

HyFlex®

MICROTOUCH.

GAMMEX.

Touch N Tuff®

LifeStyles.

Sol-Vex®

ENCORE.

Ansell

Ansell Limited Full Year Results 30th June 2010

**Magnus Nicolin – Chief Executive Officer
Rustom Jilla – Chief Financial Officer**

Business Overview – Magnus Nicolin
Financial Report – Rustom Jilla
Strategy/Outlook – Magnus Nicolin

US dollars used in all slides unless otherwise specified

F'10 – Outstanding Results



	F'09	F'10	%	
Sales (\$M)	1,002.9	1,086.2	+ 8	✓
EBIT (\$M)	107.3	127.3	+ 19	✓
PA (\$M)	90.2	106.2	+ 18	✓
EPS (US¢)	66.3	79.7	+ 20	✓

F'10 – The Year in Perspective

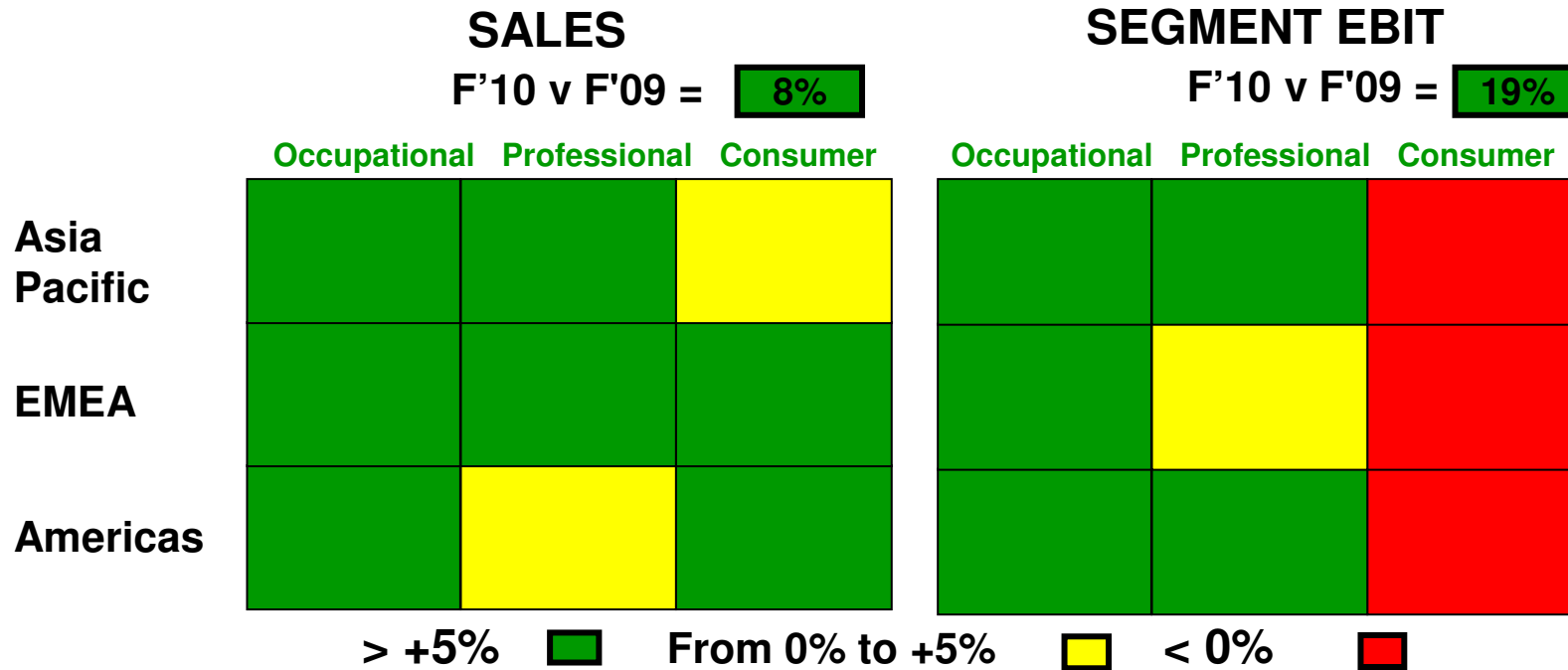
Positives

- **Faster sales rebound than expected from the GFC helped Occupational**
- **SKYN® going global**
- **Anti microbial surgical glove launched**
- **Benefits flowing from restructuring**
- **Upgraded EPS forecasts exceeded**
- **Cash generation strong**
- **Balance sheet even stronger**

Negatives

- **Consumer underperformed**
- **Latex and commodity costs increased and Euro weakened as the year progressed**
- **Faster than expected recovery negatively affecting customer service levels**

F'10 – Portfolio Performance



Occupational: Solid, broad, recovery from GFC. Sales mix, FX, higher factory utilisation and savings from earlier restructuring more than offset higher Y-on-Y restructuring costs of \$2.0m

Professional: Surgical growth driven by AP. Exam volumes down in all 3 regions with sales growth from pricing and FX. EBIT gains from mix (with surgical now 58% of sales) offsetting higher Y-on-Y restructuring of \$3.6m.

