit Risk

The credit risk on financial assets (excluding investments) of the Group, is the carrying amount, net of any provision for impairment, which has been recognised on the balance sheet.

The Group minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties in various countries.

The Group is not materially exposed to any individual customer.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group does not hold any collateral.

The Group's maximum exposure to credit risk at the reporting date was:

	Carrying amount			
	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Available-for-sale financial assets	–	–	–	–
Held-to-maturity investments	–	–	–	–
Financial assets at fair value through profit or loss	–	–	–	–
Loans and receivables	220.6	225.9	258.7	261.1

The ageing of the Group's trade receivables is detailed below.

	Consolidated				The Company			
	Gross Trade Receivables		Provision for Impairment		Gross Trade Receivables		Provision for Impairment	
	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m
Within agreed terms	196.9	198.4	–	–	19.5	18.7	–	–
Past due 0–60 days	18.2	18.2	4.5	2.9	1.6	0.9	0.2	0.3
Past due 61–90 days	1.2	0.6	0.6	0.4	0.1	–	0.1	–
Past 91 days	5.3	6.3	5.2	6.0	–	–	–	–
Total	221.6	223.5	10.3	9.3	21.2	19.6	0.3	0.3

25. Financial Risk Management (continued)

(c) Credit Risk (continued)

(i) Credit Risk by Maturity

The following table indicates the value of amounts owing by counterparties by maturity. Based on the policy of not having material overnight exposures to an entity rated lower than A- by Standard & Poor's or A3 by Moody's Investors Service, the risk to the Group of counterparty default loss is not considered material.

	Foreign Exchange Related Contracts		Interest Rate Contracts		Foreign Exchange Options		Total	
Consolidated	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m
Term:								
0–6 months	0.9	0.2	–	–	2.1	2.4	3.0	2.6
6–12 months	0.3	–	–	–	0.7	3.3	1.0	3.3
1–2 years	–	–	0.2	–	–	–	0.2	–
2–5 years	–	–	0.2	0.3	–	–	0.2	0.3
Total	1.2	0.2	0.4	0.3	2.8	5.7	4.4	6.2

	Foreign Exchange Related Contracts		Interest Rate Contracts		Foreign Exchange Options		Total	
The Company	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m
Term:								
0–6 months	0.1	0.2	–	–	2.1	2.4	2.2	2.6
6–12 months	–	–	–	–	0.7	3.3	0.7	3.3
1–2 years	–	–	–	–	–	–	–	–
2–5 years	–	–	–	0.3	–	–	–	0.3
Total	0.1	0.2	–	0.3	2.8	5.7	2.9	6.2

(ii) Historical Rate Rollovers

It is the Group's policy not to engage in historical rate rollovers except in circumstances where the maturity date falls on a bank holiday. In these instances, settlement occurs on the next trading day.

(iii) Hedges and Anticipated Future Transactions

The following table shows the Group's deferred (gains) and losses, both realised and unrealised, that are currently held on the balance sheet and the expected timing of recognition as revenue or expense:

	Consolidated				The Company			
	Interest Rate		Foreign Exchange		Interest Rate		Foreign Exchange	
	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m
Realised Swaps Deferred								
Less than 1 year	(0.8)	(1.1)	–	–	(0.8)	(1.1)	–	–
1–2 years	(0.2)	(0.8)	–	–	(0.2)	(0.8)	–	–
2–5 years	–	(0.2)	–	–	–	(0.2)	–	–
Unrealised Swaps Deferred								
Less than 1 year	(0.2)	(0.2)	4.9	1.6	0.1	(0.2)	3.6	1.6

25. Financial Risk Management (continued)

(d) Fair Value

The Directors consider that the carrying amount of recognised financial assets and financial liabilities approximates their net fair value with the exception of the derivative financial instruments detailed in the table below.

Refer to Note 1 for accounting policies in respect of the carrying values of financial assets and financial liabilities.

The following table displays:

(i) Face Value

This is the contract's value upon which a market rate is applied to produce a gain or loss which becomes the settlement value of the derivative financial instrument.

(ii) Credit Risk (derivative financial instruments)

This is the maximum exposure to the Group in the event that all counterparties who have amounts outstanding to the Group under derivative financial instruments, fail to honour their side of the contracts. The Group's exposure is almost entirely to banks. Amounts owed by the Group under derivative financial instruments are not included.

(iii) Net Fair Value

This is the amount at which the instrument could be realised between willing parties in a normal market in other than a liquidation or forced sale environment. The net amount owed by/(owing to) financial institutions under all derivative financial instruments would have been ($5.1) million (2007 – $1.2 million) for the Group and ($4.3) million (2007 – $2.5 million) for the Company, if all contracts were closed out on 30 June 2008.

	Face Value		Credit Risk		Net Fair Value	
Consolidated	**2008 $m**	2007 $m	**2008 $m**	2007 $m	**2008 $m**	2007 $m
Foreign Exchange Contracts						
Purchase/Sale Contracts:						
– US dollars	**17.1**	10.0	**–**	–	**(0.3)**	(0.1)
– Australian dollars	**9.3**	34.4	**0.1**	0.2	**0.1**	0.2
– Malaysian ringgits	**86.9**	92.7	**–**	–	**(0.9)**	(0.8)
– Thai baht	**47.6**	47.1	**–**	–	**(1.7)**	(0.2)
– Sri Lankan rupees	**21.9**	20.2	**1.0**	–	**1.0**	(0.3)
– Other currencies	**14.2**	9.3	**0.1**	–	**(0.1)**	–
Foreign Exchange Options						
Zero Cost Collar						
– Euro/US dollars	**160.6**	134.5	**1.6**	0.2	**(4.2)**	(0.7)
– Australian dollars/US dollars	**12.3**	43.5	**–**	–	**(0.2)**	(1.0)
– Canadian dollars/US dollars	**23.7**	30.4	**0.3**	–	**0.1**	(1.0)
– Pounds sterling/US dollars	**–**	4.5	**–**	–	**–**	–
– US dollars/Mexican peso	**20.6**	22.4	**0.9**	5.5	**0.9**	4.8
Interest Rate Contracts						
Interest Rate Swaps						
– US dollars	**71.8**	10.6	**0.4**	0.3	**0.2**	0.3
Total	**486.0**	459.6	**4.4**	6.2	**(5.1)**	1.2

25. Financial Risk Management (continued)

(d) Fair Value (continued)

(iii) Net Fair Value (continued)

The Company	Face Value 2008 $m	Face Value 2007 $m	Credit Risk 2008 $m	Credit Risk 2007 $m	Net Fair Value 2008 $m	Net Fair Value 2007 $m
Foreign Exchange Contracts						
Purchase/Sale Contracts:						
– US dollars	14.1	10.0	–	–	(0.3)	(0.1)
– Australian dollars	9.3	34.4	0.1	0.2	0.1	0.2
– Thai baht	8.1	–	–	–	(0.6)	–
– Other currencies	11.6	9.3	–	–	–	–
Foreign Exchange Options						
Zero Cost Collar						
– Euro/US dollars	160.6	134.5	1.6	0.2	(4.2)	(0.7)
– Australian dollars/US dollars	12.3	43.5	–	–	(0.2)	(1.0)
– Canadian dollars/US dollars	23.7	30.4	0.3	–	0.1	(1.0)
– Pounds sterling/US dollars	–	4.5	–	–	–	–
– US dollars/Mexican peso	20.6	22.4	0.9	5.5	0.9	4.8
Interest Rate Contracts						
Interest Rate Swaps						
– US dollars	9.4	10.6	–	0.3	(0.1)	0.3
Total	269.7	299.6	2.9	6.2	(4.3)	2.5

(e) Liquidity Risk

Liquidity risk is the risk of an unforeseen event or miscalculation in the required liquidity level that may result in the Group foregoing investment opportunities or not being able to meet its obligations in an orderly manner, and therefore give rise to poor investment income or to excessive borrowing costs.

