Ansell

ANNUAL REVIEW 2003

Ansell Limited ABN 89 004 085 330

The Annual General Meeting will be held in the Latrobe Theatre, Melbourne Convention Centre, Corner Spencer and Flinders Streets, Melbourne on Thursday 9 October 2003 at 10.00 am. Details of the business of the meeting are contained in the Notice of Meeting enclosed with this Annual Review. 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, all values appearing in this Report are Australian dollars.

GLOVES PICTURED ON COVER
(CLOCKWISE FROM TOP)

GAMMEX PF POWDER-FREE SURGEONS' GLOVE WITH INNOVATIVE 'DONNING' CHARACTERISTICS, DESIGNED FOR SUPERIOR COMFORT AND FIT.

HYFLEX 11-900 THE LATEST EXTENSION TO THE *HYFLEX* ERGONOMIC RANGE. DESIGNED FOR LIGHT OIL APPLICATIONS AND WITH SUPERIOR ABRASION RESISTANCE.

FRESH'N'DRY HOUSEHOLD GLOVE FEATURING ANSELL'S UNIQUE (PATENT PENDING) FOAMLINE TECHNOLOGY.

Ansell operates in three broad market segments

PROFESSIONAL HEALTHCARE	OCCUPATIONAL HEALTHCARE	CONSUMER HEALTHCARE
Surgeons' and examination gloves	Industrial hand protection	Condoms and household gloves

and is organised across three geographic regions

THE AMERICAS, EUROPE AND ASIA PACIFIC

THE ANSELL VISION

A global leader in broad-based healthcare protection, providing exceptional solutions, products and value to our customers.

The Year in Review

FINANCIAL RESULTS

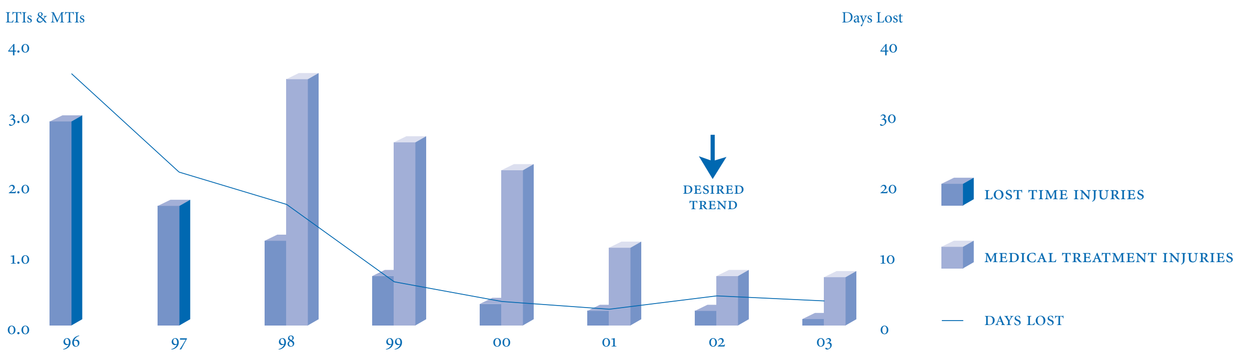
	2003			2002		
	GROUP $M	ANSELL HEALTHCARE $M	ANSELL HEALTHCARE US$M	GROUP $M	ANSELL HEALTHCARE $M	ANSELL HEALTHCARE US$M
Sales	1,294	1,294	759	2,223	1,414	738
EBITA	137	160	94	196	162	85
Non-Recurring Items	(6)			(169)		
Net Profit/(Loss) after Tax	50			(116)		
Total Assets	1,579			1,833		
Total Funds Employed	1,031			1,242		
Return on Shareholders' Equity (%)	5.9			(13.2)		
Shares on Issue (million)	186			187		
Earnings per share (cents)	26.7			(61.9)		
Dividend per share (cents)	11.0			NIL		

Earnings before interest, tax and amortisation (EBITA) of the core Ansell Healthcare business are 10.5 per cent higher than the previous year in US$ terms (down marginally in A$ terms due to differences in translation between the two years), thereby meeting the FY2003 commitment to shareholders made at the Extraordinary General Meeting held in April 2002.

HEALTH AND SAFETY

Ansell's world class safety performance continued during FY2003 through the ongoing integration and enhancement of its risk management systems that are supported at all levels, from the CEO down.

Safety Performance
PER 100 EMPLOYEES PER ANNUM



A Message from the Chairman

Dear Shareholder

Your Company has reached a watershed in completing its first full year of operations under the Ansell banner. Improved operating profitability and a stronger balance sheet are the clear highlights of a year notable for difficult trading conditions.

Profit after tax attributable to shareholders was $49.9 million (US$29.3 million) compared with the previous year's loss of $115.8 million (US$60.5 million). Slower economic activity in most of our markets and the challenging relocation of manufacturing facilities from the US to Mexico and South East Asia affected this otherwise solid result.

This year also saw the timely completion of most of the remaining corporate and restructuring activities as we conclude the transition from our former company structure.

We developed and implemented a balanced capital management strategy predicated on a positive growth outlook and a conservative balance sheet. We initiated a plan to buy back up to 10 million shares and as part of the capital management strategy your Board announced a final dividend of 11 cents per share (unfranked), payable on 9 October 2003.

Given the Company's anticipated ongoing strong cash generation, Ansell remains poised to undertake strategically appropriate 'bolt-on' acquisitions as and when opportunities arise.

During the year we welcomed a new Director, Mr L Dale Crandall, who joins the Board with a strong financial background and international business experience. Ms Carolyn Kay retired as a Director and we thank her for her contribution. The senior management team has also been strengthened considerably by the appointment of several new key executives with the skills and experience to support and advance the Company's strategies.

Much has recently been said and written about the role and standard of corporate governance. Your Board supports the recent developments in corporate governance practices and has taken steps to ensure ongoing compliance with the highest standards.

The intense focus on strategies to improve shareholder returns is delivering on our commitment to shareholders and we are pleased to report there is solid evidence that your Company is on track to continue meeting its previously announced commitments through the 2004 and 2005 financial years.

Edward D Tweddell

Dr Ed Tweddell

Chief Executive Officer's Report

The 2003 financial year was a transitional one for Ansell. Importantly, our earnings before interest, tax and amortisation (EBITA) of $159.6 million (US$93.6 million) in the core Ansell Healthcare business represents an increase of 10.5 per cent in US$ terms and meets our commitment to shareholders and the market.

We are pleased to report a turnaround to $49.9 million (US$29.3 million) in profit attributable to shareholders and the reinstatement of a dividend. Also pleasing is our strong cash flow that has resulted in a significant reduction in debt and improved balance sheet gearing and interest cover.

In addition to the activities of our business units mentioned below, we continued to make good progress in reducing the cost of operating our corporate offices, almost halving the cost from the previous year on a comparable basis.

The total Company result was achieved after a $6.1 million (US$3.6 million) non-cash write-down to market value at 30 June 2003 of our residual non-core investment in Ambri Limited.

We have worked hard to develop a new culture that is more entrepreneurial, analytical and results driven, and we are continuing to concentrate on improving our existing operating efficiencies and accelerating restructuring programs in each of the regions – the Americas, Europe and Asia Pacific – in which we operate.

The first phase of our three-year strategic program, *Operation Full Potential* (OFP), was launched and implemented with concentration on business growth and development initiatives. OFP also provided capabilities and resources to address business challenges that emerged during the year. As we move to the next phase of the program in the coming year, the activities and capabilities developed within OFP will be fully integrated into the operating divisions, further reinforcing the new 'performance culture' into the core of our businesses.

We achieved outstanding growth in the Occupational Division, with a return to solid profit margins and underlying strength across all regions. That this was achieved during a period of slower economic activity is a reflection of the strength of the Ansell business and brands. The Professional Division continued to focus on the powder-free segment, especially in surgeons' gloves, with strong growth in the European and Asia Pacific regions, although the Americas region was held back by supply disruptions in surgeons' gloves and price erosion in examination gloves.

The Consumer Division also continued to deliver strong margins, with good growth in condom sales volumes, especially in Europe.

We also faced some serious challenges: prices for fuel, electricity and our key raw material – natural rubber latex – increased beyond expectations, with limited opportunity to increase selling prices during the year. The interruption to supply of surgeons' gloves from our manufacturing facility in Shah Alam in Malaysia required costly airfreight and additional resources to bring supplies back on track in the second half. Our new occupational glove knitting facility in Salvarcar, Mexico, has also taken longer to establish than was anticipated.

However, as we begin FY2004, our three business divisions continue to perform strongly throughout the world. Ansell continues to hold number one, two or three ranking in every major product group in each of our three regions, covering more than 100 customer countries.

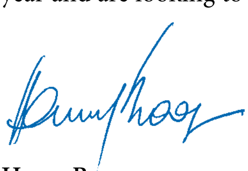
Occupational Division – We expect our flagship *HyFlex®* range of ergonomic gloves to continue to provide significant growth opportunities worldwide, and we are launching additional product extensions to support the *HyFlex®* brand. The *Occupational Value Proposition* (OVP) is an exciting new and radically different approach, begun at Ford Motor Company in 2001, to move Ansell 'from products to solutions' by developing our expertise in guiding customers in hand injury reduction techniques, using our products and know-how. During the past year, we progressed OVP from a concept through to trials completed successfully in potential customers' production facilities. We are in the advanced stages of negotiations with several customers.

Professional Division – As part of the OFP initiatives, we are committed to further developing the growing world markets for powder-free and synthetic medical gloves, especially surgeons' gloves. Europe and Asia Pacific regions made further rapid progress, while the Americas region is once again able to refocus on growth, given that the previous year's supply difficulties are behind us. While examination glove prices fell last year, we have seen stability in recent months.

Consumer Division – This Division continued to show overall growth in condom sales volumes, and in household gloves in all markets except the US where we withdrew from an unsatisfactory distribution arrangement. We are planning to relaunch several of the Division's products and product ranges in the US in FY2004. Margins were strong, and are expected to remain attractive, as the result of low manufacturing costs, combined with growing demand for our high-quality condoms in the worldwide fight against HIV/AIDS.

Ansell continues to provide an exciting and challenging environment capable of attracting high-calibre people. A number of senior management appointments were made during the year, augmenting our capabilities in Supply and Logistics (Mr Scott Papier), Finance (Mr Rustom Jilla), Strategy and Global Marketing (Mr Duane Dickson), Science and Technology (Dr Michael Zedalis), and Global Manufacturing (Mr Rainer Wolf). We now have a management team that is a blend of experience and new thinking.

The Company has emerged from FY2003 in a very satisfactory position. We have strong market shares in all product groups, a lower cost manufacturing base, a healthy balance sheet, strong cash generation and a highly capable management team. We are pleased with the progress we have made over the last year and are looking to the future with confidence.



Harry Boon
Chief Executive Officer

Ansell Healthcare

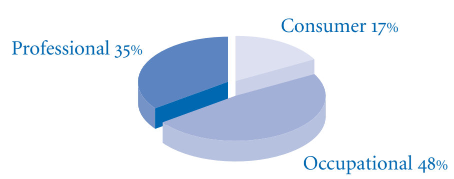
Ansell Healthcare provides essential healthcare barrier protection against injury, infection and contamination for millions of people at work, in medical situations, in the home and in special environments, such as food preparation and microelectronics.

Ansell operates in three broad market segments: Professional Healthcare (surgeons' and examination gloves); Occupational Healthcare (industrial hand protection); and Consumer Healthcare (condoms and household gloves). The Company is organised across three geographic regions – the Americas, Europe, and Asia Pacific – supported by a shared operations/supply chain, a Science and Technology group and global marketing teams. More than 50 per cent of Ansell's sales in FY2003 were in the Americas, with a further 36 per cent in the European region and the balance in Asia Pacific.