Consumer: Higher prices, FX and mix lifted revenue, offsetting delayed tenders and distributor changes. EBIT was hurt by plant productivity and higher Y-on-Y restructuring costs of \$2.5m.

F'10 – Occupational Business Overview

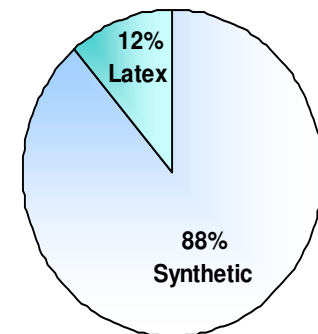


Occupational accounts for 48% of Ansell's Revenue and 55% of Segment EBIT

\$M	F'09	F'10	
HyFlex®	120.5	144.0	15% vol growth. All regions up.
Other General Purpose	107.8	112.7	
Chemical & Liquid Handling	90.8	102.7	10% vol. growth. All regions up.
Single Use	107.6	111.2	Continue to exit low end business
Hawkeye	18.4	25.4	
All Other	32.3	29.7	Unprofitable APac sales shed
Total Sales	477.4	525.7	↑ +10%
Segment EBIT	53.6	74.8	↑ +40%
EBIT/Sales	11.2%	14.2%	Volumes and sales mix

Strategy

- Global rollout of GuardianSM Solution Selling
- Develop new channels – Construction, DIY, Military
- Continue to be the innovation leader
- Reduce manufacturing costs

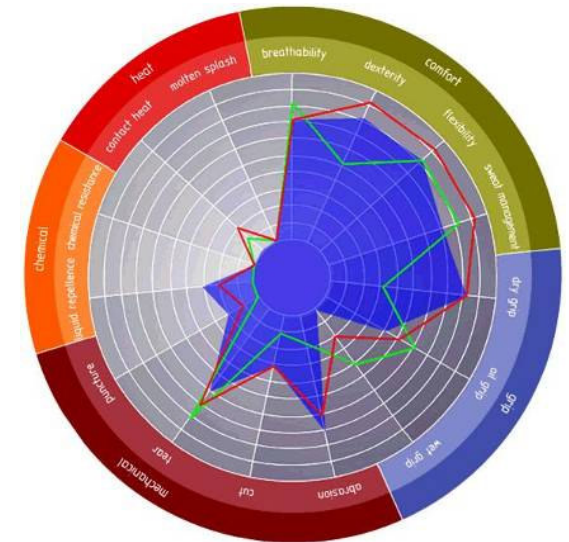


F'10 – End User total costs of operations



Why is this so Important?

- According to the US Bureau of Labor Statistics*, US workers had more than 137,000 lost time hand and finger injuries in 2008. Medical costs for each hand injury, on average, exceeded \$7,500. Hand disabling injuries (cut tendon) can cost \$32 - 40K in medical and indemnity costs.
- Costs and hand/finger injuries vary by country but this is obviously a worldwide problem
- Often, no gloves or the wrong gloves are used so there is inadequate cut resistance, chemical protection etc.



Ansell GuardianSM Program

- Ansell's proprietary software tool designed to improve plant safety while simultaneously increasing productivity, standardising best practices and potentially lowering customers' total operating costs is ... Now Global.

* 2008 US Bureau of Labor Statistics, Table R2

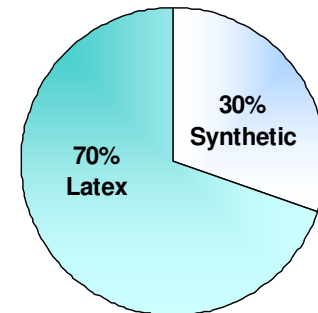
F'10 – Professional Business Overview

Professional accounts for 33% of Ansell's Revenue and 34% of Segment EBIT

\$M	F'09	F'10	
Surgeons: Synthetic	26.5	32.7	16% Vol growth, across all regions
Powder Free	98.1	110.5	7% Vol growth, mainly EMEA & AP
Powdered	62.4	59.6	2% Vol reduction
Exam: Synthetic	53.7	59.1	22% Vol growth in Nitrile/Neoprene
Powder Free	66.0	66.2	} 14% Vol reduction; higher pricing; Rationalization in AM
Powdered	14.0	9.5	
Other	11.5	15.2	EMEA scrubs and masks
Total Sales	332.2	352.8	↑ + 6%
Segment EBIT	40.3	46.6	↑ +16%
EBIT/ Sales	12.1%	13.2%	Lower input cost & better sales mix

Strategy

- Innovation and new product development
- Continued market share growth in key categories
- Promoting high end surgical range
- Focus on growing synthetic business



F'10 – Infection Control is the future

- Up to 50% of gloves can be perforated during aggressive surgery (e.g., Orthopedic) resulting in possible cross-contamination ⁱ

Gammex® AMT™

A 1st generation Antimicrobial Surgical Glove designed to provide additional protection to the Healthcare Worker by reducing microbial contamination inside the glove, following a breach.