The Group seeks to reduce the risk of:

(a) being forced to exit derivative financial instrument positions at below their real worth, or

(b) finding it cannot exit the position at all, due to lack of liquidity in the market by:

- (a) dealing only in liquid contracts dealt by many counterparties,
- (b) dealing only in large, highly liquid and stable international markets, and
- (c) ensuring maturity risk days (the weighted average term of all maturity dates in the portfolio) remain within a specified range.

The following table sets out the contractual maturities of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows comprising principal and interest repayments.

Consolidated	Carrying Amount $m	Total Contractual Cash Flows $m	Contractual Maturity (Years) 0–1	1–2	2–5
2008					
Financial Liabilities					
Trade and other payables	155.7	155.7	154.9	0.8	–
Derivative financial instruments	5.1	5.1	5.1	–	–
Bank loans	324.4	356.1	29.3	163.9	162.9
Other loans	9.4	10.0	0.5	9.5	–
Total	494.6	526.9	189.8	174.2	162.9
2007					
Financial Liabilities					
Trade and other payables	155.8	155.8	155.3	0.5	–
Derivative financial instruments	(1.2)	(1.2)	(1.2)	–	–
Bank loans	355.1	402.3	32.1	19.0	351.2
Other loans	10.6	11.7	0.5	0.5	10.7
Total	520.3	568.6	186.7	20.0	361.9

25. Financial Risk Management (continued)

(e) Liquidity Risk (continued)

The Company	Carrying Amount $m	Total Contractual Cash Flows $m	Contractual Maturity (Years) 0–1	1–2	2–5
2008					
Financial Liabilities					
Trade and other liabilities					
Amounts owing to subsidiaries	1,021.8	1,021.8	1,021.8	–	–
Trade and other payables	7.3	7.3	7.3	–	–
Derivative financial instruments	4.3	4.3	4.3	–	–
Other loans	9.4	10.0	0.5	9.5	–
Total	1,042.8	1,043.4	1,033.9	9.5	–
2007					
Financial Liabilities					
Trade and other liabilities					
Amounts owing to subsidiaries	878.9	878.9	878.9	–	–
Trade and other payables	12.6	12.6	12.6	–	–
Derivative financial instruments	(2.5)	(2.5)	(2.5)	–	–
Other loans	10.6	11.7	0.5	0.5	10.7
Total	899.6	900.7	889.5	0.5	10.7

(f) Foreign currency risk

Ansell operates internationally and is exposed to foreign currency risk arising from various currency exposures.

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities in a currency that is not the operating currency of the Group. The Group's operating currency is the US$.

The Group mitigates this risk by using foreign currency contracts, natural hedges and/or cross currency swaps.

As at 30 June the exposure to foreign currency risk from the Group's primary trading currency (US$) is:

	Net Receivable/(Payable) Consolidated 2008 $m	Consolidated 2007 $m	The Company 2008 $m	The Company 2007 $m
Net receivable/(payable) in non-US$ reporting entities	(26.6)	18.0	(7.8)	(8.1)

The following table demonstrates the estimated sensitivity to a 10% increase/decrease in exchange rates, with all other variables held constant, on profit for the period and equity.

	Consolidated Profit for the period 2008 $m	Consolidated Profit for the period 2007 $m	Consolidated Equity 2008 $m	Consolidated Equity 2007 $m	The Company Profit for the period 2008 $m	The Company Profit for the period 2007 $m	The Company Equity 2008 $m	The Company Equity 2007 $m
10% increase in exchange rates with all other variables held constant	1.2	0.7	(7.7)	11.1	1.2	0.7	7.0	11.1
10% decrease in exchange rates with all other variables held constant	0.5	0.5	5.3	(13.4)	0.5	0.5	(9.7)	(13.4)

(g) Commodity price risk

Ansell is a significant buyer of natural rubber latex and a range of synthetic latex products. It purchases these products in a number of countries in Asia, predominately Malaysia, Thailand and Sri Lanka. The Company is not able to hedge its purchases on rubber exchanges, but can, from time to time, buy from suppliers or brokers at a fixed price for up to several months into the future. Passing on price increases to customers has been difficult historically, but in recent months, with solid input price rises in many raw materials, some price rises have been possible.

26. Key Management Personnel Disclosures

This note is to be read in conjunction with the Remuneration Report.

Key Management Personnel

The following were key management personnel of the Group during the financial year:

Non-executive Directors

Peter L Barnes	Chairman
Glenn L L Barnes	
Ronald J S Bell	
L Dale Crandall	
W Peter Day (appointed 20 August 2007)	
Marissa T Peterson	

Executive Director

Douglas D Tough	Managing Director and Chief Executive Officer

Other Key Management Personnel

Peter B Carroll	Vice President and Regional Director, Asia Pacific (appointed 2 July 2007)
Phil W Corke	Senior Vice President, Human Resources and Communications
Scott R Corriveau	Chief Strategy and Global Marketing Officer
Werner J Heintz	Senior Vice President and Regional Director, Europe, Middle East and Africa
Rustom F Jilla	Senior Vice President and Chief Financial Officer
Scott Papier	Vice President and Regional Director, Professional/Consumer, Americas
William J Reed	Senior Vice President and Regional Director, Occupational, Americas
William G Reilly Jnr	Senior Vice President and General Counsel

Key Management Personnel Remuneration

	Consolidated		The Company	
	2008 $	2007 $	2008 $	2007 $
Short-term benefits	8,870,922	8,199,680	1,421,300	817,513
Post-employment benefits	1,211,323	863,707	114,055	49,455
Termination benefits	–	97,113	–	97,113
Share-based payments	6,538,816	4,426,934	123,154	49,639
	16,621,061	13,587,434	1,658,509	1,013,720

26. Key Management Personnel Disclosures (continued)

Details of remuneration

Directors of Ansell Limited

Details of the remuneration of all directors of Ansell Limited is set out in the following tables:

2008	Short-term Benefits			Post-Employment Benefits	Termination Benefits	Share-based Payments	
	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Superannuation Contributions $	$	Options, Performance Share Rights and Performance Rights $	Total $
Non-executive							
P L Barnes	240,561	–	930	21,528	–	–	263,019
G L L Barnes	126,618	–	–	–	–	–	126,618
R J S Bell	113,992	–	–	4,909	–	–	118,901
L D Crandall	120,175	–	15,462	5,175	–	–	140,812
W P Day	87,660	–	–	7,889	–	–	95,549
M T Peterson	105,754	–	–	4,554	–	–	110,308
Executive							
D D Tough (CEO and Managing Director)	897,480	1,268,526	114,727	321,007	–	1,983,028	4,584,768
Total	1,692,240	1,268,526	131,119	365,062	–	1,983,028	5,439,975

2007	Short-term Benefits			Post-Employment Benefits	Termination Benefits	Share-based Payments	
	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Superannuation Contributions $	$	Options, Performance Share Rights $	Total $
Non-executive							
P L Barnes	216,562	–	–	19,490	–	–	236,052
G L L Barnes	105,200	–	–	–	–	–	105,200
R J S Bell	95,242	–	–	3,675	–	–	98,917
L D Crandall	103,455	–	–	4,455	–	–	107,910
H J Elliott	29,632	–	–	8,029	–	–	37,661
M T Peterson	80,260	–	–	3,456	–	–	83,716
Executive							
D D Tough (CEO and Managing Director)	914,738	1,109,838	195,551	252,738	–	1,390,762	3,863,627
Total	1,545,089	1,109,838	195,551	291,843	–	1,390,762	4,533,083