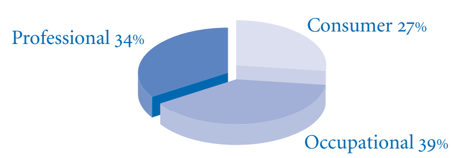
Sales of $1,294 million (US$759 million) increased 2.9 per cent in US$ terms, but declined in A$, due to different translation rates in each year. Operating profit (EBITA) of $160 million (US$94 million) was 10.5 per cent higher in US$. The operating profit margin increased from 11.5 per cent to 12.3 per cent. The increase in operating profit can be attributed to ongoing growth in powder-free surgeons' gloves, especially the leading brands *Encore*™ and *Gammex PF*™; continued growth in the *Hyflex*® family of ergonomically designed occupational protective gloves; and manufacturing cost reductions and productivity initiatives.

Ansell has a well-defined strategy to improve return on assets employed. During the year good progress was made with return of assets for the Healthcare segment increasing from 13.7 per cent in 2002 to 16.3 per cent in 2003.

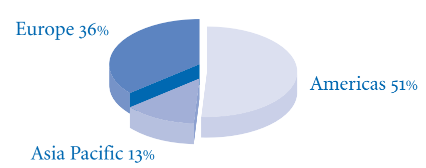
Market Segment SALES



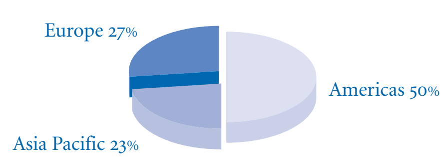
Market Segment EBITA



Geographic Regions SALES



Geographic Regions EBITA

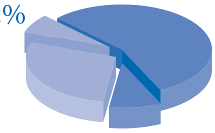


NUTEX MICRO-THIN PF POWDER-FREE SURGEONS' GLOVE DESIGNED SPECIFICALLY FOR PROCEDURES REQUIRING A HIGH DEGREE OF TACTILE SENSITIVITY.

Professional Healthcare

Global Surgeons'
Gloves Market US$ 600M

Ansell Share 25%

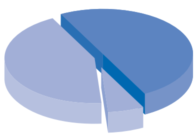


Global Medical Examination
Gloves Market US$ 1,000M

Ansell Share 11%

Occupational Healthcare

Global Cotton & Leather
Gloves Market US$ 1,700M



Global Synthetic & Knitted
Gloves Market US$ 1,700M

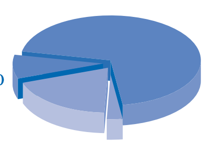
Ansell Share 18%

NITRASAFE OCCUPATIONAL GLOVE PROVIDES CUT RESISTANCE AND BREATHABILITY AND IS DESIGNED FOR MEDIUM/HEAVY-DUTY METAL HANDLING WHERE GRIP IS A KEY REQUIREMENT.

Consumer Healthcare

Global Condom
Market US$ 900M

Ansell Share 11%



Global Retail Household
Gloves Market US$ 250M

Ansell Share 15%

PICOT YELLOW A MEDIUM-DUTY HOUSEHOLD GLOVE OFFERING EXCELLENT GRIP IN WET APPLICATIONS. POPULAR IN BOTH INDUSTRIAL AND CONSUMER APPLICATIONS.

Surgeons' gloves supply disruption that affected sales in the US in first half-year was rectified in second half.

Sales revenues US$266m. Professional segment EBITA US$32m. Assets employed US$221m.

Strong sales growth in powder-free surgeons' gloves in Europe (+19%) and Asia Pacific (+15%).

Professional Division represents 35 per cent of Ansell's FY2003 revenues and 34 per cent of Healthcare segment EBITA.

Conversion of market to powder-free and synthetic gloves continues, providing further good sales growth opportunities.

Ansell's *Dermaprene Ultra*™ synthetic powder-free surgical glove has no chemical or natural latex allergens. Its innovative formulation provides a strong and highly elastic film with outstanding tactile sensitivity.

Ansell's innovative use of powder-free and polymer coating technology, and our focus on customer value is enabling the growth of our flagship surgeons' gloves brands (*Gammex PF*™, *DermaPrene Ultra*™ and *Encore*™).

Professional Healthcare

The disposable medical glove market covers surgeons' and examination gloves, with an estimated current global market size of about $1,020 million (US$600 million) for surgeons' gloves, and $1,700 million (US$1,000 million) for examination gloves.

Concern about latex sensitivity among healthcare workers, increased awareness of hand hygiene, and better infection control continue to drive growth, especially in the powder-free and synthetic segments of the market. In Germany, France, the UK, the Nordic region and Australia, we have already seen very high conversion rates to powder-free gloves. While the large US market lags, it remains an ongoing growth opportunity for Ansell as momentum builds for the conversion to powder-free gloves.

The emergence of the SARS epidemic and global awareness of the virus in 2002–03 helped drive some Asian markets to disposable (single-use) products. SARS also focused the worldwide healthcare industry on the importance of better infection control procedures and the role of high-quality gloves as barriers against infection.

Customer feedback and requests led directly to the development and launch of our new *DermaPrene Ultra*™ surgeons' glove. This 100 per cent synthetic glove, which is free from any chemical accelerators or natural rubber latex, has received wide acceptance by surgeons, and is our flagship product in one of the fastest growing and most technologically challenging segments of the market.

The examination glove market also continued to convert to powder-free and synthetic gloves. Due to the lower barriers of entry into this market, there has been an increased supply of lower-cost gloves and difficulty in differentiating our premium products, resulting in a deterioration of pricing. However, recent substantial cost increases in natural rubber latex raw material have forced some producers of low-end examination gloves to increase their selling prices, leading to a period of more stable prices in the premium segment through the second half of the year.

Even within the examination glove market, attractive areas of opportunity exist. The recent launch of the *Hydrasoft*™ range of examination gloves, which incorporate a unique technology that demonstrably benefits the skin quality of the wearers' hands, has resulted in increased sales in a profitable and newly created 'active hand care' market segment in both Europe and the USA.

91 PER CENT INCREASE IN EBITA IN FY2003 DUE TO:
- ONGOING SUCCESS OF *HYFLEX®* RANGE
- LOWER COST MANUFACTURING
- INTRODUCTION OF NEW PRODUCTS.

SALES REVENUES US$367M.
OCCUPATIONAL SEGMENT EBITA US$37M.
ASSETS EMPLOYED US$201M.

FURTHER REVENUE GROWTH OPPORTUNITIES EXPECTED FROM DIVERSIFICATION OF SALES CHANNELS.

OCCUPATIONAL DIVISION REPRESENTS 48 PER CENT OF ANSELL'S FY2003 REVENUES AND 39 PER CENT OF HEALTHCARE SEGMENT EBITA.

MANUFACTURE OF OCCUPATIONAL GLOVES TRANSFERRED FROM THE US TO MEXICO AND SRI LANKA FOR EFFICIENCY AND LOWER COSTS.

ANSELL'S *HYFLEX®* 11-500 IS CONSTRUCTED ON A LINER INCORPORATING TWO DUPONT YARNS, HAS APPLICATIONS IN THE AUTOMOTIVE AND DURABLE GOODS INDUSTRIES AND SETS A NEW BENCHMARK FOR LIGHT WEIGHT, CUT RESISTANCE AND COMFORT.

Ansell is the global leader in occupational hand protection. Led by our flagship *HyFlex*® brand of ergonomic gloves, Occupational Healthcare recorded strong market share and profitability gains during FY2003.

Occupational Healthcare

The value of the global market for occupational hand protection is estimated at $5,800 million (US$3,400 million), and our product range targets the higher end of the market. Ansell, however, does not compete in the more commoditised leather and cotton gloves segment, which compromises roughly 50 per cent of the total market. Our extensive range of technically advanced synthetic gloves covers a broad spectrum of occupational health and safety hand-protection needs, and a wide variety of industries and applications.

The premium *HyFlex*® family of lightweight, ergonomic gloves continues to show robust growth, and in FY2003 posted an outstanding 47 per cent sales increase over the previous year. *HyFlex*® delivers to wearers the promise of unprecedented levels of comfort and productivity by way of a combination of flexibility, comfort, dexterity and grip. We are undertaking an ongoing expansion of the *HyFlex*® brand which, combined with increased marketing and promotional support, will cover an even wider range of end-user applications and needs.

The *Occupational Value Proposition* (OVP) program targets major industrial glove users, and is designed to leverage Ansell's expertise in hand injury prevention to offer an innovative program addressing the total cost of worker hand protection and productivity improvement.

The restructuring of Occupational Healthcare's manufacturing operations is now producing improved operating profits from reduced manufacturing costs, with further progressive improvements anticipated in FY2004, especially from the Salvarcar, Mexico knitting facility.

Despite the sluggish global economy, Occupational Healthcare has delivered positive volume, market share and profit growth. We remain confident that this arm of the business is well placed to sustain this improvement, and to deliver further profitable growth.

SALES REVENUES US$127M.
CONSUMER SEGMENT EBITA US$25M.
ASSETS EMPLOYED US$77M.

BRANDED CONDOM BUSINESS STRONG AROUND THE WORLD BASED ON MARKET SHARE AND CONSUMER LOYALTY.

47 PER CENT INCREASE IN EBITA IN FY2003 ASSISTED BY GOVERNMENT-FUNDED GLOBAL TENDERS FOR CONDOMS IN THE FIGHT AGAINST HIV/AIDS.

THE CONSUMER DIVISION REPRESENTS 17 PER CENT OF ANSELL'S FY2003 REVENUES AND 27 PER CENT OF HEALTHCARE SEGMENT EBITA.

EXPANDED MANUFACTURING CAPACITY FOR THE SUCCESSFUL AND UNIQUE FOAM-LINED HOUSEHOLD GLOVE RANGE IS PLANNED FOR FY2004.

ANSELL'S *FRESH'N'DRY*™ HOUSEHOLD GLOVE FEATURES PATENTED FOAM-LINED TECHNOLOGY TO PROVIDE EXCEPTIONAL COMFORT AND THERMAL PROTECTION.

ALSO SHOWN IS A SELECTION OF ANSELL'S BRANDED CONDOM AND ASSOCIATED PRODUCT RANGE.

Leading brands and market share gains for both condoms and household gloves, based on new product launches, have spurred double-digit growth in some of our markets. Innovative package redesigns and brand relaunches are planned to further energise markets around the world.

Consumer Healthcare

The value of the condom market globally is estimated at about $1,530 million (US$900 million). Condom distribution and educational efforts are increasingly important as a result of renewed government funding to tackle the HIV/AIDS epidemic that is ravaging many nations. It is expected that increased funding for such programs will continue, and will seamlessly support commercial markets that will, in turn, gain exposure as a result of the renewed interest in the prevention of sexually transmitted diseases.

Ansell's condom business is well poised to grow in both the branded retail and public sector categories. We continue to develop relationships with social organisations that provide condoms and education at grass-roots levels. Our leading branded product lines such as *Mates*™ in the UK, *LifeStyles*™ in the US, Australia, Latin America and Europe, *Kama Sutra*™ in India and *Manix*™ in France are well-developed, enjoy high consumer awareness and hold significant market shares in their respective markets.

We continue to build on our reputation for high quality from our low-cost Asian plants. New products, such as the uniquely shaped *Xtra Pleasure*™ condom, and related products such as personal lubricants, continue to drive earnings growth.

Ansell's household gloves are marketed throughout the world under a long-standing relationship with a leading European consumer products company. Our products include the unique foam-lined glove that provides enhanced perspiration absorption and comfort. We estimate that worldwide Ansell holds about 15 per cent market share in the household glove category, and new growth is expected from the launch of products containing moisturisers that actively benefit the skin quality of the wearers' hands during use – a technology developed in conjunction with our Professional Division.