Gammex® AMT™ Surgical Glove Delivers:

- Kills >99% of a HCV surrogate virus and HIV-1 strain Mn as early as 1 minute following exposure (in vitro);
- Kills 99.7% to 99.999% of 8 common bacteria (in vitro) drug-resistant bacteria as early as 1 & 2 minutes post exposure.

ⁱ AORN Journal, August, 2007 by Todd E. Barnett

Agar Plate Finger Print Test



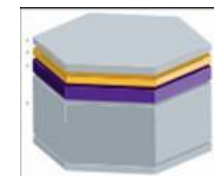
Unwashed hands



Hand after wearing control glove (left)
Hand after wearing Ansell AMT™ (right)

AMT™ Glove Design Internal Surface

Bi-polymer Overcoat
Antimicrobial Coating
Polymer Coating
Natural Rubber
Latex



Antimicrobial Coating
Gammex® PF
Standard Glove

External Surface

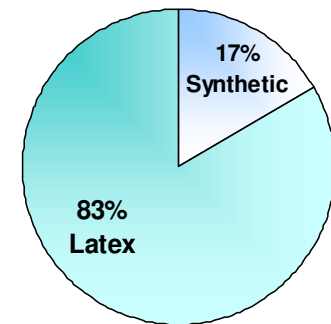
F'10 – Consumer Business Overview

Consumer accounts for 19% of Ansell’s Revenue and 11% of Segment EBIT

\$M		F'09	F'10	
Condoms:	Branded	127.6	137.4	Continued growth in SKYN® and Zero®
	Tenders/PL	21.3	16.1	Further delays in Tenders
HHG/ Disposable Gloves		30.9	37.5	14% HHG volume growth, EMEA & AP
Other		13.5	16.7	Lubricants and devices
Total Sales		193.3	207.7	↑ + 7%
Segment EBIT		21.2	15.5	↓ - 27% distributor changes, tenders, manufacturing, marketing costs
EBIT/Sales		11.0%	7.5%	

Strategy

- Country expansion through acquisitions or product launches
- Roll out new technology
- Increase marketing spend in core brands and key geographies



F'10 – CEO Assessment of Ansell's Strategic Position & its Capabilities



Strengths

- Rapid recovery from GFC
- Strong cash flow
- Strong balance sheet
- Increasing market share in many vertical segments
- Great attitudes and generally strong teams

Opportunities

- Weak market shares in many verticals such as surgery centres, food, construction, first responders, agriculture and janitorial-sanitation
- Under-penetrated in many emerging markets
- Fragmented brand positions
- Significant duplication and high SKU complexity leading to higher costs
- Insufficient focus on sizeable innovations
- Insufficient sense of urgency

F'10 – Reorganising for Faster Growth

Rationale for Change

- Modest (but profitable) growth over last few years
- Competitive environment rapidly changing
- Need to address identified impediments to growth

Changes made will:

- Improve decision making and quality of execution
- Reduce complexity and cost of operations
- Expand and improve on innovation efforts
- Build on our customer equity strengths
- Strengthen and develop our brands
- Strengthen and develop verticals, channels and geographies
- Accelerate growth via successful acquisitions

Desired Outcome:

- Larger, more profitable company that is No. 1 or No 2 in all the areas where we choose to compete

HyFlex[®]

MICROTOUCH[®]

GAMMEX[®]

Touch N Tuff[®]

LifeStyles[®]

Sol-Vex[®]

ENCORE[®]

Ansell

Rustom Jilla **Chief Financial Officer**

Financial Results

F'10 – Financial Overview

- **Solid top line growth**
 - ✓ **Broad-based Occupational strength**
 - ✓ **Strong growth in premium brands (i.e. HyFlex[®], Gammex[®], SKYN[®])**
- **Fast Action via Early Restructuring has lowered cost base. Year on year EPS benefit of US9¢ in F'11 reconfirmed**
- **Contribution from a weaker USD and FX hedging program**
- **Good cash generation with balance sheet strengthening further**
- **ROA and ROE both exceeded 20% for the full year ... a first**
- **Deferred tax asset (DTA) adjustment partly offset by non operational tax items (NOTI) once again significantly reduced book taxes.**
- **Dividends increased from A28.0¢ to A30.5¢**

F'10 – P&L

P&L (\$M)	F'08	F'09	F'10	
Sales	1,116.0	1,002.9	1,086.2	↑ + 8% (FX benefit ~3%)
GPADE	384.0	338.6	402.0	Volumes, mix, FX
SG&A	272.9	231.3	274.8	Restructuring, FX, incentives
EBIT	111.1	107.3	127.3	↑ + 19%
Net Interest	(9.2)	(9.3)	(8.6)	
Taxes	(7.5)	(4.1)	(9.6)	
Minority Interests	(2.7)	(3.7)	(2.9)	
Profit Attributable	91.7	90.2	106.2	↑ + 18%
GPADE: Sales	34.4%	33.8%	37.0%	↑ + 320 basis points
EBIT: Sales	10.0%	10.7%	11.7%	↑ + 100 basis points
EPS (US¢)	66.1	66.3	79.7	↑ + 20%

- F'10 restructuring costs (plants and SG&A) were \$11.9m versus \$3.8m in F'09.
- F'10's book tax rate before DTA/NOTI was 18.6% (vs. F'09's 11.2%) mostly due to higher profits in the US.