26. Key Management Personnel Disclosures (continued)

Details of remuneration (continued)

Other Key Management Personnel

Details of the remuneration of each of the Other Key Management Personnel of the Group are set out in the following tables:

2008	Short-term Benefits			Post-Employment Benefits	Termination Benefits	Share-based Payments	
	Cash salary $	Cash bonus $	Non-monetary benefits $	Superannuation Contributions $	$	Options, Performance Share Rights and Performance Rights $	Total $
P B Carroll	350,000	218,418	41,730	70,000	–	123,154	803,302
P W Corke	303,244	270,572	49,147	84,405	–	562,082	1,269,450
S R Corriveau	289,682	258,635	64,902	63,762	–	477,464	1,154,445
W Heintz	549,511	517,365	83,458	175,118	–	430,797	1,756,249
R F Jilla	449,244	508,041	44,387	133,588	–	1,165,525	2,300,785
S Papier	289,898	171,601	36,846	70,391	–	540,173	1,108,909
W Reed	326,720	188,984	60,737	148,392	–	606,902	1,331,735
W G Reilly	356,631	318,320	30,964	100,605	–	649,691	1,456,211
Total	2,914,930	2,451,936	412,171	846,261	–	4,555,788	11,181,086

2007	Short-term Benefits			Post-Employment Benefits	Termination Benefits	Share-based Payments	
	Cash salary $	Cash bonus $	Non-monetary benefits $	Superannuation Contributions $	$	Options, Performance Share Rights $	Total $
P W Corke	308,878	249,834	51,870	65,598	–	389,470	1,065,650
S R Corriveau	284,641	230,616	190,245	28,800	–	274,555	1,008,857
W Heintz	510,440	447,400	57,310	145,134	–	268,015	1,428,299
R F Jilla	454,992	465,807	46,073	110,590	–	819,485	1,896,947
N R O'Donnell	115,000	54,683	17,479	10,350	97,113	49,639	344,264
S Papier	296,621	147,270	38,152	53,267	–	377,671	912,981
W Reed	336,265	291,028	77,843	78,418	–	420,684	1,204,238
W G Reilly	355,859	288,269	32,627	79,707	–	436,653	1,193,115
Total	2,662,696	2,174,907	511,599	571,864	97,113	3,036,172	9,054,351

26. Key Management Personnel Disclosures (continued)

Equity Instruments

Options, Performance Share Rights (PSRs) and Performance Rights (PRs) granted as compensation

Equity grants made to Key Management Personnel

The number of options and PRs granted to key management personnel as compensation is set out in the tables below.

2008	Number of Options granted during the year	Number of PRs granted during the year	Future financial years that grant may vest	Maximum total value of grant ($ per tranche) [1]
Director				
D D Tough	172,009	172,009	2011	2,542,293
Other Key Management Personnel				
P B Carroll	25,000	25,000	2011	369,500
P W Corke	46,496	46,496	2011	687,211
S R Corriveau	44,444	44,444	2011	656,882
W Heintz	45,333	45,333	2011	670,022
R F Jilla	96,444	96,444	2011	1,425,442
S Papier	44,444	44,444	2011	656,882
W Reed	50,085	50,085	2011	740,256
W G Reilly	54,701	54,701	2011	808,481

[1] The value per option was calculated at $3.07. The value per PR was calculated at $11.71. No PSRs were granted as compensation during the year.

2007	Number of Options granted during the year	Number of PRs granted during the year	Future financial years that grant may vest	Maximum total value of grant ($ per tranche) [1]
Director				
D D Tough	207,883	207,883	2009	1,154,796
			2010	1,676,825
Other Key Management Personnel				
P W Corke	56,156	56,156	2009	311,947
			2010	452,336
S R Corriveau	45,400	45,400	2009	252,197
			2010	365,697
W Heintz	33,174	33,174	2009	184,282
			2010	267,217
R F Jilla	115,810	115,810	2009	643,325
			2010	932,849
S Papier	53,996	53,996	2009	299,948
			2010	434,938
W Reed	61,124	61,124	2009	339,544
			2010	492,353
W G Reilly	64,794	64,794	2009	359,931
			2010	521,915

[1] The value per option was calculated at $2.61. The values per PR were calculated as $11.11 and $10.89 for the tranches that may vest in financial years 2009 and 2010 respectively.

26. Key Management Personnel Disclosures (continued)

Equity Instruments (continued)

Options, Performance Share Rights (PSRs) and Performance Rights (PRs) granted as compensation (continued)

Movement in Options, PSRs and PRs on issue

The movement in the number of options, PSRs and PRs over ordinary shares of Ansell Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

							Vested at the date of this report	
2008	Held at 1 July 2007	Granted during the year	Options exercised/ PSRs/PRs vested during the year	Options/ PSRs lapsed/ forfeited	Other changes	Held at 30 June 2008	Options vested and exercisable/ PSRs/PRs vested (1)	Options not yet exercisable
Options								
Director								
D D Tough	635,074	172,009	–	20,417	–	786,666	406,774	–
Other Key Management Personnel							–	–
P B Carroll	–	25,000	–	–	–	25,000	–	–
P W Corke	56,156	46,496	–	–	–	102,652	–	–
S R Corriveau	45,400	44,444	–	–	–	89,844	–	–
W Heintz	33,174	45,333	–	–	–	78,507	–	–
R F Jilla	355,810	96,444	–	–	–	452,254	240,000	–
S Papier	53,996	44,444	–	–	–	98,440	–	–
W Reed	61,124	50,085	–	–	–	111,209	–	–
W G Reilly	64,794	54,701	–	–	–	119,495	–	–
PSRs and PRs								
Director								
D D Tough	282,433	172,009	60,124	14,426	–	379,892	103,942	
Other Key Management Personnel								
P B Carroll	–	25,000	–	–	–	25,000		
P W Corke	79,490	46,496	15,000	–	–	110,986	36,412	
S R Corriveau	50,400	44,444	2,500	–	–	92,344	30,200	
W Heintz	58,175	45,333	16,667	–	–	86,841	24,921	
R F Jilla	169,144	96,444	35,000	–	–	230,588	76,239	
S Papier	77,330	44,444	15,000	–	–	106,774	35,332	
W Reed	86,125	50,085	16,667	–	–	119,543	38,896	
W G Reilly	88,128	54,701	15,000	–	–	127,829	40,731	

26. Key Management Personnel Disclosures (continued)

Equity Instruments (continued)

Options, Performance Share Rights (PSRs) and Performance Rights (PRs) granted as compensation (continued)

Movement in Options, PSRs and PRs on issue (continued)