SUPPLY CHAIN

Ansell's supply chain is a strategic capability that brings a competitive advantage by better meeting the ever-increasing demands of our customers.

Our supply chain crosses the globe, connecting our extensive network of manufacturing facilities, suppliers and distribution centres with our customers in more than 70 countries and across five continents. We now manufacture products at 17 facilities located in seven different countries, and increasingly, a network of outsource partners has been added to generate better returns from our assets.

The ability to source and supply globally sets Ansell apart from many of its competitors, and has enabled us to build leading market positions in all three business divisions. Sourcing and other initiatives for both raw materials and finished goods delivered cost reductions in the past year, reduced working capital, and increased inventory turns.

The supply chain is also supporting sales growth initiatives by improving supply reliability and launches of new product lines.

INVESTING FOR THE FUTURE – PROJECT STEP

The 2004 financial year marks the start of a major supply chain initiative, Project STEP (Service Through Effective Planning), to implement a new global supply chain management information system. This project will directly reduce inventory investment and operating costs, increase inventory turns, and enhance customer satisfaction. The project will also position Ansell to better support future sales growth opportunities.

SCIENCE AND TECHNOLOGY

The goal of Ansell's Science and Technology (S&T) group is to be faster to the market with products that are uniquely designed to meet the critical and important needs of our customers.

The 2003 financial year marked a major turning point for the S&T Group, a highlight of which was the completion of a modern science and technology facility in Shah Alam, Malaysia. We also added a number of highly qualified technical personnel, and introduced a new 'stage-gate' product commercialisation process, designed to bring new products and processes faster to our customers.

Our skilled professional S&T staff comprises scientists, engineers and support personnel with expertise in natural and synthetic rubber, polymer science, supported glove technologies, fibres, and knitting technologies. The latter group is largely based in South Carolina, USA, and maintains a close affiliation with universities associated with the National Textile Center. S&T also maintains an outstanding Analytical Services Group that supports our global Sales, Marketing and Regulatory Affairs teams.

Cross-functional product development teams, known as Compass Teams, work together to accelerate product development to better meet the needs of our customers. Our new 'stage-gate' Customer Linked Commercialisation (CLC) process, described below, ensures profitable payback on our S&T investments by incorporating customer needs as well as design control elements required by our major regulatory bodies.

Customer Linked Commercialisation (CLC) Process

STAGE 1		STAGE 2		STAGE 3		STAGE 4		STAGE 5
Idea Generation	GATE →	Project Selection	GATE →	Project and Business Planning	GATE →	Product, Project and Business Development	GATE →	Commercial Readiness and Project Launch →

INPUT → 1. Customer needs 2. Core capabilities 3. Market needs 4. Strategic Plan

OUTPUT → New products that delight the customer

Customer Linked Commercialisation (CLC) is a tool consisting of defined, measurable processes and decision points.

Other Investments

SOUTH PACIFIC TYRES

Ansell retains its investment in the South Pacific Tyres (SPT) partnership with The Goodyear Tire and Rubber Company (Goodyear) of the US, which is accounted for as an investment.

Ansell holds an option (exercisable in two to three years) that enables Ansell to put the business to Goodyear. If the option is not exercised, Goodyear has a call option exercisable in the following six months. Under an agreement with Goodyear, Ansell is not required to contribute any further cash, its contribution being limited to its current loans.

The Directors at this time believe that SPT's performance and three-year earnings projections continue to justify retention of the asset at full value on Ansell's books.

AMBRI

Ansell's non-core investment in Ambri Limited, which resulted from the sale by Ansell in August 2001 of its former wholly-owned subsidiary, Ambri Pty Limited, has been written down from the original float price of $1.11 per share to the 30 June 2003 market price of $0.375. A non-cash write-off of $6.1 million (US$3.6 million) in FY2003 reduced the book value of Ansell's investment in Ambri Limited to $3.1 million (US$2.1 million).

DIVESTED BUSINESSES

During the first half of FY2003, Ansell completed the sale of its non-core investments in Pacific Marine Batteries Pty Ltd and BT Equipment Pty Ltd. The sales were at a premium to book value and resulted in cash generation of $16.7 million (US$9.8 million).

Three Year Summary

OF ANSELL LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE

	2003 $M	2002 $M	2001 $M	2003 US$M	2002 US$M
STATEMENT OF FINANCIAL PERFORMANCE					
Sales – Continuing Ansell Healthcare Operations	**1,294**	1,414	1,412	**759**	738
Sales – Discontinued Operations	**–**	809	2,745	**–**	422
Depreciation and Amortisation	**31**	53	99	**18**	28
Operating EBITA from Continuing Operations	**137**	135	115	**81**	70
Operating EBITA from Discontinued Operations	**–**	61	133	**–**	32
Operating EBITA	**137**	196	248	**81**	102
Non-recurring	**(6)**	(169)	(53)	**(4)**	(88)
Goodwill amortisation	**25**	29	41	**15**	15
EBIT	**106**	(2)	154	**62**	(1)
Net borrowing costs	**26**	55	99	**15**	29
Income tax expense	**27**	56	190	**16**	29
Outside equity interests	**3**	3	4	**2**	1
Operating profit/(loss) attributable	**50**	(116)	(139)	**29**	(60)
for six months to 30 June	**30**	(23)	(336)	**17**	(12)
for six months to 31 December	**20**	(93)	197	**12**	(48)
STATEMENT OF FINANCIAL POSITION					
Cash – excluding restricted deposits [a]	**286**	259	311	**191**	146
Other current assets	**475**	563	1,492	**317**	319
Property, plant and equipment	**263**	333	670	**175**	188
Investments	**141**	159	227	**94**	90
Goodwill	**204**	261	339	**135**	147
Brand names	**121**	143	218	**81**	81
Other non-current assets	**89**	115	219	**60**	66
TOTAL ASSETS	**1,579**	1,833	3,476	**1,053**	1,037
Current payables	**154**	193	421	**103**	109
Current interest bearing liabilities	**152**	108	749	**101**	61
Other current liabilities	**62**	89	280	**41**	50
Non-current payables	**3**	4	5	**2**	2
Non-current interest bearing liabilities	**320**	517	862	**213**	292
Other non-current liabilities	**43**	46	93	**30**	27
TOTAL LIABILITIES	**734**	957	2,410	**490**	541
NET ASSETS	**845**	876	1,066	**563**	496
Contributed equity	**1,448**	1,455	1,454	**965**	824
Reserves	**(269)**	(176)	(118)	**(179)**	(100)
Retained profits	**(345)**	(417)	(290)	**(230)**	(236)
ANSELL LIMITED SHAREHOLDERS' EQUITY	**834**	862	1,046	**556**	488
Outside equity interests	**11**	14	20	**7**	8
TOTAL SHAREHOLDERS' EQUITY	**845**	876	1,066	**563**	496
TOTAL FUNDS EMPLOYED [b]	**1,031**	1,242	2,366	**686**	703
SHARE INFORMATION					
Basic earnings per share (cents) [c]	**26.7**	(61.9)	(71.8)	**15.7**	(32.3)
Diluted earnings per share (cents) [c]	**26.6**	(61.7)	(71.4)	**15.6**	(32.2)
Dividends per share (cents)	**11.0**	–	5.0	**–**	–
Net assets per share ($) [c]	**4.54**	4.68	5.71	**3.03**	2.65
GENERAL					
Cash received from divestments	**–**	936	907	**–**	489
Net cash from operating activities	**162**	113	227	**95**	59
Capital expenditure	**15**	34	76	**9**	18
Shareholders (no.)	**60,833**	79,534	91,784	**NA**	NA
Employees (no.)	**12,013**	12,160	23,482	**NA**	NA
RATIOS					
Return on shareholders' equity (%)	**5.9**	(13.2)	(13.1)	**NA**	NA
Operating EBITA return on funds employed (%) [d]	**13.3**	10.8	4.9	**NA**	NA
Operating EBITA margin – Continuing Operations (%) [d]	**10.6**	9.5	8.1	**NA**	NA
Average working capital to sales (%)	**22.2**	22.0	28.0	**NA**	NA
Interest cover (times)	**6.4**	4.5	3.5	**NA**	NA
Net liabilities to shareholders' equity (%) [e]	**53**	80	197	**NA**	NA
Number of shares at 30 June (million) [c]	**186**	187	187	**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) Effective 24 April 2002, Ansell Limited reduced the number of ordinary shares and exercisable options on issue by means of a 1 for 5 share consolidation.
(d) Operating EBITA equals operating EBITA from continuing operations.
(e) Net liabilities equals total liabilities less cash – excluding restricted deposits.

Board of Directors

The Board of Directors of Ansell Limited at the date of this Review comprises:

EDWARD D TWEDDELL, BSc, MBBS (HONS), FRACGP, FAICD

Chairman and Non-executive Director since October 2001. A Director of National Australia Bank, Australia Post and CSIRO, he is also Chairman of the Nepenthe Group Pty Ltd.

Dr Tweddell's experience includes ten years with a multinational pharmaceutical company primarily involved in medical affairs and drug development, an appointment as President and Chief Executive of a consumer-products and healthcare company in Japan, and eight years as Chief Executive of an Australian-based pharmaceutical company.

Dr Tweddell resides in Adelaide, and is aged 62.

HARRY BOON, LLB (HONS), B.COM

Managing Director and Chief Executive Officer of Ansell Limited since April 2002.

Since joining Ansell in 1976 Mr Boon has held senior positions with responsibilities for marketing, regional management and general management in Australia, Europe and North America. He had been President, Chief Executive Officer and Managing Director of Ansell Healthcare since February 1989.

Mr Boon resides in New Jersey, USA, and is aged 55.

PETER L BARNES, B.COM (HONS), MBA MELB

Appointed Non-executive Director in October 2001. He is Chairman of Samuel Smith & Son Pty Limited and a Director of Metcash Trading Limited and Gold Coin Management Holdings Ltd of Malaysia. He is also President of the Winemakers Federation of Australia and a Member of the National Food Industry Council.

Mr Barnes brings to the Board his experience in senior roles in finance, marketing and general management in the international arena. His background includes a long career with a leading global consumer marketing organisation in the USA, Europe, Asia and Australia.

Mr Barnes resides in Sydney, and is aged 60.

L DALE CRANDALL, MBA UC BERKELEY, CPA

Non-executive Director since November 2002. Director of Union Bank of California, Covad Communications Group and BEA Systems, 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 United States.

Mr Crandall resides in San Francisco, USA, and is aged 62.

HERBERT J ELLIOTT, AC, MBE, MA CANTAB

Non-executive Director since February 2001. Chairman of the Telstra Foundation Limited and Director of Sydney Olympic Parks Authority.

Mr Elliott has experience in marketing and general management, including an appointment as President and Chief Executive of North America for the sporting goods company, Puma.

Mr Elliott resides in Perth, and is aged 65.

STANLEY P GOLD, AB, JD

Non-executive Director since October 2001. President and Chief Executive Officer of Shamrock Holdings, Inc., President of Shamrock Capital Advisors Inc., Director of The Walt Disney Company and Chairman of Tadiran Communications Ltd.

Mr Gold is a former Managing Partner of a prominent Los Angeles law firm and has specialised in corporate acquisitions, sales and financing. He has served as President and Chairman of a number of companies in the United States and Israel.

Mr Gold resides in Los Angeles, USA, and is aged 60.

MICHAEL J McCONNELL, (ALTERNATE TO MR STANLEY GOLD SINCE OCTOBER 2001)

Managing Director of Coolmain Capital Advisors LLC and Shamrock Capital Advisors Inc. He is also a Director of Newport Technology Fund and Port-Link International.