F'10 – Impact of DTA & NOTI on EPS

EPS (US¢)	H1		H2		Full Year		
	F'09	F'10	F'09	F'10	F'09	F'10	Y on Y Growth
EPS before DTA/NOTI	34.7	34.2	26.5	36.0	61.2	70.2	15%
Plus DTA	5.1	6.1	-	4.1	5.1	10.2	
Less NOTI	-	-	-	(0.7)	-	(0.7)	
EPS after DTA/NOTI	39.8	40.3	26.5	39.4	66.3	79.7	20%

- Since F'10 H1, Ansell is no longer treating DTAs or NOTIs as significant one-offs when differentiating between “Reported” and “Underlying”.
- There are no significant one-offs in either F'09 or F'10 and therefore “Reported” = “Underlying”.
- Further DTA credits are estimated for F'11 (based on current trends) and future years.

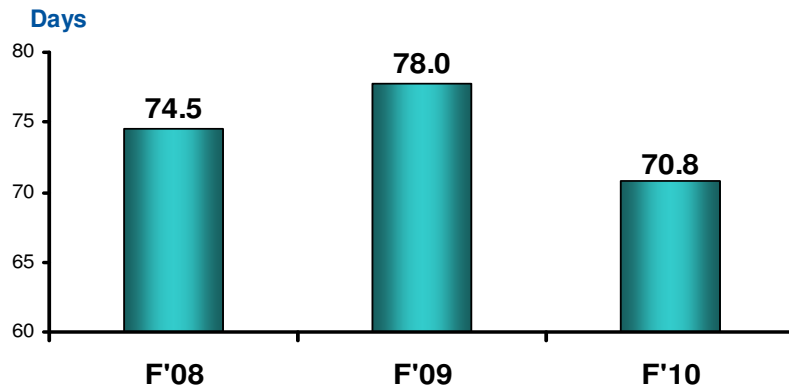
F'10 – Solid Cash Generation

Cash Flow (\$M)	F'08	F'09	F'10
EBIT	111.1	107.3	127.3
Depreciation & Asset Write-offs	30.3	23.2	22.9
Working Capital	(11.8)	25.0	5.9
Taxes Paid	(19.1)	(10.5)	(13.1)
Capital Expenditure	(21.4)	(14.0)	(28.1)
Interest Paid (Net)	(9.3)	(9.5)	(7.9)
Free Cash Flow (FCF)	79.8	121.5	107.0
<u>FCF Utilisation</u>			
Acquisitions	-	(13.8)	(14.8)
Share Buy Backs	(98.1)	(3.7)	(45.4) 5.14m shares
Dividends	(30.7)	(28.2)	(34.4)

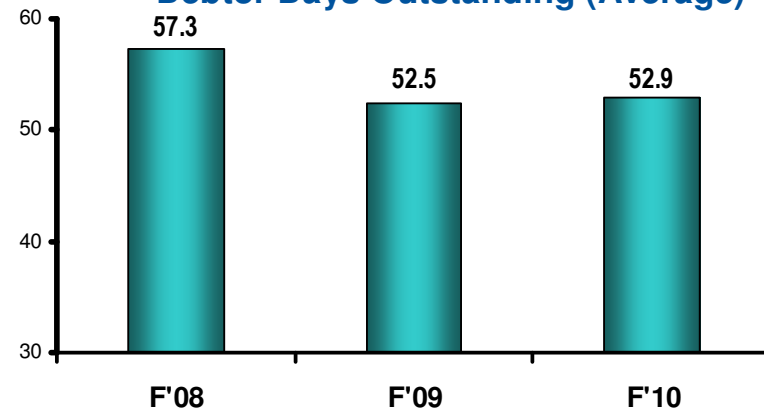
- WC was reduced despite 8% sales increase
- Cash tax rates were 11.1% in F'10 vs. 10.7% in F'09
- F'10 CAPEX includes Fusion CAPEX of \$16.6m (versus none in F'09)
- Acquisitions includes \$10.9m for additional 15% of Jissbon, plus Hands investment