							Vested at the date of the 2007 financial report	
2007	Held at 1 July 2006	Granted during the year	Options exercised/ PSRs/PRs vested during the year	Options/ PSRs lapsed/ forfeited	Other changes	Held at 30 June 2007	Options vested and exercisable/ PSRs/PRs vested [1]	Options not yet exercisable
Options								
Director								
D D Tough	472,358	207,883	–	45,167	–	635,074	252,191	154,583
Other Key Management Personnel								
P W Corke	–	56,156	–	–	–	56,156	–	–
S R Corriveau	–	45,400	–	–	–	45,400	–	–
W Heintz	–	33,174	–	–	–	33,174	–	–
R F Jilla	240,000	115,810	–	–	–	355,810	240,000	–
S Papier	–	53,996	–	–	–	53,996	–	–
W Reed	–	61,124	–	–	–	61,124	–	–
W G Reilly	–	64,794	–	–	–	64,794	–	–
PSRs and PRs								
Director								
D D Tough	115,041	207,883	40,491	–	–	282,433	60,124	
Other Key Management Personnel								
P W Corke	43,334	56,156	20,000	–	–	79,490	15,000	
S R Corriveau	–	45,400	5,000	–	10,000	50,400	2,500	
W Heintz	51,667	33,174	26,666	–	–	58,175	16,667	
R F Jilla	105,001	115,810	51,667	–	–	169,144	35,000	
N R O'Donnell	29,667	–	15,667	–	(14,000)	–	9,000	
S Papier	–	53,996	23,334	–	46,668	77,330	15,000	
W Reed	50,001	61,124	25,000	–	–	86,125	16,667	
W G Reilly	43,334	64,794	20,000	–	–	88,128	15,000	

[1] PSRs and PRs that vest after 30 June result in the allocation of one fully paid ordinary share to the holder of each PSR/PR that has vested. The date of testing of the performance condition and vesting of the PSRs/PRs for each of the above years was 14 August 2008 and 23 August 2007.

26. Key Management Personnel Disclosures (continued)

Equity Instruments (continued)

Movements in shares

The movement in the number of ordinary shares of Ansell Limited held directly, indirectly or beneficially, by each of the Key Management Personnel, including their personally related entities during the 2008 financial year is as follows:

2008	Held at 1 July 2007	Purchases [(a)]	Received on vesting of PSRs	Sales	Other changes	Held at 30 June 2008
Directors						
P L Barnes	16,447	2,079	–	–	–	18,526
G L L Barnes	9,451	2,663	–	–	–	12,114
R J S Bell	1,539	945	–	–	–	2,484
L D Crandall	10,726	998	–	–	–	11,724
W P Day	–	2,766	–	–	–	2,766
M T Peterson	5,655	876	–	–	–	6,531
D D Tough	64,981	–	60,124	27,958	–	97,147
Other Key Management Personnel						
P B Carroll	–	–	–	–	–	–
P W Corke	29,445	–	15,000	4,995	–	39,450
S R Corriveau	3,335	–	2,500	2,833	–	3,002
W Heintz	13,332	–	16,667	8,000	–	21,999
R F Jilla	66,000	–	35,000	18,923	–	82,077
S Papier	28,897	–	15,000	15,000	–	28,897
W Reed	34,443	–	16,667	27,550	–	23,560
W G Reilly	48,253	–	15,000	24,995	–	38,258

The movement in the number of ordinary shares of Ansell Limited held directly, indirectly or beneficially, by each of the Key Management Personnel, including their personally-related entities during the 2007 financial year is as follows:

2007	Held at 1 July 2006	Purchases [(a)]	Received on vesting of PSRs	Sales	Other changes	Held at 30 June 2007
Directors						
P L Barnes	14,545	1,902	–	–	–	16,447
G L L Barnes	5,658	3,793	–	–	–	9,451
R J S Bell	746	793	–	–	–	1,539
L D Crandall	9,862	864	–	–	–	10,726
H J Elliott	10,730	244	–	–	(10,974)	–
M T Peterson	–	5,655	–	–	–	5,655
D D Tough	43,318	–	40,491	18,828	–	64,981
Other Key Management Personnel						
P W Corke	22,105	–	20,000	12,660	–	29,445
S R Corriveau	–	–	5,000	1,665	–	3,335
W Heintz	13,334	–	26,666	26,668	–	13,332
R F Jilla	55,999	–	51,667	41,666	–	66,000
N R O'Donnell	7,833	–	15,667	15,667	(7,833)	–
S Papier	–	–	23,334	17,770	23,333	28,897
W Reed	43,148	–	25,000	33,705	–	34,443
W G Reilly	34,913	–	20,000	6,660	–	48,253

(a) Includes shares purchased on market pursuant to the Non-executive Directors' Share Plan.

Service Agreements

The Company has no service agreements with the Non-executive Directors. Refer to Section 2D of the Remuneration Report for details of service agreements with the Managing Director and other Key Management Personnel.

Other Transactions with specified directors and specified executives

From time to time, Key Management Personnel of the Company or its subsidiaries, or their personally related entities, may purchase goods from the Group. These purchases are on terms and conditions no more favourable than those entered into by unrelated customers and are trivial or domestic in nature.

27. Notes to the Business and Regional Segments Report

(a) Corporate Revenue and Costs
Represents costs of the Statutory Head Office, part of the costs of the Corporate Head Office and non-sales revenue.

(b) Cash
Cash also includes Accufix pacing leads restricted deposits.

(c) Income Tax
The Company regularly reviews the current and projected trading performances of operations in jurisdictions where unbooked tax benefits of operating tax losses exist. As a result of strong profits in the US and a revised medium-term outlook, the remaining unbooked US federal tax losses were recognised as a deferred tax asset reducing the current year's income tax charge by $28.2 million (2007 – $16.6 million).

The recognition of unbooked tax losses in other jurisdictions is dependent upon achieving a sustainable improvement in the trading operations in such jurisdictions.

(d) Inter-Segment Transactions
Significant inter-segment sales were made by Asia Pacific – $212.2 million (2007 – $235.9 million) and Americas – $247.4 million (2007 – $235.6 million). Inter-segment sales are predominantly made at the same prices as sales to major customers. Operating revenue is shown net of inter-segment values. Accordingly, the Operating revenues shown in each segment reflect only the external sales made by that segment.

(e) Business Segments
The Group comprises the following main business segments:

Occupational Healthcare – manufacture and sale of occupational health and safety gloves.

Professional Healthcare – manufacture and sale of medical, surgical and examination gloves for hand barrier protection and infection control.

Consumer Healthcare – manufacture and sale of condoms, household gloves and other personal products.

(f) Regional Segments
The allocation of Operating Revenue and Operating Results reflects the geographical regions in which the products are sold to external customers. Assets Employed are allocated to the geographical regions in which the assets are located.

A description of the activities undertaken in each region is as follows:

Asia Pacific – manufacturing facilities in four countries and sales.

Americas – manufacturing facilities in USA, Mexico and Brazil and significant sales activity.

Europe, Middle East and Africa – manufacturing facilities in the UK and Germany and significant sales activity.

	The Company	
	2008 $m	2007 $m
(g) Business Segments' Capital Expenditure		
Occupational Healthcare	8.0	8.3
Professional Healthcare	11.1	11.3
Consumer Healthcare	4.7	3.4
(h) Regional Segments' Capital Expenditure		
Asia Pacific	20.3	18.3
Americas	2.3	3.5
Europe, Middle East and Africa	1.2	1.2
(i) Business Segments' Depreciation		
Occupational Healthcare*	10.6	10.5
Professional Healthcare*	16.7	10.1
Consumer Healthcare	5.6	5.2
(j) Business Segments' Other Non-Cash Expenses		
Occupational Healthcare	9.6	13.9
Professional Healthcare	1.9	2.3
Consumer Healthcare	1.4	1.3

* The Occupational and Professional businesses were impacted by the reassessment of the estimated useful lives of dip lines (including associated refurbishments and conversions) resulting in a one-off increase in depreciation expense in the current year of $1.3 million and $5.9 million respectively.