Mr McConnell resides in Los Angeles, USA, and is aged 37.

Corporate Governance

INTRODUCTION

The Board works under a set of well-established corporate governance policies that reinforce the responsibilities of all Directors in accordance with the requirements of the Corporations Act and the Australian Stock Exchange (ASX). In addition, many of the governance elements are enshrined in the Company's Constitution.

The Board regularly reviews and updates its corporate governance policies, to ensure that the Company's policies remain in accordance with best practice. The Board is aware of, and has had regard to, developments in Australia and overseas in relation to corporate governance 'best practice'.

The Board has for some time satisfied the majority of the recommendations of the ASX Corporate Governance Council and has incorporated its provisions in its annual review of corporate governance practices.

The corporate governance section of the Company's website contains various material relating to corporate governance, including Board charter, Committee charters, Code of Conduct and other information. The link to the corporate governance section of the Ansell website is **www.ansell.com**

BOARD RESPONSIBILITIES

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

The Board has the following responsibilities and functions, namely, to:

(a) review and approve corporate strategies, budgets, plans and policies developed by management and evaluate performance of the Group against those strategies and business plans in order to:

- (i) monitor the performance of functions delegated to the executive team including the progress of major capital expenditure, capital management, acquisitions, divestitures and strategic commitments; and
- (ii) assess the suitability of the Company's overall strategies, business plans and resource allocation;

(b) appoint a Chief Executive Officer for the ongoing management of the business and its strategies;

(c) regularly evaluate the performance of the Chief Executive Officer and senior management and ensure appropriate executive succession planning is conducted;

(d) monitor financial and business results (including the audit process) to understand at all times the financial position of the Group;

(e) ensure regulatory compliance and maintain adequate risk management processes;

(f) report to shareholders; and

(g) implement a culture of compliance with the highest legal and ethical standards and business practices.

In carrying out its duties, the Board meets formally over one or two days 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 also the Company's practice for Directors to visit a number of the Company's facilities in each year.

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.

RISK MANAGEMENT AND CODE OF CONDUCT

Ansell places high priority on risk identification and management throughout all its operations and has processes in place to review their adequacy. These 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; and
- a process to identify and measure business risk.

The Company also has in place a system of internal controls for the identification and management of financial risk including a system of internal sign-offs to ensure the Company is in compliance with its legal obligations, including those which arise under the US Sarbanes-Oxley Act.

Ansell is committed to upholding the highest legal, moral and ethical standards in all of its corporate activities and has adopted a Code of Conduct, which aims to strengthen its ethical climate and provide basic guidelines for situations in which ethical issues arise.

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 the key principles whereby Ansell:

- strives to do business with customers and suppliers of sound business character and reputation;
- strives to maintain the highest standard of ethical behaviour in business dealings and to behave with integrity in all dealings with customers, shareholders, government, employees, suppliers and the community;
- does not knowingly support any public or private organisation which espouses discriminatory policies or practices; and
- expects all employees to perform their duties with honesty, truthfulness and integrity.

It is the policy of Ansell to comply with the letter and spirit of all applicable laws, including those relating to employment, discrimination, health, safety, medical device, consumer protection, antitrust, securities and the environment. The Company has also developed procedures to ensure that employees are aware of and discharge their obligations under relevant privacy laws in their handling of information provided to the Group. No Director, officer, executive or manager of Ansell has authority to violate any law or to direct another employee or any other person to violate any law on behalf of the Company.

The Company's ethical practices and procedures are reviewed regularly, and processes are in place to promote and communicate these policies within the Company. Employees and Directors are encouraged to participate in Company-sponsored compliance programs presented by or on behalf of the Company to ensure that they remain up to date regarding relevant legal and industry developments. Assistance is also available to clarify whether particular laws apply and how they may be interpreted.

BOARD COMPOSITION

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, 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. Maintaining a balance of experience and skills is an important factor in Board composition. Details of the skills, experience and expertise of each Director is set out on page 17 of the Annual Review.

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, an Executive Director cannot hold the office of Chairman.

The Board has adopted the definition of independence set out in the IFSA Blue Book (December 2002)*. 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 six Directors, one of whom is an Executive Director (the Chief Executive Officer who is also Managing Director). The remaining five Directors are Non-executive, four of whom, including the Chairman, are 'independent'. In addition, one alternate Director has been appointed to represent Mr Gold, an overseas-based Director. Mr Gold, who is a Director of, and represents one of the largest shareholders in the Company, Shamrock Holdings of California Inc., is the only Non-executive Director who does not meet the Board's definition of independence. For the purposes of completeness, Mr Gold's alternate, Mr McConnell, is also not considered independent. In the opinion of the Board, the present composition fairly represents the interests of all shareholders in the Company. 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.

BOARD REVIEW AND ELECTION PROCESSES

The Board periodically conducts a formal review of its performance in meeting shareholder and stakeholder expectations. Such reviews include:

- comparing Board performance against agreed external benchmarks;
- assessment and consideration of the effectiveness and composition of the Board;
- an assessment of the performance of the Chief Executive Officer and Managing Director by the Non-executive Directors;
- assessing whether corporate governance principles are appropriate and reflect 'good practice' (by way of self-assessment using a structured approach); and
- assessing whether the expectations of differing shareholder groups have been met.

New Directors are nominated by the Board, as described below, and then must face a vote of shareholders at the next Annual General Meeting in order to be confirmed in office. The criteria for considering new candidates for the Board are set by the Nomination, Remuneration and Evaluation Committee. All Directors other than the Managing Director are required to seek re-election at least once in every three years on a rotating basis.

APPOINTMENT TERMS

In order to ensure that 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.

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.

* *Corporate Governance, A Guide for Fund Managers and Corporations – Blue Book*, Investment and Financial Services Association, December 2002 (copy available at **www.ifsa.com.au**).

REMUNERATION

Non-executive Directors are paid an annual fee within a fixed amount approved for all Non-executive Directors by shareholders. The total annual amount approved for Ansell is currently $750,000, which was set in 1989. This is a maximum aggregate amount, and the Company does not, at this time, intend distributing that full amount by way of fees.

The Board has determined that the practice of paying retirement benefits to Non-executive Directors be discontinued (notwithstanding the payment of retirement benefits had previously been approved by shareholders). At the June 2003 Board meeting the Board resolved that:

- no new Non-executive Director appointed to the Board will be entitled to the payment of a retirement benefit upon retirement from office; and
- the entitlements of current Non-executive Directors cease to accrue with effect from 30 June 2003 and the accrued entitlements of Directors be calculated and paid out to each Director as at that date.

For the period 1 July 2002 to 30 June 2003, Directors received an annual fee of $60,000 for Board duties, with the Chair receiving $180,000. A fee of $5,000 per annum was paid to Directors appointed to the Audit Committee and the Nomination, Remuneration and Evaluation Committee with the Committee Chair in each case receiving a fee of $7,500 per annum.

After receiving independent expert advice, undertaking a review of comparative companies and following the decision to cease paying retirement benefits to Non-executive Directors, the annual fee payable to each Non-executive Director has been increased, with effect from 1 July 2003, to $75,000 per annum for Board duties, with the Chair receiving $225,000 per annum. A fee of $7,500 per annum will be paid to Directors appointed to the Audit Committee and the Nomination, Remuneration and Evaluation Committee with the Committee Chair receiving a fee of $9,375 per annum. The adopted increases remain within the aggregate fee cap approved by shareholders.

The fees paid to Directors take into account what is paid by comparable companies, and what is necessary to attract high-calibre people to consider Board appointment. In line with general industry practice, the Board reviews its remuneration strategies in relation to Non-executive Directors from time to time.

Each Non-executive Director is required to reinvest a minimum 10 per cent of their annual gross fee in acquiring shares in the Company until their shareholding is equal to at least one year's fees, pursuant to a Non-executive Directors' Share Plan. The Plan enables Non-executive Directors to elect to apply up to 100 per cent of their fees in acquiring shares in the Company. Details of each Director's participation in the Non-executive Directors' Share Plan during the year appear in the table in the next column.

As members of management, Executive Directors, when appointed, do not receive fees or Directors' retirement benefits. They are members of the Company's Superannuation Fund and, as such, participate in Company-sponsored superannuation.

Further details regarding the remuneration paid to Directors and senior executives of the Company and the Group are set out in the Directors' Report on page 25.

NON-EXECUTIVE DIRECTORS' SHARE PLAN

Shareholders approved the participation by Non-executive Directors in the Plan in October 2000 and April 2002 (on amended terms). Since receiving shareholder approval, shares have been purchased on ASX under the Plan at the prevailing market price on behalf of each of the then current Non-executive Directors.

Details of securities acquired on ASX on behalf of Non-executive Directors under the Ansell Non-executive Directors' Share Plan during the financial year are set out below in accordance with ASX Listing Rule 10.15A.

DIRECTOR	NUMBER OF SHARES ACQUIRED	DATE OF ACQUISITION	ACQUISITION PRICE
Dr E D Tweddell	642	19/9/2002	$6.98
	607	17/12/2002	$7.38
	888	17/3/2003	$5.05
	756	20/6/2003	$5.93
Mr P L Barnes	240	19/9/2002	$6.98
	227	17/12/2002	$7.38
	333	17/3/2003	$5.05
	283	20/6/2003	$5.93
Mr L D Crandall	864	17/12/2002	$7.38
	1,516	17/3/2003	$5.05
	1,448	20/6/2003	$5.93
Mr H J Elliott	214	19/9/2002	$6.98
	202	17/12/2002	$7.38
	296	17/3/2003	$5.05
	325	20/6/2003	$5.93
Mr S P Gold	1,546	19/9/2002	$6.98
	1,281	17/12/2002	$7.38
	4,181	17/3/2003	$5.05
	1,336	20/6/2003	$5.93

In addition, Ms S C H Kay participated in the Plan prior to her retirement as a Director of the Company, acquiring 232 shares on 19 September 2002 at $6.98 per share.

DEALINGS 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 periods immediately following any price-sensitive announcements, including the half-year and full year results and Annual General Meeting. At other times, Directors dealing in Ansell shares must obtain prior approval from the Chairman.

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

	1	2	3
E D Tweddell	30,872		
P L Barnes	10,370		
H Boon	56,701	1,000,000	
L D Crandall	3,828		
H J Elliott	7,798		
S P Gold	9,065		18,928,840
M J McConnell (alternate to S P Gold)	20,000		

1. Beneficially held in own name, or in the name of a trust, nominee company or private company.
2. Beneficial, Executive Share Options. These were granted in 2002 and have an exercise price of $6.32. They were granted in two equal tranches of 500,000 options, with each tranche being independent of the other. The first tranche may only be exercised if a hurdle applicable to the 2003 financial year is achieved. This hurdle has been achieved and the first tranche may be exercised after 30 June 2004 and prior to 30 June 2006. The second tranche may only be exercised if a hurdle applicable to the 2004 financial year is achieved.
3. Non-beneficial. Mr Gold has an indirect interest in these shares by virtue of a 10 per cent economic interest in the holding of Trefoil International III, SPRL of which he is also a Director. Trefoil International III, SPRL is a related body corporate of Shamrock Holdings of California Inc.

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, consistent with obligations imposed by the Corporations Act and the Listing Rules, to require each Director to disclose any contracts, offices held, interests in transactions 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.

BOARD COMMITTEES

The Board has established two standing Committees, being the:

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

The Board periodically reviews the charter of each Committee.

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.

Senior executives attend Board and Committee meetings by invitation, whenever particular matters arise that require management presentations or participation.