F'10 – Working Capital

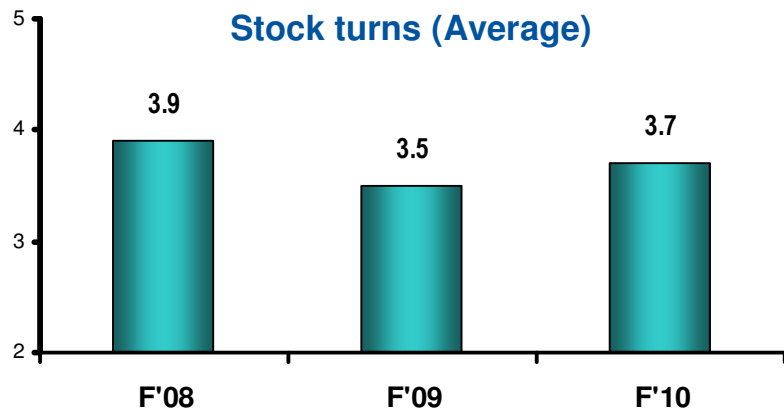
Working Capital



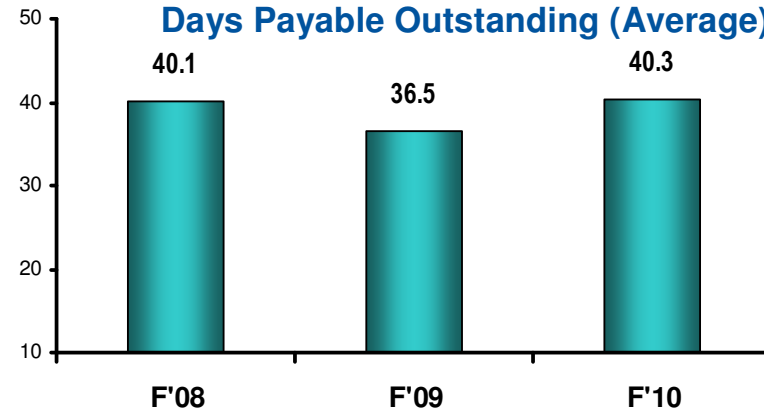
Debtor Days Outstanding (Average)



Stock turns (Average)



Days Payable Outstanding (Average)



- Average working capital days have been reduced by 9% vs. F'09
- Slight F'10 increase in Debtor Days is due to a shift in country sales mix.
- Inventory levels ballooned early in the GFC, now at acceptable levels.
- Low production and purchases during GFC reduced payables, now back to normal.

F'10 – Strong Balance Sheet

Balance Sheet (\$M)	30 June 2008	30 June 2009	30 June 2010
Fixed Assets	161.3	142.7	139.5
Intangibles	302.0	286.5	304.7
Other Assets/Liabilities	(29.6)	(11.9)	(22.7)
Working Capital	224.2	202.2	196.1
Net Operating Assets	657.9	619.5	617.6
Net Interest Bearing Debt	133.3	103.5	53.0
Shareholders' Funds	524.6	516.0	564.6
Gearing % (NIBD:NIBD & Equity)	20.3	16.7	8.6
ROA%	17.2	16.8	20.6
ROE%	18.1	18.0	20.2



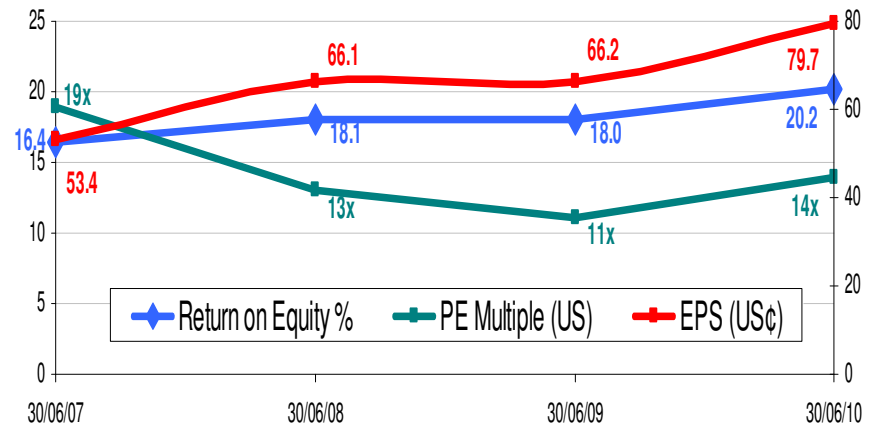
- F'10 gross debt was \$249.3m (F'09 \$319.1m) while cash was \$196.2m (F'09 \$215.6m)
- Unused debt facilities of \$60m are also available
- Reduction in NIBD even after the Fusion investment (included in intangibles), higher dividends and share buy-backs