Notes to the Financial Statements continued

28. Notes to the Cash Flow Statements

(a) Reconciliation of Net Cash Provided by Operating Activities to Profit for the period

	Consolidated		The Company	
	2008 $m	2007 $m	2008 $m	2007 $m
Profit for the period	105.6	104.1	49.4	84.2
Add/(less) non-cash items:				
Depreciation	31.8	24.6	0.2	0.2
Amortisation	2.0	2.1	–	–
Impairment – trade debtors	2.0	(0.5)	–	(0.2)
Reversal of prior years impairment loss on investments in and intercompany balances with subsidiaries	–	–	(10.9)	–
Share-based payments expense	9.3	7.1	9.3	7.1
Add/(less) items classified as investing/financing activities:				
Interest received	(9.6)	(9.6)	(2.0)	(0.1)
Interest and financing costs paid	20.2	19.7	0.7	2.3
(Gain)/Loss on sale of investments, property, plant and equipment	(0.2)	0.4	–	–
Net cash provided by operating activities before change in assets and liabilities	161.1	147.9	46.7	93.5
Change in assets and liabilities net of effect from acquisitions and disposals of subsidiaries and businesses:				
(Increase)/Decrease in trade and other receivables	(1.3)	25.7	(0.4)	4.6
(Increase)/Decrease in inventories	14.9	9.5	–	–
Decrease/(Increase) in other assets	2.7	(3.9)	0.5	–
Increase/(Decrease) in trade and other payables	6.1	(4.0)	1.0	(1.1)
(Decrease)/Increase in provisions	0.3	0.2	0.4	(0.9)
(Decrease)/Increase in retirement benefit obligations	(1.1)	(0.4)	2.2	–
Increase/(Decrease) in provision for deferred income tax	(1.4)	(0.1)	–	–
(Increase)/Decrease in future income tax benefit	(6.8)	(12.7)	–	–
(Decrease)/Increase in provision for income tax	(0.3)	(0.5)	(0.6)	0.6
Other non-cash items (including foreign currency impact)	(11.7)	(13.6)	(4.3)	(3.0)
Net cash provided by operating activities	162.5	148.1	45.4	93.7

(b) Components of Cash and Cash Equivalents

For the purposes of the Cash Flow Statements, cash and cash equivalents includes cash on hand and at banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents, at the end of the financial year, as shown in the Cash Flow Statements, comprise:

		Consolidated		The Company	
	Note	2008 $m	2007 $m	2008 $m	2007 $m
Cash on hand	9	1.0	0.5	–	–
Cash at bank	9	72.7	66.7	2.9	0.4
Short-term deposits	9	122.3	164.0	56.8	–
Restricted deposits	9	4.6	5.3	–	–
Bank overdrafts	18	–	(0.1)	–	–
		200.6	236.4	59.7	0.4

(c) Net Loans from Subsidiaries

In the Cash Flow Statement of the Company, loan movements with subsidiaries are disclosed as a net movement due to such transactions being large in number and rapid in turnover.

29. Acquisition of Subsidiaries

During the previous year the Group acquired Unimil S.A. and Fabrica de Artefatos Blowtex Ltda. The initial accounting for both acquisitions was determined only provisionally at the end of the previous year and resulted in net identifiable assets of $22.5 million and goodwill of $54.7 million. During the current year the acquisition accounting was finalised and as a result brand names of $9.0 million were recognised and along with other adjustments, resulted in a reduction in goodwill of $8.7 million.

30. Related Party Disclosures

(a) Subsidiaries

Ansell Limited is the parent entity of all entities detailed in Note 32 and from time to time has dealings on normal commercial terms and conditions with those entities, the effects of which are eliminated in the consolidated financial statements.

Refer to the following Notes for additional information:

Note 2 Total Revenue – Dividends and interest received or receivable from subsidiaries

Note 10 Trade and Other Receivables – Amounts owing by subsidiaries

Note 13 Other Financial Assets – Investments in subsidiaries

Note 17 Trade and Other Payables – Amounts owing to subsidiaries

(b) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in Note 26.

31. Earnings per Share

	Consolidated	
	2008 $m	2007 $m
Earnings reconciliation		
Net profit	105.6	104.1
Net profit attributable to minority interests	3.0	4.1
Basic earnings	102.6	100.0
Diluted earnings	102.6	100.0
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic earnings per share	138.8	148.0
Effect of partly paid Executive Plan shares, options, PSRs and PRs	2.7	2.0
Number of ordinary shares for diluted earnings per share	141.5	150.0

Partly paid Executive Plan shares, options, PRs and PSRs have been included in diluted earnings per share in accordance with Accounting Standards.

Conversion, call, subscription or issue after 30 June 2008

Refer to Note 5 Issued Capital for further information.

32. Particulars Relating to Subsidiaries

	Country of Incorporation	Beneficial Interest 2008 %	2007 %
Ansell Limited	Australia		
Ansell Healthcare Japan Co. Ltd.	Japan*	100	100
Ansell Japan Limited	Japan*	100	100
Ativ Pac Pty. Ltd.	Australia	100	100
BNG Battery Technologies Pty. Ltd.	Australia	100	100
Cliburn Investments Pty. Ltd.	Australia	100	100
Dexboy International Pty. Ltd.	Australia	100	100
Corrvas Insurance Pty. Ltd.	Australia	100	100
Dunlop Olympic Manufacturing Pty. Ltd.	Australia	100	100
FGDP Pty. Ltd.	Australia	100	100
PSL Industries Pty. Ltd.	Australia	100	100
Nucleus Ltd.	Australia	100	100
Lifetec Project Pty. Ltd.	Australia	100	100
Medical TPLC Pty. Ltd.	Australia	100	100
N&T Pty. Ltd.	Australia	100	100
Nucleus Trading Pte. Ltd.	Singapore*	100	100
THLD Ltd.	Australia	100	100
TNC Holdings Pte. Ltd.	Singapore*	100	100
TPLC Pty. Ltd.	Australia	100	100
Societe de Management Financier S.A.	France*	100	100
Olympic General Products Pty. Ltd.	Australia	100	100
Pacific Dunlop Finance Pty. Ltd.	Australia	100	100
Pacific Dunlop Holdings (China) Co. Ltd.	China*	100	100
Ansell (Shanghai) Commercial and Trading Co. Ltd.	China*	100	100
Pacific Dunlop Linings Pty. Ltd.	Australia	100	100
P.D. Holdings Pty. Ltd.	Australia	100	100
P.D. International Pty. Ltd.	Australia	100	100
Ansell Canada Inc.	Canada*	100	100
Ansell Lanka (Pvt.) Ltd.	Sri Lanka*	100	100
Ansell Participacoes Ltda.	Brazil*	100	100
Fabrica de Artefatos de Latex Blowtex Ltda.	Brazil*	100	100
Ansell Services (Asia) Sdn. Bhd.	Malaysia*	100	100
Ansell Ambi Sdn. Bhd.	Malaysia*	100	100
Ansell (Kedah) Sdn. Bhd.	Malaysia*	100	100
Ansell (Kulim) Sdn. Bhd.	Malaysia*	100	100
Ansell Malaysia Sdn. Bhd.	Malaysia*	75	75
Ansell Medical Sdn. Bhd.	Malaysia*	75	75
Ansell N.P. Sdn. Bhd.	Malaysia*	75	75
Ansell Shah Alam Sdn. Bhd.	Malaysia*	100	100
Ansell (Thailand) Ltd.	Thailand*	100	100
CE Gloves (India) Limited	India*	100 [a]	100 [a]
Corrvas Insurance (Singapore) Pte. Ltd.	Singapore*	100	100
Medical Telectronics N.V.	Netherlands Ant.*	100	100