AUDIT COMMITTEE

The members of the Audit Committee during the year were all 'independent' Non-executive Directors and comprised:

- Mr P L Barnes (Chair);
- Mr L D Crandall (from 11 December 2002);
- Mr H J Elliott; and
- Ms S C H Kay (until 1 November 2002).

Members of the Audit Committee are financially literate and the Board is of the opinion that the members of the Committee possess sufficient financial expertise and knowledge of the industry in which the Company operates. Details of the qualifications of the Audit Committee members are included in this Report on page 17.

The Audit Committee reviews the financial statements, adequacy of financial controls and the annual audit arrangements, both internal and external. It monitors the controls and financial reporting systems, applicable Company policies, national and international accounting standards and other regulatory or statutory requirements.

The Committee also liaises with the Company's internal and external auditors, reviews the scope of their activities, reviews the external auditor's remuneration and independence, and advises the Board on their remuneration, appointment and removal. 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.

The Committee also reviews the processes in place for the identification, management and reporting of business risk, and reviews the findings reported.

The Chief Executive Officer, Chief Financial Officer, Group Chief Accountant, Director – Internal Audit, other relevant Company officers (as required) and the principal external audit partner participate at meetings of the Committee.

NOMINATION, REMUNERATION AND EVALUATION COMMITTEE

The members of the Nomination, Remuneration and Evaluation Committee during the year were all Non-executive Directors and comprised:

- Dr E D Tweddell (Chair);
- Mr P L Barnes; and
- Mr S P Gold,

a majority of whom are 'independent' Non-executive Directors.

Corporate Governance continued

This Committee's charter provides for it to periodically review the structure and performance of the Board, Board Committees and individual Directors and recommend changes when necessary. This includes identifying suitable candidates for appointment as Non-executive Directors.

In doing so, the Committee establishes the policies and criteria for Non-executive Director selection. The criteria include a candidate's personal qualities, professional and business experience, and availability and time to commit to all aspects of the Board's program.

The Committee also considers matters such as succession and senior executive compensation policy, including short and long-term incentive plans and the Company's recruitment, retention and termination policies, and advises the Board accordingly. The Committee makes recommendations to the Board regarding the specific remuneration of the Chief Executive Officer (including base pay, incentive payments, equity awards, retirement rights and service contracts). The remuneration of Non-executive Directors is a matter that is determined by the Board, although
the Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

The Committee has available to it the services of independent professional advisers to assist in the search for high-calibre people at all levels and ensure that the terms and conditions offered by the Company are competitive with those offered by comparable companies.

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, at **www.ansell.com** Information is also communicated to shareholders via periodic mail-outs.

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 Company invites the external auditor to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS DURING THE YEAR ENDED 30 JUNE 2003

	BOARD		AUDIT		NOMINATION, REMUNERATION & EVALUATION	
	HELD	ATTD	HELD	ATTD	HELD	ATTD
E D Tweddell	8	8	1	1	3	3
P L Barnes	8	8	5	5	3	3
H Boon	8	8				
L D Crandall	6	6	3	3		
H J Elliott	8	8	4	4		
S P Gold	8	8			3	2
S C H Kay	2	2	2	2		

Held – Indicates the number of meetings held while each Director was in office.

Attd – Indicates the number of meetings attended during the period that each Director was in office. Ms S C H Kay retired on 1 November 2002.

Mr L D Crandall was appointed on 1 November 2002.

Mr S P Gold attended four Board meetings in person and was represented at each other meeting by his alternate Mr M J McConnell.

A meeting of a special Board Committee comprising Dr E D Tweddell and Mr P L Barnes was convened on 3 September 2002 in relation to the signing of the Accounts for the year ended 30 June 2002. A meeting of a special Board Committee comprising Dr E D Tweddell and Mr P L Barnes was convened on 13 February 2003 in relation to the review and lodgement of the Half-Year Results announcement, Reports and financial statements for the six months ended 31 December 2002. A special Board Committee comprising Dr E D Tweddell and Mr H Boon was convened and met on 16 April 2003 and 30 April 2003 in connection with the Company's share buy-back program.

Report of the Directors

This Report by the Directors of Ansell Limited ('the Company') is made for the year ended 30 June 2003 pursuant to Division 1 of Part 2M.3 of the Corporations Act.

DIRECTORS

The names of each person who has been a Director of the Company during or since the end of the financial year, particulars of the qualifications, experience and special responsibilities of each Director as at the date of this Report, and of their other directorships, and the relevant interests of each of those Directors in the share capital of the Company and any related body corporate that have been notified to the Australian Stock Exchange under regulatory requirements, are as set out on pages 17 to 21.

Details of meetings of the Company's Directors (including Meetings of Committees of Directors) and Directors' attendance are set out on page 22. As set out on pages 21 and 22 of this Report, the Board has established both an Audit Committee and a Nomination, Remuneration and Evaluation Committee.

PRINCIPAL ACTIVITIES

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

In addition, the Company remains a partner in the South Pacific Tyres partnership with The Goodyear Tire and Rubber Company.

During the year the Company sold its 50 per cent interest in Pacific Marine Batteries Pty Limited to Snowden's Beach Pty Limited, and its 45 per cent interest in BT Equipment Pty Ltd to Tutt Bryant Equipment Pty Ltd. The sales were at a premium to book value and resulted in cash generation of $16.7 million (US$9.8 million).

DIVIDENDS AND SHARE BUY-BACK

No interim dividend was paid in respect of the year ended 30 June 2003. A final dividend of 11 cents per share (unfranked) in respect of the year ended 30 June 2003 is payable on 9 October 2003 to shareholders registered on 18 September 2003.

The Company announced on 16 April 2003 that it would undertake an on-market buy-back of up to 10 million shares as part of a balanced capital management strategy. As at 30 June 2003, the Company had bought back 1,408,420 shares for $8.18 million (US$4.80 million).

PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATIONS

The Group's Australian operations are not subject to any specific or material environmental regulation.

The Group's continuing international manufacturing operations are subject to environmental regulation in the jurisdictions where the Group operates. The Group has risk management programs in place to address the requirements of these regulations. From time to time, the Group receives notices from relevant authorities pursuant to various environmental legislation. On receiving such notices, the Group evaluates the options for the matters raised and the associated costs 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.

REVIEW OF OPERATIONS AND RESULTS

A review of continuing operations of the Group is contained on pages 6 to 15. The Group operating profit attributable to shareholders after tax was $49.9 million (US$29.3 million) for the year ended 30 June 2003. This compares with a loss in the previous year of $115.8 million (US$60.5 million).

The result for the year includes a $6.1 million (US$3.6 million) non-cash write-down to market value as at 30 June 2003 of the Company's residual non-core investment in Ambri Limited.

Operating earnings before interest, tax and amortisation (EBITA) of the continuing Ansell Healthcare business before unallocated items was down slightly on translation from $162.3 million in the previous year to $159.6 million, but was up 10.5 per cent from US$84.7 million to US$93.6 million expressed in the Company's operating currency.

The cost of operating the Company's corporate offices was almost halved from the previous year on a comparable basis.

The Company has continued to make significant progress in resolving various remaining transitional issues carried over from discontinued businesses and the previous company structure.

Cash flow was strong resulting in a reduction of $179.6 million (US$82.9 million) in net interest bearing debt and gearing (net interest bearing debt as a percentage of net interest bearing debt plus equity) was reduced to 18.1 per cent from 29.4 per cent at previous year-end. Interest cover increased to 6.4 times from 4.5 times in 2002.

In the opinion of the Directors, other than as referred to in this Report, there were no significant changes in the state of affairs of the Group.

EVENTS AFTER BALANCE DATE

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.

Since balance date, however, Simplot Australia Pty Ltd ('Simplot'), the Company and other Group Companies have entered into an agreement to settle the claims previously instituted by Simplot in the Supreme Court of Victoria that were outstanding during, and at the end of, the financial year.

Report of the Directors continued

LIKELY DEVELOPMENTS

Certain likely developments in the operations of the Group, and the expected results of those operations, in financial years subsequent to the financial year ended 30 June 2003, are referred to in the Message from the Chairman and in the Chief Executive Officer's Report sections of the Annual Review. In the opinion of the Directors it would be likely to result in unreasonable prejudice to the Group if further information were to be included.

DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

The Board's Nomination, Remuneration and Evaluation Committee is responsible for reviewing the remuneration policies and practices of the Company, including the compensation arrangements for the Managing Director and senior management and, within the aggregate amount approved by shareholders, the fees for Non-executive Directors. This role also includes responsibility for the Company's equity incentive arrangements. Executive and senior management performance review and succession planning are matters also referred to, and considered by, the Committee.

The Nomination, Remuneration and Evaluation Committee has access to independent advice and comparative studies on the appropriateness of remuneration arrangements.

Non-executive Directors – The fees of the Chairman and Non-executive Directors are set within the aggregate amount approved by shareholders, at levels which represent the responsibilities of, and the time commitments provided by, those Directors in discharging their duties. The annual fees payable to Directors have been increased, effective 1 July 2003, following a reassessment of the time required to be spent on Board and Committee matters, additional responsibilities accepted and in light of the determination to cease paying Non-executive Director retirement benefits. Non-executive Directors are required to reinvest a minimum of 10 per cent of their annual gross fee in acquiring shares in the Company pursuant to the terms of the Company's Non-executive Directors' Share Plan, details of which are set out on page 20.

Senior executives – Remuneration levels are competitively set to attract, retain and motivate appropriately qualified and experienced senior executives capable of discharging their respective responsibilities.

Remuneration packages of senior executives have incorporated both short and long-term performance-based components.

Short-term incentive – An annual cash-based bonus program operates to reward individual performance against agreed performance targets. These targets are set with respect to both organisational and individual goals. Pursuant to this program, in general, a bonus equal to a set percentage of total compensation determined by the level of seniority of management may be awarded for performance that meets these targets. Bonus payments can increase for performance meeting set stretch targets.

Long-term incentive – Shareholders at the 2002 Annual General Meeting approved a grant of options to the Managing Director pursuant to the Ansell Limited Stock Incentive Plan. The options may only be exercised where previously announced EBITA performance targets for the Ansell Healthcare business set in connection with *Operation Full Potential* are satisfied. The options only become exercisable 12 months after satisfaction of the applicable performance hurdles.

The Chief Financial Officer and other Group senior executives have been granted options (in the case of the Chief Financial Officer) or Performance Share Rights (PSRs) (in the case of other Group senior executives) pursuant to the Ansell Limited Stock Incentive Plan. These rights, which entitle their holder to an equivalent number of fully paid ordinary shares upon satisfaction of previously announced EBITA performance targets for the Ansell Healthcare business set in connection with *Operation Full Potential*, are longer-term incentives linked to Group performance over a three-year period.

Further details regarding the terms of the Stock Incentive Plan, including the number of PSRs issued under the Plan, are set out in Note 25 to the financial statements contained in the Financial Report 2003.

Termination payments – The Group has entered into Service Agreements with, or has adopted policies relating to its senior executive team, which provide for termination payments to be made available in certain circumstances.

The Company may terminate the employment of the Chief Executive Officer on giving six months' notice and by paying a lump sum equal to 18 months of his total remuneration package (or making a payment in lieu of notice). The Chief Executive Officer must give the Company at least six months' notice of resignation. In certain circumstances, such as a substantial diminution of responsibility for the Chief Executive Officer, the Company may be deemed to have terminated employment and will be liable to make the payments set out above.

The potential liability of the Company in relation to the termination of employment of other Group executives is dependent upon the circumstances of the termination, the Company's policies or arrangements with those executives and the laws of the jurisdiction in which the executives are based. For example, while all US-based executives of the Company are considered to be employed 'at-will' and terminable without notice or cause, it is Company policy that senior US executives employed for more than 12 months will, in general, receive termination payments equal to 12 months' salary plus certain other benefits.