F'10 – Performance for Shareholders

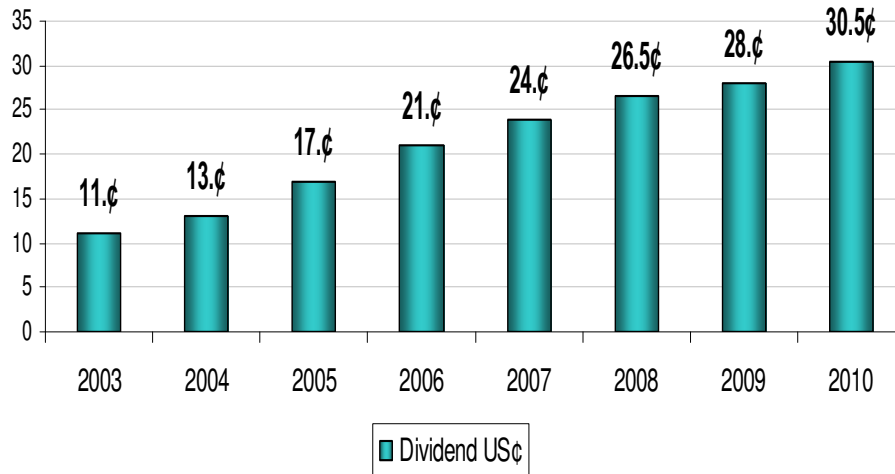
Ansell Share Price



Equity Performance Measures

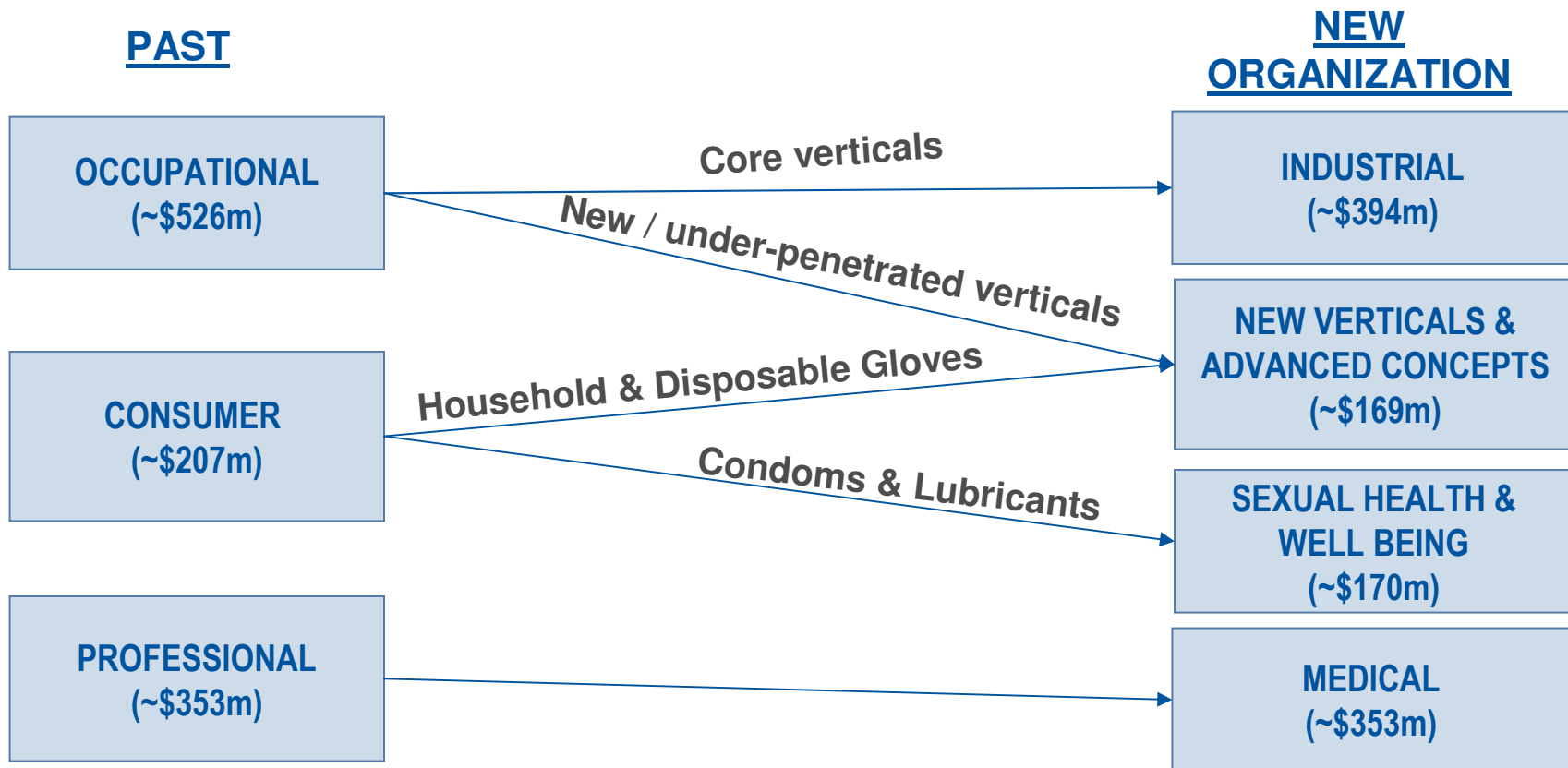


Dividend History



- Strong TSR performance in F'10
- Goal of ROE being 20% + achieved
- Between F'03 and F'10 US\$642m returned to shareholders via dividends (28%) and share buy backs (72%)
- Dividend Increased every year since 2003 (up 9% for F'10)