Table continued on the following page

32. Particulars Relating to Subsidiaries (continued)

	Country of Incorporation	Beneficial Interest 2008 %	2007 %
Pacific Dunlop Holdings (Europe) Ltd.	UK*	100	100
Ansell Healthcare Europe N.V.	Belgium*	100	100
Ansell GmbH	Germany*	100	100
Condomi Erfurt Produktions GmbH	Germany*	76	76
Mpt Med Production and Trading GmbH	Germany*	100 (b)	100 (b)
Ansell Italy Srl	Italy*	100	100
Ansell S.A.	France*	100	100
Condomi France SAS	France*	100	100
Ansell Spain SL (Sociedad de Responsabilidad Limitada)	Spain *	100	100
Medical Telectronics Holding & Finance (Holland) B.V.	Netherlands*	100	100
Unimil SA	Poland*	100	100
Ansell UK Limited	UK*	100	100
Pacific Dunlop Holdings (Singapore) Pte. Ltd.	Singapore*	100	100
JK Ansell Ltd.	India*	50 (c)	50 (c)
Pacific Dunlop (Hong Kong) Limited.	Hong Kong*	100	100
Pacific Dunlop Investments (USA) Inc.	USA*	100	100
Ansell Brazil LTDA	Brazil*	100	100
Ansell Edmont Industrial de Mexico S.A. de C.V.	Mexico*	100	100
Ansell Perry de Mexico S.A. de C.V.	Mexico*	100	100
Pacific Dunlop Holdings (USA) Inc.	USA*	100	100
Ansell Healthcare Products LLC.	USA*	100	100
Ansell Protective Products Inc.	USA*	100	100
Pacific Chloride Inc.	USA*	100	100
Pacific Dunlop Holdings Inc.	USA*	100	100
Pacific Dunlop USA Inc.	USA*	100	100
TPLC Holdings Inc.	USA*	100	100
Accufix Research Institute Inc.	USA*	100	100
TPLC S.A.	France*	100	100
Cotac Corporation	USA*	100	100
Pacific Dunlop Finance Company Inc.	USA*	100	100
PDOCB Pty. Ltd.	Australia	100	100
Ansell Medical Products Pvt. Ltd.	India*	100	100
Suretex Ltd.	Thailand*	100	100
Latex Investments Ltd.	Mauritius*	100	100
Suretex Prophylactics (India) Ltd.	India*	100	100
STX Prophylactics S.A. (Pty.) Ltd.	Sth Africa*	100	100
Wuhan Jissbon Sanitary Products Company Ltd.	China*	75 (d)	75 (d)
Dongguan Junwen Trading Co. Ltd.	China*	90 (e)	90 (e)
Guangzhou Kangwei Trading Co. Ltd.	China*	90 (e)	90 (e)
PD Licensing Pty. Ltd.	Australia	100	100
PD Shared Services Pty. Ltd.	Australia	100	100
PD Shared Services Holdings Pty. Ltd.	Australia	100	100
Siteprints Pty. Ltd.	Australia	100	100
S.T.P. (Hong Kong) Ltd.	Hong Kong*	100	100
Pacific Dunlop Holdings N.V.	Netherlands Ant.*	100	100
Pacific Dunlop (Netherlands) B.V.	Netherlands*	100	100
The Distribution Group Holdings Pty. Ltd.	Australia	100	100
The Distribution Group Pty. Ltd.	Australia	100 (f)	100 (f)
The Distribution Trust	Australia	100	100
Union Knitting Mills Pty. Ltd.	Australia	100	100
Xelo Pty. Ltd.	Australia	100	100
Xelo Sacof Pty. Ltd.	Australia	100	100

32. Particulars Relating to Subsidiaries (continued)

	Country of Incorporation	Beneficial Interest 2008 %	2007 %
Subsidiaries in Voluntary Liquidation as at 30 June 2008			
Foamlite (Australia) Pty. Ltd.	Australia	100	100
H.C. Sleigh Services Pty. Ltd.	Australia	100	100
International Better Brands Pty Ltd	Australia	100	100
Licknib Pty. Ltd.	Australia	100	100
Llesna Healthcare Pty. Ltd.	Australia	100	100
Mt Waverley Estates Pty. Ltd.	Australia	100	100
N Harvesters Pty. Ltd.	Australia	100	100
Nwodhsa Enterprises (Wholesale) Pty. Ltd.	Australia	100	100
Pacific Distribution Properties Pty. Ltd.	Australia	100	100
TDG Warehousing Pty. Ltd.	Australia	100	100
Textile Industrial Design & Engineering Pty. Ltd.	Australia	100	100
Subsidiaries Liquidated during the year			
Commercializadora GNK S.A. de C.V.	Mexico*	–	100
Golden Needles de Mexico S.A. de C.V.	Mexico*	–	100

During the year Condomi Health International GmbH was merged into Ansell GmbH.

*Subsidiaries incorporated outside Australia carry on business in those countries.
(a) Owned 74.9% by P.D. International Pty. Ltd. and 25.1% by Suretex Prophylactics (India) Ltd.
(b) Owned 100% by Condomi Erfurt Produktions GmbH.
(c) Ansell Healthcare has day-to-day management control of this entity.
(d) Owned 34.2% by P.D. International Pty. Ltd. and 40.8% by Pacific Dunlop Holdings (China) Co. Ltd.
(e) Owned 90% by Wuhan Jissbon Sanitary Products Company Ltd.
(f) The trustee of The Distribution Trust is The Distribution Group Pty. Ltd. The beneficiary of the trust is Ansell Limited.

33. Subsequent Event

On 2 July 2008, Ansell Limited announced the acquisition of the assets of Hawkeye Glove Company, a leading supplier to the US military, for US$10.8 million. The disclosures required by AASB 3 *Business Combinations* in respect of this acquisition have not been provided as the information is not currently available and the transaction is not considered to be material.

Directors' Declaration

1. In the opinion of the Directors of Ansell Limited ('the Company'):
   (a) the financial statements and notes, set out on pages 29 to 74, and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report, set out on pages 16 to 26, are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of the financial position of the Company and Group as at 30 June 2008 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
      (ii) complying with Australian Accounting Standards, and the Corporations Regulations 2001;
   (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1;
   (c) the remuneration disclosures contained in the Remuneration Report in the Directors' Report, set out on pages 16 to 26, comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*, the Corporations Act 2001 and the Corporations Regulations 2001; and
   (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2008.

Signed in accordance with a resolution of the Directors:

P L Barnes
Chairman

D D Tough
Director

Dated in Melbourne this 9th day of September 2008

Independent Audit Report

to the members of Ansell Limited

Report on the Financial Report

We have audited the accompanying financial report of Ansell Limited (the Company), which comprises the balance sheets as at 30 June 2008, and the income statements, statements of recognised income and expense and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory Notes 1 to 33 and the directors' declaration set out on pages 29 to 75 of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report of the Group, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion:

(a) the financial report of Ansell Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 26 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Ansell Limited for the year ended 30 June 2008, complies with Section 300A of the Corporations Act 2001.

KPMG
Melbourne
9 September 2008

Peter Jovic
Partner

Supplementary Unaudited US Dollar Financial Information

For the year ended 30 June 2008

Ansell Limited and Subsidiaries

The following unaudited US dollar financial information is supplementary to the Company's financial report for the year ended 30 June 2008. It is provided as additional information for the Company's shareholders. This financial information does not form part of the Company's financial statements that are required to be prepared under the Corporations Act 2001, Australian Accounting Standards and the ASX listing rules.

This financial information has been derived from the Company's financial report.