The Company may summarily terminate the employment of any executive for cause. As the potential liability of the

Group to make termination payments is dependent upon the circumstances giving rise to the cessation of employment and the applicable policies, arrangements or laws, it is not possible to quantify the potential future impact of these agreements on the Company's financial position.

The table on the following page (which forms part of this Report of the Directors) sets out the remuneration provided to the Directors and the most highly remunerated officers of the Company and the Group (including those based overseas) for the financial year. All values are A$ unless otherwise stated.

INDEMNITY

During the year, Mr L D Crandall entered into a Deed of Access, Indemnity and Insurance in the form previously executed by each other Non-executive Director. The Company has also entered into Deeds of Indemnity with previous Directors of the Company. 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.

During the year, the Company also entered into a limited form of indemnity with Mr R F Jilla, Chief Financial Officer, and Mr D M Graham, General Manager – Finance & Treasury, in relation to certain obligations arising from the US listing of the Company's securities.

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 policy can be disclosed.

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 2003) 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.

Edward D Tweddell

Edward D Tweddell
Director

Harry Boon
Director

Dated in Melbourne this 1st day of September 2003.

	Fixed Remuneration[a] $	Fees[b] $	Incentives[c] $	Superannuation Contributions[d] $	Notional Value of Equity Compensation[e] $	Retirement Payments[f] $	Total $
NON-EXECUTIVE DIRECTORS							
E D Tweddell[g] Chairman	156,000	180,000		10,519		$152,615[j]	499,134
P L Barnes		67,500		6,075		$59,058[j]	132,633
L D Crandall[h]		42,815		3,853		$22,330	68,998
H J Elliott		64,387		5,795		$80,358[j]	150,540
S P Gold[i]		60,000		5,400		$53,150	118,550
S C H Kay[h]		19,408		1,747		$84,647[j]	105,802
MANAGING DIRECTOR AND OFFICERS[r] OF THE COMPANY AND THE GROUP							
H Boon[k][p] Group Managing Director and Chief Executive Officer	(US$) 680,635		(US$) 269,379	(US$) 241,620[n]	(US$) 278,592[l]		(US$) 1,470,226
P Corke[k][p]	(US$) 228,204		(US$) 69,020	(US$) 25,548[n]	(US$) 22,710		(US$) 345,482
D Dickson[k][p]	(US$) 302,550			(US$) 15,703[n]	(US$) 45,421		(US$) 363,674
W Heintz[m][q]	(€) 309,222		(€) 100,851	(€) 48,000[o]	(€) 21,634		(€) 479,707
R Jilla[k][p]	(US$) 234,098			(US$) 20,103[n]	(US$) 83,575		(US$) 337,776
W Reed[k][p]	(US$) 262,000		(US$) 88,713	(US$) 21,966[n]	(US$) 27,253		(US$) 399,932
P Soszyn[k][p]	(US$) 226,204		(US$) 66,000	(US$) 55,779[n]	(US$) 22,710		(US$) 370,693

(a) Comprises the cost to the Company of cash salary, non-cash benefits, expatriate assignment costs and associated taxes.

(b) Includes fees in connection with Board and Board Committee responsibilities.

(c) Performance-based payments pursuant to the Company's short-term incentive program.

(d) Includes for two US-based Officers, an imputed notional contribution calculated at an actuarial rate, and in the case of Directors, at the rate that would satisfy Australian Superannuation Guarantee requirements. No amounts were required to be paid to the Australian superannuation fund in respect of the year ended 30 June 2003 upon advice of the Trustee. The notional contribution amounts do not form part of the remuneration of Directors and executives set out in Note 28 to the Financial Statements contained in the Financial Report 2003.

(e) In accordance with the requirements of guidelines issued by the Australian Securities and Investments Commission, remuneration includes a proportion of the notional value of Options or PSRs granted during the year pursuant to the Company's equity-based long term incentive plan. In accordance with these requirements, the notional 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 or PSRs vest. The notional value of Options or PSRs (as the case may be) as at their effective date of grant has been determined in accordance with Accounting Exposure Draft 108 applying the Monte Carlo Simulation valuation method.

Type of Security/ No. Granted	Effective Date of Grant	Vesting Date	Notional Value
Option 1,000,000	1/7/2002	30/6/2003 30/6/2004	0.47 0.96
Option 300,000	1/7/2002	30/6/2003 30/6/2004 30/6/2005	0.51 1.03 1.20
PSR 437,500	1/7/2002	30/6/2003 30/6/2004 30/6/2005	2.69 2.54 2.06

Calculation of Option and PSR values are based on a share price of $6.58 as at 1 July 2002 using a risk-free interest rate of 5.5 per cent, a market-derived volatility rate and a median rate of discount to reflect the probability of meeting the performance hurdles.

(f) Includes accrued entitlements of the Non-executive Directors to retirement benefits, paid out as at 30 June 2003, as detailed in the Corporate Governance statement on page 20.

(g) Includes remuneration for extra services (now ceased) related to the resolution of matters carried over from the previous Pacific Dunlop Limited structure.

(h) Ms S C H Kay retired as a Director and Mr L D Crandall was appointed as a Director on 1 November 2002.

(i) Mr M J McConnell was appointed alternate director for Mr Gold on 26 October 2001. In accordance with the Company's constitution, Mr McConnell receives no separate emoluments from the Company for acting as Mr Gold's alternate.

(j) The payment of entitlements for Australian-based directors was made by a Group-sponsored superannuation fund, not the Company.

(k) US-based Officers.

(l) The notional value of remuneration for Mr Boon includes a value attributed to 600,000 Options granted to Mr Boon in 1997, prior to his appointment as Group Managing Director and Chief Executive Officer, pursuant to the former Pacific Dunlop Executive Share Option Plan. Following the 5 for 1 consolidation of capital, 120,000 Options remained 'live' with an exercise price of $16.50 each. The performance conditions attaching to these options were not satisfied and the Options lapsed on 11 December 2002. In accordance with Guidelines issued by the Australian Securities and Investments Commission a value of $384,000 would have applied to these options over the five-year vesting period. Notwithstanding this 'notional value', as the options lapsed unexercised, Mr Boon derived no value from these Options and their value is not included in the table above.

(m) European-based Officer.

(n) Includes contributions to US benefit or non-qualified pension plan.

(o) Includes contributions to European pension plan.

(p) US-based Officers are paid in US$. The average exchange rate for the period, as set out in the Financial Statements, is US$0.58651 = A$1.00.

(q) Europe-based Officer paid in €. The average exchange rate for the period is €0.55872 = A$1.00.

(r) The Officers included in this disclosure are those executives having, during the year, the greatest authority for managing the Group. Other personnel who have not had such authority may have received remuneration at a level in excess of that shown for the executives named above.

Discussion and Analysis of the Financial Statements

The following discussion and analysis is provided to assist members in understanding the concise financial report.

Translation of amounts from Australian dollars into US dollars has been made for the convenience of the reader at the rates set out in the financial statements.

STATEMENT OF FINANCIAL PERFORMANCE

Total revenue in 2002/2003 of $1,320.1 million (US$774.3 million) included other revenue of $15.2 million (US$8.9 million) which related to proceeds from the sale of non-current assets.

Sales revenue in 2002/2003 from Healthcare businesses (Occupational, Professional and Consumer) was $1,293.6 million (US$758.7 million) compared with $1,414.2 million (US$738.5 million) in 2001/2002.

In US dollar terms Occupational sales increased by 9.6 per cent, Consumer sales increased by 6.8 per cent however Professional sales declined by 7 per cent. Healthcare EBITA increased 10.5 per cent from US$84.7 million ($162.3 million) to US$93.6 million ($159.6 million).

The Occupational business accounted for 48 per cent of Ansell's 2002/2003 sales and 39 per cent of Healthcare segment EBITA. Occupational sales increased by 9.6 per cent in US dollar terms with strong sales growth achieved in Asia Pacific and Europe. In the Americas sales were flat due to a weaker US manufacturing environment, and to knitted product supply shortfalls during the transfer of production from the US to Mexico. Significant EBITA growth was driven by growth in volume, market share and margin for the *Hyflex*® range of ergonomic gloves and continuing benefits from the manufacturing rationalisation and restructuring program implemented over the past two years.

The Consumer business accounted for 17 per cent of Ansell's 2002/2003 sales and 27 per cent of Healthcare segment EBITA. Consumer sales increased by 6.8 per cent in US dollar terms led by unit volume growth in global condom shipments following increased demand for products from public aid and assistance agencies in the fight against HIV/AIDS.

The Professional division accounted for 35 per cent of Ansell's 2002/2003 sales and 34 per cent of Healthcare segment EBITA. Sales growth experienced by Asia Pacific and Europe was offset by surgeons' gloves supply interruption and examination glove price reductions in the US. EBITA was also adversely impacted by non-recurring airfreight costs in resupplying the market and by higher latex raw material costs that could not be passed on in examination glove prices.

A review of the carrying value of all assets resulted in the write-down in the value of the non-core investment in the shares held in Ambri Limited. A non-recurring, non-cash write-off of $6.1 million (US$3.6 million) was incurred to bring the book value into line with the market price of the shares.

Interest cover was 6.4 times, significantly better than last year's 4.5 times.

Income tax expense for the year was $26.8 million (US$15.8 million) compared to the previous year's $55.8 million (US$29.1 million). The current year expense benefited from the utilisation of unbooked US tax losses following the full utilisation of US deferred tax assets previously held on the balance sheet.

The net profit after income tax attributable to shareholders for the year was $49.9 million (US$29.3 million) compared to a loss of $115.8 million (US$60.5 million) in 2001/2002.

Earnings per share was 26.7 cents (US 15.7 cents) compared to last year's loss of 61.9 cents (US 32.3 cents). Return on equity was 5.9 per cent compared with last year's (13.2 per cent) while return on total assets improved from (6.3 per cent) to 3.2 per cent.

STATEMENT OF FINANCIAL POSITION

Although in US dollar terms the Group's total assets only increased marginally over the year, available cash reserves increased by US$44.4 million to US$190.7 million ($286.0 million). Total liabilities reduced by US$51.9 million from US$541.5 million to US$489.6 million ($734.3 million). The majority of this reduction is attributable to lower interest bearing liabilities.

The reduced net debt improved balance sheet ratios for the Group, with gearing (net debt to net debt plus equity) further improved to 18.1 per cent, down from 29.4 per cent last year, and net debt to equity falling from 41.8 per cent last year to 22 per cent. Net liabilities to equity decreased from 79.7 per cent to 53.1 per cent.

In addition, the Group holds restricted deposits of $13.8 million (US$9.2 million), down from the previous year's $18.4 million (US$10.4 million), which 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.

As part of the on market buy-back element of the balanced capital management strategy almost 1.5 million shares have been repurchased. The Company intends to continue the previously announced buy-back program. The balanced strategy is designed to retain a conservative balance sheet whilst at the same time ensuring that sufficient capital resources are available to fund internal business growth needs and 'bolt-on' acquisitions.

STATEMENT OF CASH FLOWS

Net cash provided by operating activities included $26.8 million (US$15.7 million) of payments related to non-recurring activities, compared with $82.7 million (US$43.2 million) in the previous year. Restructuring payments were a major component of these non-recurring payments.

Capital expenditure for the Healthcare businesses was down from $20.9 million to $15.2 million (US$8.9 million).

Discussion and Analysis of the Financial Statements continued

INTEREST COSTS

Net interest expense and borrowing costs for the year were $26.5 million (US$15.5 million) compared to the previous year's $54.7 million (US$28.6 million). This fall was due to the reduction in net debt and a stronger Australian dollar. The average cost of debt at the end of 2003 was 6.44 per cent up from the previous year's 6.25 per cent.