F'10 – Reorganising for Faster Growth



- Manufacturing integrated with Supply & Logistics into Global Operations team
- S&T split with a single “Advanced Concepts” team plus “Development” teams within each GBU
- Business Development/M&A integrated into Finance

F'10 – Summary of Outlook

F'11 Opportunities

- Ramp-up of global economy (with benign interest rates and inflation)
- Potential for cost decreases (latex, oil)
- New Sales & Marketing organisation accelerates growth in under-penetrated verticals and geographies
- Simplification in Operations contributes to cost reductions

F'11 Risks

- Economic growth falters
- Raw materials, shipping, energy and Asian labour cost increases
- FX: Euro weakens further while cost currencies strengthen vs. the USD
- Price increases by Ansell result in volume losses above plan
- Fusion implementation

Key Takeaways going into F'11

- F'10 exit momentum is positive
- Significant restructuring has lowered Ansell's cost base
- Headwinds in Latex and FX can/will be managed
- Ansell's strong Balance Sheet and Cash Generation allows for investment in the business, acquisitions or share buy-backs
- New organisation structure positions Ansell for swifter action, better accountability and accelerated growth

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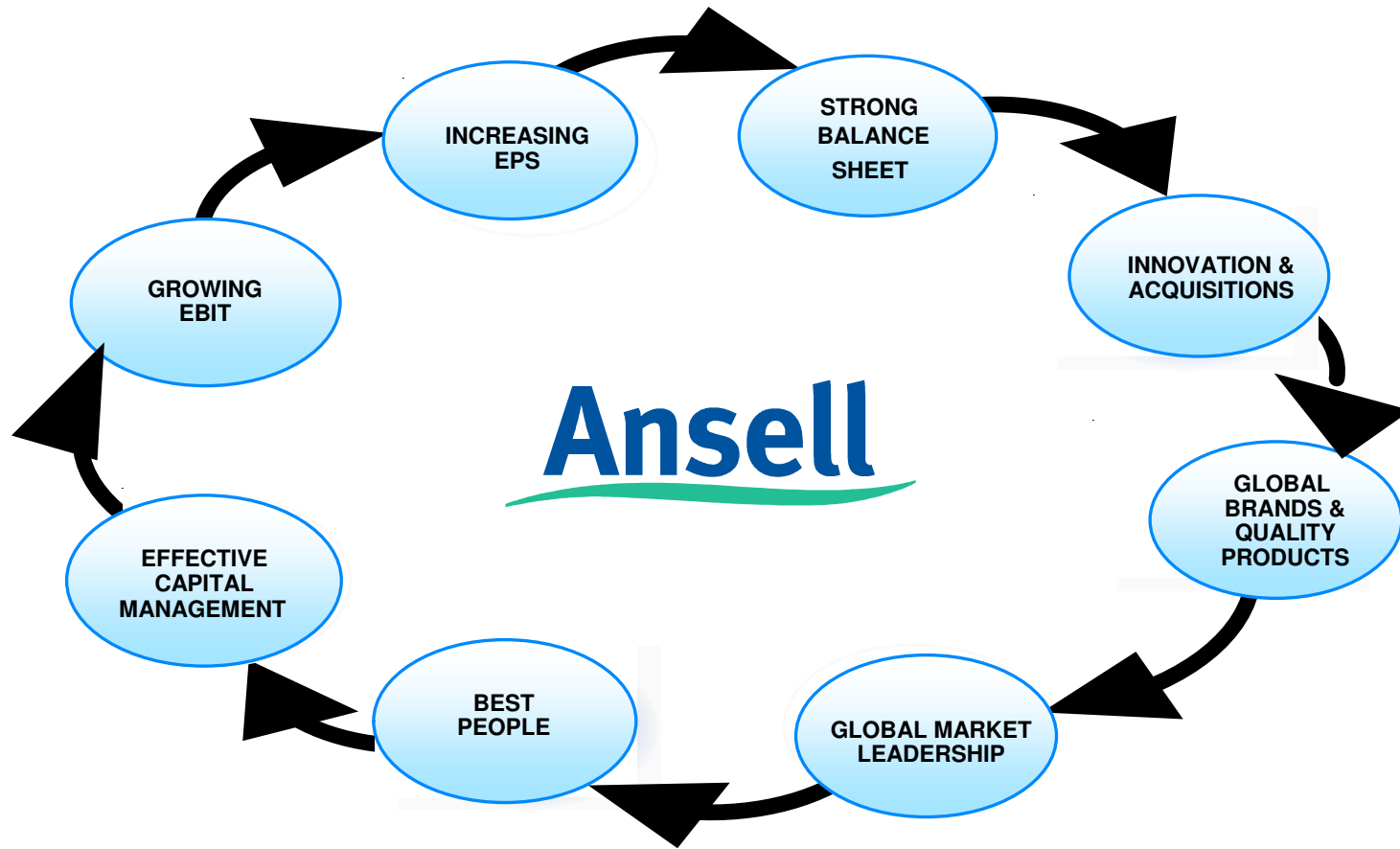
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Magnus Nicolin Chief Executive Officer