Translation of amounts from Australian dollars to US dollars in the Income Statement, Cash Flow Statement and Operating Revenue and Operating Result within the Business and Regional Segments have been made at the average of the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters on the last working day of each month for the 13-month period June 2007 to June 2008.

Translation of amounts from Australian dollars to US dollars in the Balance Sheet and Assets Employed and Liabilities within the Business and Regional Segments have been made at the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters, on Friday 30 June 2008, at US$0.96095 = A$1 (30 June 2007 US$0.84695 = A$1).

Supplementary Unaudited US Dollar Financial Information

Income Statement

of Ansell Limited and Subsidiaries for the year ended 30 June 2008

	2008 US$m	2007 US$m
Revenue		
Sales	1,116.0	975.4
Other revenue	8.2	6.2
Total revenue	1,124.2	981.6
Expenses		
Cost of goods sold	676.8	615.8
Distribution	55.2	49.9
Selling, general and administration	272.9	213.2
Total expenses, excluding financing costs	1,004.9	878.9
Financing costs	17.4	13.2
Profit before income tax	101.9	89.5
Income tax	7.5	7.2
Profit for the period	94.4	82.3
Minority interests	2.7	3.2
Profit attributable to Ansell Limited shareholders	91.7	79.1

	2008 US cents	2007 US cents
Earnings per share is based on profit attributable to Ansell Limited shareholders		
Basic earnings per share	66.1	53.4
Diluted earnings per share	64.8	52.7

Balance Sheet

of Ansell Limited and Subsidiaries as at 30 June 2008

	2008 US$m	2007 US$m
Current Assets		
Cash on hand	1.0	0.4
Cash at bank and on deposit	187.4	195.4
Cash assets – restricted deposits	4.4	4.5
Trade and other receivables	195.4	176.0
Inventories	161.5	154.9
Other	10.4	11.6
Total Current Assets	560.1	542.8
Non-Current Assets		
Trade and other receivables	16.7	15.1
Property, plant and equipment	161.3	163.0
Intangible assets	302.0	280.8
Deferred tax assets	71.2	57.1
Total Non-Current Assets	551.2	516.0
Total Assets	1,111.3	1,058.8
Current Liabilities		
Trade and other payables	153.9	130.4
Interest bearing liabilities	13.8	14.7
Provisions	49.9	43.4
Current tax liabilities	9.8	8.9
Total Current Liabilities	227.4	197.4
Non-Current Liabilities		
Trade and other payables	0.7	0.4
Interest bearing liabilities	306.9	295.2
Provisions	19.2	17.2
Retirement benefit obligations	9.4	7.4
Deferred tax liabilities	23.1	21.5
Total Non-Current Liabilities	359.3	341.7
Total Liabilities	586.7	539.1
Net Assets	524.6	519.7
Equity		
Issued capital	907.6	894.7
Reserves	(52.9)	(31.1)
Accumulated losses	(342.3)	(356.9)
Total Equity Attributable to Ansell Limited Shareholders	512.4	506.7
Minority interests	12.2	13.0
Total Equity	524.6	519.7

Cash Flow Statement

of Ansell Limited and Subsidiaries for the year ended 30 June 2008

	2008 US$m	2007 US$m
Cash Flows Related to Operating Activities		
Receipts from customers	1,123.3	996.6
Payments to suppliers and employees	(961.7)	(859.9)
Net receipts from operations	161.6	136.7
Income taxes paid	(19.1)	(18.0)
Net Cash Provided by Operating Activities	142.5	118.7
Cash Flows Related to Investing Activities		
Payments for businesses, net of cash acquired	–	(59.7)
Payments for property, plant and equipment	(21.4)	(18.0)
Proceeds from sale of property, plant and equipment	1.5	1.6
Net Cash Used in Investing Activities	(19.9)	(76.1)
Cash Flows Related to Financing Activities		
Proceeds from borrowings	–	121.8
Repayments of borrowings	(5.0)	(102.7)
Net proceeds from/(repayments of) borrowings	(5.0)	19.1
Proceeds from issues of shares	–	0.9
Payments for share buy-back	(98.1)	(63.5)
Dividends paid	(34.3)	(26.5)
Interest received	8.6	7.5
Interest and borrowing costs paid	(17.9)	(15.3)
Net Cash Used in Financing Activities	(146.7)	(77.8)
Net Decrease in Cash and Cash Equivalents	(24.1)	(35.2)
Cash and cash equivalents at the beginning of the financial year	200.2	224.0
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies at the beginning of the financial year	16.7	11.4
Cash and Cash Equivalents at the End of the Financial Year	192.8	200.2

Business and Regional Segments

of Ansell Limited and Subsidiaries for the year ended 30 June 2008

	Operating Revenue		Operating Result	
	2008 US$m	2007 US$m	2008 US$m	2007 US$m
Business Segments				
Occupational Healthcare	547.7	478.9	79.3	62.3
Professional Healthcare	356.6	320.3	26.6	19.7
Consumer Healthcare	211.7	176.2	17.5	23.5
Total Business Segments	1,116.0	975.4	123.4	105.5
Corporate revenue/costs	8.2	6.2	(12.3)	(9.0)
Earnings before Net Interest and Income Tax (EBIT)			111.1	96.5
Financing costs net of interest revenue			(9.2)	(7.0)
Profit before Income Tax			101.9	89.5
Income tax			(7.5)	(7.2)
Profit for the period			94.4	82.3
Minority interests			(2.7)	(3.2)
Total Consolidated	1,124.2	981.6	91.7	79.1
Regional Segments				
Asia Pacific	187.3	162.0	29.9	26.1
Americas	467.4	434.9	40.9	32.3
Europe, Middle East and Africa	461.3	378.5	52.6	47.1
Total Regional Segments	1,116.0	975.4	123.4	105.5

	Assets Employed		Liabilities	
	2008 US$m	2007 US$m	2008 US$m	2007 US$m
Business Segments				
Occupational Healthcare	366.3	340.7	98.1	93.1
Professional Healthcare	282.4	271.8	67.8	60.5
Consumer Healthcare	218.9	194.4	33.3	32.4
Total Business Segments	867.6	806.9	199.2	186.0
Corporate assets/liabilities	50.9	51.6	387.5	353.1
Cash	192.8	200.3	–	–
Total Consolidated	1,111.3	1,058.8	586.7	539.1
Regional Segments				
Asia Pacific	204.9	195.7	66.9	63.4
Americas	186.3	178.3	70.5	67.0
Europe, Middle East and Africa	181.6	159.4	61.8	55.6
Goodwill and brand names	294.8	273.5	–	–
Total Regional Segments	867.6	806.9	199.2	186.0

Shareholders

Details of quoted shares held in Ansell Limited as at 29 August 2008.

Distribution of Ordinary Shareholders and Shareholdings

Size of Holding	Number of Shareholders	% of Total	Number of Shares	% of Total
1 – 1,000	28,079*	82.84	9,746,106	7.16
1,001 – 5,000	5,193	15.32	10,406,708	7.65
5,001 – 10,000	401	1.18	2,828,055	2.08
10,001 – 100,000	174	0.51	4,754,862	3.49
100,001 and over	52	0.15	108,384,978	79.62
	33,899	100.00	136,120,709	100.00

* Including 595 shareholders holding a parcel of shares of less than $500 in value (41 shares), based on market price of $12.33

Percentage of the total holding of the 20 largest shareholders – 73.29%.

In addition to the foregoing, there were 49 members of the Executive Share Plan, whose shares are paid to five cents each, holding 78,900 Plan shares.