The Group's US$100 million three-year Revolving Credit Facility established in January 2002 remains unused and, together with the substantial cash on deposit, means the Group has strong financial flexibility and liquidity.

At 30 June 2003, the Company's borrowing portfolio had an average maturity of 699 days (previous year 949 days) and was approximately 90 per cent fixed and 10 per cent floating with an average interest rate duration of 398 days compared to the previous year's 711 days.

RATINGS

The Group's ratings are as follows:

	LONG TERM	OUTLOOK	SHORT TERM
Moody's	Ba2	Negative	Not Prime
Standard & Poor's	BB+	Negative	B

The current ratings from both rating organisations were announced in August 2001.

WORKING CAPITAL

The Group's working capital to sales ratio in 2002/2003 was 22.2 per cent compared with the 2001/2002 ratio of 22.0 per cent. This is comprised of the following:

	2003	2002
Inventory to Sales (%)	**17.7**	18.7
Debtors to Sales (%)	**16.4**	13.9
Creditors to Sales (%)	**11.9**	10.6

DEPRECIATION (INCLUDING AMORTISATION OF LEASEHOLD LAND & BUILDINGS)

	2003 $M	2002 $M	**2003 US$M**	2002 US$M
Group	**31**	53	18	28
Continuing Operations	**31**	42	18	22

FACTORIES BY REGION – ANSELL HEALTHCARE

	2003	2002
Asia Pacific	**9**	9
Americas	**7**	7
Europe	**1**	1
TOTAL	**17**	17

ASSETS EMPLOYED BY REGION – ANSELL HEALTHCARE

	2003 %	2002 %
Asia Pacific	**36**	35
Americas	**40**	43
Europe	**24**	22

Statement of Financial Performance

CONCISE FINANCIAL REPORT OF ANSELL LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2003

		CONSOLIDATED			
	NOTES	**2003 $M**	2002 $M	**2003 US$M [a]**	2002 US$M [a]
REVENUE					
Total revenue	2	**1,320.1**	3,190.4	**774.3**	1,665.8
EXPENSES					
Cost of goods sold		**830.4**	1,493.3	**487.0**	779.7
Selling, distribution and administration		**310.3**	504.8	**182.0**	263.5
Depreciation and amortisation		**56.5**	82.3	**33.1**	43.0
Write-down of assets		**6.1**	176.5	**3.6**	92.2
Net assets of businesses disposed		**–**	922.4	**–**	481.6
TOTAL EXPENSES, EXCLUDING BORROWING COSTS		**1,203.3**	3,179.3	**705.7**	1,660.0
Borrowing costs		**37.8**	70.2	**22.2**	36.7
Share of net gain of associates' and joint venture entities		**0.3**	1.9	**0.2**	1.0
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	3	**79.3**	(57.2)	**46.6**	(29.9)
Income tax expense attributable to ordinary activities	4	**26.8**	55.8	**15.8**	29.1
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		**52.5**	(113.0)	**30.8**	(59.0)
Outside equity interests in net profit/(loss) after income tax		**2.6**	2.8	**1.5**	1.5
NET PROFIT/(LOSS) AFTER INCOME TAX ATTRIBUTABLE TO ANSELL LIMITED SHAREHOLDERS		**49.9**	(115.8)	**29.3**	(60.5)
NON-OWNER TRANSACTION CHANGES IN EQUITY					
Net exchange difference on translation of financial statements of self-sustaining foreign operations		**(71.3)**	(69.6)	**(41.8)**	(36.3)
Total valuation adjustments attributable to Ansell Limited shareholders recognised directly in equity		**(71.3)**	(69.6)	**(41.8)**	(36.3)
TOTAL CHANGES IN EQUITY FROM NON-OWNER RELATED TRANSACTIONS ATTRIBUTABLE TO ANSELL LIMITED SHAREHOLDERS	7	**(21.4)**	(185.4)	**(12.5)**	(96.8)

	CENTS	CENTS	**CENTS**	CENTS
Earnings per share is based on net profit/(loss) after income tax attributable to Ansell Limited shareholders				
Basic earnings per share	**26.7**	(61.9)	**15.7**	(32.3)
Diluted earnings per share	**26.6**	(61.7)	**15.6**	(32.2)

(a) Translation of amounts from Australian dollars to US dollars has been made throughout the Consolidated Statement of Financial Performance for the convenience of the reader at US\$0.58651 = A\$1, being the average of the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters on the last working day of the month for the 13 month period June 2002 to June 2003 (June 2002 US\$0.52214 = A\$1).

The above statement of financial performance should be read in conjunction with the discussion and analysis on pages 27 and 28 and the notes to the financial statements set out on pages 34 to 37.

Statement of Financial Position

CONCISE FINANCIAL REPORT OF ANSELL LIMITED AND CONTROLLED ENTITIES AS AT 30 JUNE 2003

	NOTES	CONSOLIDATED 2003 $M	2002 $M	2003 US$M [a]	2002 US$M [a]
CURRENT ASSETS					
Cash		**286.0**	258.5	**190.7**	146.3
Cash assets – restricted deposits		**13.8**	18.4	**9.2**	10.4
Receivables [c]		**262.4**	293.7	**175.0**	166.2
Inventories		**187.9**	235.1	**125.3**	133.2
Prepayments		**10.9**	15.8	**7.2**	8.9
TOTAL CURRENT ASSETS		**761.0**	821.5	**507.4**	465.0
NON-CURRENT ASSETS					
Receivables [c]		**57.0**	66.7	**38.0**	37.8
Investments in associates and partnerships (equity accounted)		**–**	13.3	**–**	7.5
Other financial assets [b]		**141.4**	145.8	**94.3**	82.5
Property, plant and equipment		**262.9**	332.5	**175.3**	188.2
Intangibles		**324.5**	403.2	**216.4**	228.2
Deferred tax assets		**32.0**	49.7	**21.3**	28.2
TOTAL NON-CURRENT ASSETS		**817.8**	1,011.2	**545.3**	572.4
TOTAL ASSETS		**1,578.8**	1,832.7	**1,052.7**	1,037.4
CURRENT LIABILITIES					
Payables		**154.4**	192.7	**103.0**	109.1
Interest bearing liabilities		**151.8**	107.6	**101.2**	60.9
Provisions		**57.5**	85.4	**38.3**	48.3
Current tax liabilities		**3.1**	1.9	**2.1**	1.1
Other		**1.1**	1.2	**0.7**	0.7
TOTAL CURRENT LIABILITIES		**367.9**	388.8	**245.3**	220.1
NON-CURRENT LIABILITIES					
Payables		**3.2**	3.7	**2.1**	2.1
Interest bearing liabilities		**320.0**	516.5	**213.4**	292.4
Provisions		**21.7**	23.3	**14.5**	13.1
Deferred tax liabilities		**21.5**	24.4	**14.3**	13.8
TOTAL NON-CURRENT LIABILITIES		**366.4**	567.9	**244.3**	321.4
TOTAL LIABILITIES		**734.3**	956.7	**489.6**	541.5
NET ASSETS		**844.5**	876.0	**563.1**	495.9
EQUITY					
Contributed equity		**1,448.3**	1,455.5	**965.7**	823.9
Reserves		**(268.9)**	(176.2)	**(179.3)**	(99.7)
Accumulated losses	6	**(345.7)**	(417.0)	**(230.5)**	(236.0)
Total equity attributable to Ansell Limited shareholders		**833.7**	862.3	**555.9**	488.2
Outside equity interests		**10.8**	13.7	**7.2**	7.7
TOTAL EQUITY	7	**844.5**	876.0	**563.1**	495.9

(a) Translation of amounts from Australian dollars to US dollars has been made throughout the Consolidated Statement of Financial Position for the convenience of the reader at the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters on Monday 30 June 2003, at US$0.66675 = A$1 (June 2002 US$0.56605 = A$1).

(b) Includes investment in South Pacific Tyres Partnership and South Pacific Tyres N.Z. Ltd of $138.3 million (US$92.2 million) [June 2002 $136.5 million (US$77.3 million)].

(c) Includes interest bearing loans to South Pacific Tyres Partnership of $62.7 million (US$41.8 million) [June 2002 $59.4 million (US$33.6 million)].

The above statement of financial position should be read in conjunction with the discussion and analysis on pages 27 and 28 and the notes to the financial statements set out on pages 34 to 37.

Statement of Cash Flows

CONCISE FINANCIAL REPORT OF ANSELL LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED			
	2003 $M	2002 $M	**2003 US$M (a)**	2002 US$M (a)
CASH FLOWS RELATED TO OPERATING ACTIVITIES				
Receipts from customers (excluding non-recurring and Accufix Research Institute)	**1,357.0**	2,356.5	**795.9**	1,230.4
Payments to suppliers and employees (excluding non-recurring and Accufix Research Institute)	**(1,159.9)**	(2,124.8)	**(679.9)**	(1,109.4)
Net receipts from customers (excluding non-recurring and Accufix Research Institute)	**197.1**	231.7	**116.0**	121.0
Income taxes paid	**(8.6)**	(25.5)	**(5.0)**	(13.3)
Dividends received	**2.6**	0.3	**1.5**	0.2
Net cash provided by Operating Activities (excluding non-recurring and Accufix Research Institute)	**191.1**	206.5	**112.5**	107.9
Non-recurring payments to suppliers and employees	**(26.8)**	(82.7)	**(15.7)**	(43.2)
Payments to suppliers and employees net of customer receipts (Accufix Research Institute)	**(2.7)**	(10.7)	**(1.6)**	(5.6)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**161.6**	113.1	**95.2**	59.1
CASH FLOWS RELATED TO INVESTING ACTIVITIES				
Payments for businesses, net of cash acquired	**–**	(40.9)	**–**	(21.4)
Payments for property, plant and equipment	**(15.4)**	(34.3)	**(9.1)**	(17.9)
Proceeds from sale of businesses, net of cash disposed	**–**	936.4	**–**	488.9
Proceeds from sale of plant and equipment in the ordinary course of business	**6.1**	12.1	**3.6**	6.3
Loans (made)/repaid	**4.2**	1.2	**2.5**	0.6
Proceeds from sale of other investments	**9.1**	–	**5.3**	–
NET CASH PROVIDED BY INVESTING ACTIVITIES	**4.0**	874.5	**2.3**	456.5
CASH FLOWS RELATED TO FINANCING ACTIVITIES				
Proceeds from borrowings	**7.8**	737.0	**4.6**	384.8
Repayments of borrowings	**(86.9)**	(1,673.9)	**(51.0)**	(874.0)
Net repayments of borrowings	**(79.1)**	(936.9)	**(46.4)**	(489.2)
Proceeds from issues of shares	**1.0**	1.2	**0.6**	0.6
Payments for share buy-back	**(8.2)**	–	**(4.8)**	–
Dividends paid	**(1.7)**	(48.3)	**(1.0)**	(25.2)
Interest received	**8.0**	13.1	**4.7**	6.8
Interest and borrowing costs paid	**(37.8)**	(70.2)	**(22.2)**	(36.7)
NET CASH USED IN FINANCING ACTIVITIES	**(117.8)**	(1,041.1)	**(69.1)**	(543.7)
NET DECREASE IN CASH HELD	**47.8**	(53.5)	**28.4**	(28.1)
Cash at the beginning of the financial year	**262.3**	328.4	**148.6**	185.9
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the financial year	**(12.9)**	(12.6)	**21.4**	(9.2)
CASH AT THE END OF THE FINANCIAL YEAR	**297.2**	262.3	**198.4**	148.6

(a) Translation of amounts from Australian dollars to US dollars has been made throughout the Consolidated Statement of Cash Flows for the convenience of the reader at US$0.58651 = A$1, being the average of the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters on the last working day of the month for the 13 month period June 2002 to June 2003 (June 2002 US$0.52214 = A$1).