2011 Plan & Guidance

F'10 - Ansell Business Model

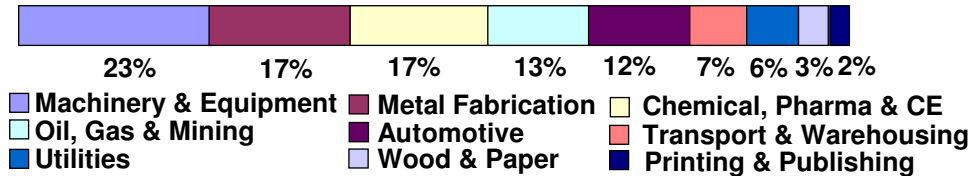


A Quality Company, Delivering Superior TSR



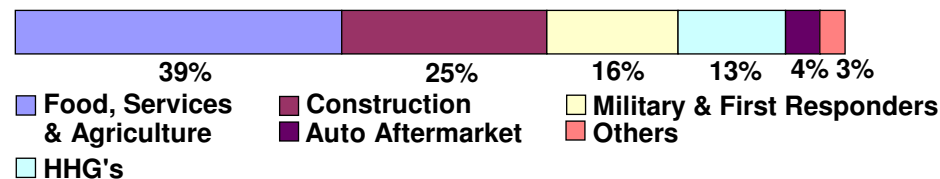
F'10 - GBU Overview

Global Market for Industrial Solutions



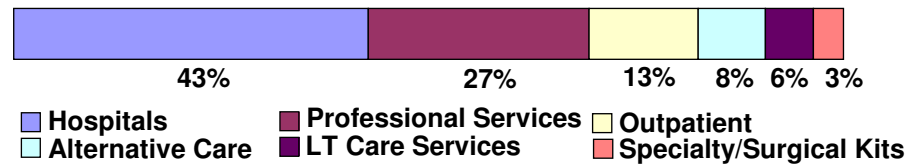
- Ansell is the leading player in a market with a fragmented competitive environment. Other relevant branded players are Showa, Comasec and Sperian (Honeywell).
- Market growing at ~4% p.a.

Global Market for New Verticals & Advanced Concepts



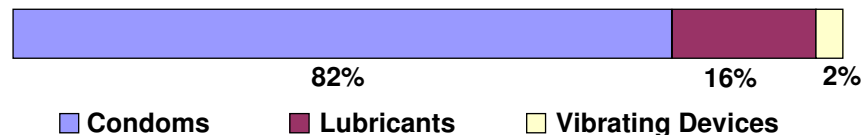
- New channels and under-penetrated verticals for Ansell
- In general, fragmented markets predominantly controlled by national players and distributors
- Market growth expected at ~5% p.a.

Global Market for Medical Solutions



- Major branded distributors / manufacturers: Ansell, Molnlycke, Cardinal, Medline and Sempermed
- Market is growing at 3 – 10% p.a. depending on product category and market

Global Market for SHWB



- Highly concentrated between 3 top players – Durex (Reckitt), Ansell and Trojan (C&D)
- Market is growing at 2 – 7% p.a. depending on geography

Source: Internal Ansell Estimates



F'10 – Strategy for F'11-F'13

1. Build on strong base
2. Implement Plan for accelerated growth in F'11 – F'13
 - 4 Global Business Units
 - Activate our balance sheet
 - Look to develop global brands – HyFlex[®], Gammex[®] and SKYN[®]
3. Reduce complexity & cost
 - Integrated Operations team to reduce duplication & cost
 - Fusion to streamline processes
4. Mitigate latex volatility through price indexing with customers and sourcing arrangements with suppliers
5. Build on Ansell's strong culture but with a greater sense of urgency
6. Continue to deliver on Market Commitments

F'10 – Guidance for F'11

Outlook

- Good momentum on exiting F'10
- Market uncertainty remains. Slightly lower growth expected in the Americas, slightly higher growth in EMEA and continued strong growth in Asia (excluding Japan).
- Ansell is being reshaped into a more agile and responsive company

Guidance

- F'11 EPS is forecast to be within a **US86¢ - US91¢** range, up 8% - 14% from F'10's US79.7¢
- Within this guidance range there is a Deferred Tax Adjustment that is estimated at **US8¢ - US10¢** a share

Ansell Fights Back



Coming soon from **Ansell**


THE FIRST SURGICAL GLOVE THAT FIGHTS BACK

Learn more about a new level of protection.




For further information please contact:
Telephone: 1800 337 041
Facsimile: 1800 933 578
protection@ansell.com

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Powder-Free



Advanced Technology

New antimicrobial technology for surgical gloves.

When the Outside  Gets Inside