Voting rights as governed by the Constitution of the Company provide that each ordinary share holder present in person or by proxy at a meeting shall have:

(a) on a show of hands, one vote only;

(b) on a poll, one vote for every fully paid ordinary share held.

Twenty Largest Shareholders

	No. of Fully Paid Shares	% of Issued Capital
HSBC Custody Nominees (Australia) Limited	31,280,030	23.05
J P Morgan Nominees Australia Limited	17,679,575	13.03
National Nominees Limited	10,426,789	7.68
Citicorp Nominees Pty Limited	8,403,354	6.19
RBC Dexia Investor Services Australia Nominees Pty Limited <PIPOOLED A/C>	7,349,594	5.42
ANZ Nominees Limited <CASH INCOME A/C>	7,169,255	5.28
RBC Dexia Investor Services Australia Nominees Pty Limited <BKCUST A/C>	3,020,105	2.23
Cogent Nominees Pty Limited	2,458,297	1.81
RBC Dexia Investor Services Australia Nominees Pty Limited	1,623,626	1.20
UBS Nominees Pty Ltd	1,608,863	1.19
Cogent Nominees Pty Limited <SMP ACCOUNTS>	1,119,114	0.82
Neweconomy Com Au Nominees Pty Limited <SCRIP LENDING COLL MGT A/C>	1,020,000	0.75
RBC Dexia Investor Services Australia Nominees Pty Limited <PIIC A/C>	999,373	0.74
Citicorp Nominees Pty Limited <CFSIL CWLTH AUST SHS 4 A/C>	980,940	0.72
Australian Reward Investment Alliance	901,060	0.66
AMP Life Limited	829,427	0.61
M F Custodians Ltd	702,405	0.52
Argo Investments Limited	665,685	0.49
HSBC Custody Nominees (Australia) Limited – A/C 2	659,464	0.49
Queensland Investment Corporation	558,864	0.41
	99,455,820	73.29

Register of Substantial Shareholders

The names of substantial shareholders in the Company and the number of fully paid ordinary shares in which each has an interest, as disclosed in substantial shareholder notices to the Company on the respective dates shown, are as follows:

25 February 2008	Barclays Global Investors Australia Limited	15,553,955	11.49
8 April 2008	Westpac Banking Corporation	8,490,799	6.21
31 July 2008	Perpetual Limited	11,274,318	8.30
11 August 2008	M & G Investment Management Limited	13,633,564	10.06

Investor Information

Annual Report

Ansell's Annual Report 2008 provides shareholders with a summary of the Company's operations and contains the full financial statements for the 2008 financial year. The Annual Report 2008 provides a summary of the Company's financial performance, financial position, and financing and investing activities.

Recent amendments of the Corporations Act have changed the way in which we deliver the Annual Report to shareholders.

Ansell Limited has opted to deliver its Annual Reports by making them available on our company website at www.ansell.com.

Shareholders are entitled to receive a printed copy of the Annual Report, but the Company will only send a printed copy to shareholders who elect to receive one.

Shareholders can also access other information pertaining to the Company and its activities from its website at www.ansell.com.

Change of Address

Shareholders should notify the Company in writing immediately there is a change to their registered address. For added protection, shareholders should quote their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

Dividend

A final dividend of 15.5 cents per share will be paid on 24 September 2008 to shareholders registered on 1 September 2008. The dividend will be unfranked.

Australian shareholders may elect to have cash dividends paid directly into any bank, building society or credit union account in Australia. Shareholders with registered addresses in New Zealand, the UK or the US who receive cash dividends may elect to be paid by cheque in their respective currencies. Shareholders with a registered address in Canada can receive their dividends in US dollars.

Company Directory

The Annual Report, and the Company's website, are the main sources of information for investors. Shareholders who wish to contact the Company on any matter relating to its activities are invited to contact the most convenient office listed below, or contact the Company via its website at www.ansell.com.

Australia

Att: Mr David Graham
Ansell Limited
Level 3
678 Victoria Street
Richmond VIC 3121
Telephone: (+61 3) 9270 7270
Facsimile: (+61 3) 9270 7300
Email: shareholderenquiries@ap.ansell.com

United States

Att: Mr Phil Corke
Ansell Limited
200 Schulz Drive
Red Bank NJ 07701
Telephone: (+1 732) 345 5400
Facsimile: (+1 732) 219 5114
Email: pcorke@ansell.com

Enquiries

Shareholders requiring information about their shareholdings should contact the Company's registry at:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford, VIC 3067

or

GPO Box 2975
Melbourne VIC 3001
Australia
Telephone: (+61 3) 9415 4000
Facsimile: (+61 3) 9473 2500
Shareholder enquiries: 1300 850 505
Email: web.queries@computershare.com.au

or visit their website www.computershare.com where shareholder information can be accessed by clicking on 'Securityholders' and providing a Security Holder Number (SRN or HIN), family or business name, and postcode.

Listings

Ansell Limited shares (Ticker Symbol ANN) are listed on the Australian Securities Exchange.

Financial Calendar – 2009

11 February 2009
Announcement of result for half-year ending 31 December 2008

17 August 2009
Announcement of result for year ending 30 June 2009

14 October 2009
Annual General Meeting

Ansell Offices

Registered Office
Ansell Limited
ABN 89 004 085 330
Level 3, 678 Victoria Street
Richmond VIC 3121
Australia
Telephone: (+61 3) 9270 7270
Facsimile: (+61 3) 9270 7300
Email: shareholderenquiries@ap.ansell.com

Secretary
Craig M Cameron

Auditors
KPMG

Lawyers
Clarendon Lawyers

Operational Headquarters
Ansell Healthcare
200 Schulz Drive
Red Bank, NJ 07701
USA
Telephone: (+1 732) 345 5400
Facsimile: (+1 732) 219 5114

Regional Sales and Marketing Offices

Europe, Middle East and Africa (EMEA)
Ansell Healthcare
Riverside Business Park
'Spey House'
Internationalelaan 55
1070 Brussels
Belgium
Telephone: (+32 2) 528 7400
Facsimile: (+32 2) 528 7401

Americas
Ansell Healthcare
200 Schulz Drive
Red Bank, NJ 07701
USA
Telephone: (+1 732) 345 5400
Facsimile: (+1 732) 219 5114

Asia Pacific
Ansell Healthcare
Level 3, 678 Victoria Street
Richmond, VIC 3121
Australia
Telephone: (+61 3) 9270 7270
Facsimile: (+61 3) 9270 7330

Senior Management

Doug Tough
Managing Director & Chief Executive Officer, Ansell Limited
(Red Bank)

Roger Brewer
Vice President Global Supply
(Red Bank)

Craig Cameron
Company Secretary
(Richmond)

Peter Carroll
Vice President & Regional Director, Asia Pacific
(Richmond)

Phil Corke
Senior Vice President, Human Resources & Communications
(Red Bank)

Scott Corriveau
Chief Strategy and Global Marketing Officer
(Red Bank)

Werner Heintz
Senior Vice President & Regional Director, EMEA
(Brussels)

Rustom Jilla
Senior Vice President & Chief Financial Officer
(Red Bank)

Shawn Knox
Chief Information Officer
(Red Bank)

Scott Papier
Vice President & Regional Director, Professional/Consumer, Americas
(Red Bank)

William Reed
Senior Vice President & Regional Director, Occupational, Americas
(Red Bank)

William Reilly
Senior Vice President & Corporate General Counsel
(Red Bank)

Rainer Wolf
Head of Global Manufacturing
(Shah Alam, Malaysia)

Dr Michael Zedalis
Senior Vice President Science & Technology
(Red Bank)

A global leader in
Healthcare Barrier
Protection