The above statement of cash flows should be read in conjunction with the discussion and analysis on 27 and 28 and the notes to the financial statements set out on pages 34 to 37.

Industry Segments

CONCISE FINANCIAL REPORT OF ANSELL LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2003

	OPERATING REVENUE				OPERATING RESULT			
	2003 $M	2002 $M	**2003 US$M[(a)]**	2002 US$M[(a)]	**2003 $M**	2002 $M	**2003 US$M[(a)]**	2002 US$M[(a)]
INDUSTRY								
ANSELL HEALTHCARE								
Occupational Healthcare	**624.9**	640.2	**366.5**	334.3	**62.9**	37.0	**36.9**	19.3
Professional Healthcare	**452.6**	546.9	**265.5**	285.6	**53.9**	92.7	**31.6**	48.4
Consumer Healthcare	**216.1**	227.1	**126.7**	118.6	**42.8**	32.6	**25.1**	17.0
TOTAL ANSELL HEALTHCARE	**1,293.6**	1,414.2	**758.7**	738.5	**159.6**	162.3	**93.6**	84.7
Unallocated Items	**26.5**	27.9	**15.6**	14.4	**(22.4)**	(27.7)	**(13.1)**	(14.5)
					137.2	134.6	**80.5**	70.2
DISCONTINUED BUSINESSES								
Trading		808.6		422.2		61.0		31.9
Operating EBITA					**137.2**	195.6	**80.5**	102.1
NON-RECURRING								
DISCONTINUED BUSINESSES								
Net gain on sale of interests in Associated Companies					**5.5**		**3.2**	
Proceeds/Net gain on sale of Controlled Entities and Businesses		939.7		490.7		25.7		13.4
RATIONALISATION/RESTRUCTURING								
Ansell Healthcare					**(4.6)**	(11.6)	**(2.7)**	(6.1)
Other					**(5.5)**	(6.5)	**(3.2)**	(3.4)
WRITE-DOWN OF ASSETS								
Ansell Healthcare						(63.1)		(32.9)
Exide						(99.9)		(52.2)
Other					**(1.5)**	(13.5)	**(0.9)**	(7.0)
					131.1	26.7	**76.9**	13.9
Goodwill amortisation					**(25.3)**	(29.2)	**(14.8)**	(15.2)
EARNINGS BEFORE NET INTEREST AND TAX (EBIT)					**105.8**	(2.5)	**62.1**	(1.3)
Borrowing Costs Net of Interest Revenue					**(26.5)**	(54.7)	**(15.5)**	(28.6)
Operating Profit before Tax					**79.3**	(57.2)	**46.6**	(29.9)
Tax					**(26.8)**	(55.8)	**(15.8)**	(29.1)
Outside Equity Interests					**(2.6)**	(2.8)	**(1.5)**	(1.5)
TOTAL CONSOLIDATED	**1,320.1**	3,190.4	**774.3**	1,665.8	**49.9**	(115.8)	**29.3**	(60.5)
REGIONS								
Asia Pacific	**173.7**	170.7	**101.9**	89.1	**35.9**	32.9	**21.1**	17.2
Americas	**656.0**	799.5	**384.7**	417.6	**80.2**	99.1	**47.0**	51.7
Europe	**463.9**	444.0	**272.1**	231.8	**43.5**	30.3	**25.5**	15.8
	1,293.6	1,414.2	**758.7**	738.5	**159.6**	162.3	**93.6**	84.7

	ASSETS EMPLOYED				LIABILITIES			
	2003 $M	2002 $M	**2003 US$M(b)**	2002 US$M(b)	**2003 $M**	2002 $M	**2003 US$M(b)**	2002 US$M(b)
INDUSTRY								
ANSELL HEALTHCARE								
Occupational Healthcare	**300.9**	376.0	**200.6**	212.8	**118.8**	124.7	**79.2**	70.6
Professional Healthcare	**331.5**	404.3	**221.0**	228.9	**108.3**	114.3	**72.2**	64.7
Consumer Healthcare	**115.7**	140.8	**77.1**	79.7	**52.8**	54.6	**35.2**	30.9
TOTAL ANSELL HEALTHCARE	**748.1**	921.1	**498.7**	521.4	**279.9**	293.6	**186.6**	166.2
Unallocated Items	**(16.6)**	(21.1)	**(11.0)**	(11.9)	**426.1**	619.9	**284.1**	350.8
DISCONTINUED BUSINESSES	**223.0**	252.6	**148.7**	143.0	**28.3**	43.2	**18.9**	24.5
Goodwill and Brand names	**324.5**	403.2	**216.4**	228.2				
Cash	**299.8**	276.9	**199.9**	156.7				
TOTAL CONSOLIDATED	**1,578.8**	1,832.7	**1,052.7**	1,037.4	**734.3**	956.7	**489.6**	541.5
REGIONS								
Asia Pacific	**269.5**	318.4	**179.7**	180.2	**78.6**	83.0	**52.4**	47.0
Americas	**297.5**	398.6	**198.4**	225.7	**173.2**	181.9	**115.5**	103.0
Europe	**181.1**	204.1	**120.6**	115.5	**28.1**	28.7	**18.7**	16.2
	748.1	921.1	**498.7**	521.4	**279.9**	293.6	**186.6**	166.2

Prior year comparatives have been adjusted for reclassification of former Industry Segment businesses which have been sold or abandoned and hence classified as Discontinued Businesses.

(a) Translation of amounts from Australian dollars into US dollars for Operating Revenue and Operating Result has been made for the convenience of the reader at US$0.58651 = A$1 (June 2002 US$0.52214 = A$1), being the average of the 10.00am mid buy/sell rate for Australian dollars as quoted by Reuters on the last working day of the month for the 13 month period June 2002 to June 2003.

(b) Translation of amounts from Australian dollars into US dollars for Assets Employed and Liabilities has been made for the convenience of the reader at the 10.00am mid buy/sell rate for Australian dollars as quoted by Reuters on Monday 30 June 2003, at US$0.66675 = A$1 (June 2002 US$0.56605 = A$1).

The above industry segments report should be read in conjunction with the discussion and analysis on pages 27 and 28 and the notes to the financial statements set out on pages 34 to 37.

Notes to the Financial Statements

CONCISE FINANCIAL REPORT OF ANSELL LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2003

1. BASIS OF PREPARATION OF CONCISE FINANCIAL REPORT

The concise financial report has been prepared in accordance with the Corporations Act 2001, Accounting Standard AASB 1039 'Concise Financial Reports' and applicable Urgent Issues Group Consensus Views. The financial statements and specific disclosures required by AASB 1039 have been derived from the consolidated entity's full financial report for the financial year. Other information included in the concise financial report is consistent with the consolidated entity's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

A full description of the accounting policies adopted by the consolidated entity may be found in the consolidated entity's full financial report.

	CONSOLIDATED 2003 $M	2002 $M
2. TOTAL REVENUE		
REVENUE FROM THE SALE OF GOODS	**1,293.6**	2,222.8
REVENUES FROM OTHER OPERATING ACTIVITIES		
DIVIDEND INCOME		
From shares in other companies	–	0.3
INTEREST RECEIVED OR DUE AND RECEIVABLE		
From related parties	**3.3**	2.5
From others	**8.0**	13.0
TOTAL REVENUE FROM OTHER OPERATING ACTIVITIES	**11.3**	15.8
REVENUE FROM OUTSIDE OPERATING ACTIVITIES		
Proceeds from the sale of non-current assets	**15.2**	12.1
Proceeds received from the sale of businesses and investments	–	939.7
TOTAL REVENUE FROM OUTSIDE OPERATING ACTIVITIES	**15.2**	951.8
TOTAL REVENUE	**1,320.1**	3,190.4
3. PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		
INDIVIDUALLY SIGNIFICANT ITEMS INCLUDED IN PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		
Write-down of receivable/investment	(6.1)	(99.9)
Write-down of Ansell Healthcare fixed assets	–	(63.1)
Net gain on sale of controlled entities and businesses	–	25.7
4. INCOME TAX EXPENSE ATTRIBUTABLE TO ORDINARY ACTIVITIES		
INDIVIDUALLY SIGNIFICANT INCOME TAX ITEMS INCLUDED IN INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES		
Write-off of tax balances attributable to Australian operations	–	15.2

	THE COMPANY 2003 $M	2002 $M
5. DIVIDENDS PAID AND DECLARED		
DIVIDENDS PAID		
No dividends were paid by the Company (2002 – Nil)	–	–
DIVIDENDS DECLARED		
Since the end of the financial year the Directors declared the following dividend:		
a final dividend of 11 cents, unfranked	**20.5**	–

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2003 and will be recognised in subsequent financial reports.

DIVIDEND FRANKING ACCOUNT

The balance of available franking credits in the franking account as at 30 June 2003 was Nil (2002 – Nil).

	CONSOLIDATED 2003 $M	2002 $M
6. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the financial year	**(417.0)**	(289.9)
Transfer from/(to) reserves	**21.4**	(11.4)
Net profit/(loss) after income tax attributable to Ansell Limited shareholders	**49.9**	(115.8)
Overprovision of prior year dividend	–	0.1
ACCUMULATED LOSSES AT THE END OF THE FINANCIAL YEAR	**(345.7)**	(417.0)
7. TOTAL EQUITY RECONCILIATION		
Total equity at the beginning of the financial year	**876.0**	1,066.2
Total changes in equity from non-owner related transactions attributable to Ansell Limited shareholders	**(21.4)**	(185.4)
Transactions with owners as owners:		
Contributions of equity	**1.0**	1.2
Share buy-back	**(8.2)**	–
Dividends	–	0.1
Total changes in outside equity interest	**(2.9)**	(6.1)
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR	**844.5**	876.0

8. NOTES TO THE INDUSTRY SEGMENTS REPORT

(A) OPERATING REVENUE

The Operating Revenue of Discontinued Businesses represents the external sales to the date of disposal and the cash received/receivable from the sale of such businesses (net of disposal costs).

(B) UNALLOCATED REVENUE AND COSTS

Represents costs of Statutory Head Office, part of the costs of Ansell Healthcare's Corporate Head Office and non-sales revenue.

(C) TAX

June 2002 includes the write-off of tax balances attributable to Australian operations of $15.2 million (US$7.9 million) and tax attributable to Discontinued Businesses.

(D) CASH

Cash also includes Accufix Pacing Leads restricted deposits.

(E) INTER-SEGMENT TRANSACTIONS

Significant inter-segment sales were made by Asia Pacific – $258.2 million (US$151.4 million) (2002 – $304.9 million; US$159.2 million) and Americas – $254.7million (US$149.4 million) (2002 – $188.3 million; US$98.3 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.

(F) INDUSTRY SEGMENTS

The consolidated entity 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.
- Discontinued Businesses – represents former Industry Segment businesses which have been sold or abandoned.

(G) REGIONS

The allocation of Operating Revenue and Operating Results reflect 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.

- Asia Pacific – manufacturing facilities in four countries and sales.
- Americas – manufacturing facilities in USA and Mexico and significant sales activity.
- Europe – principally a sales region with one manufacturing facility in the UK.

	2003 $M	2002 $M	2003 US$M	2002 US$M
(H) SEGMENT CAPITAL EXPENDITURE				
Occupational Healthcare	**3.2**	6.7	**1.9**	3.5
Professional Healthcare	**8.6**	12.7	**5.0**	6.6
Consumer Healthcare	**3.4**	1.5	**2.0**	0.8
Discontinued Businesses	**–**	12.0	**–**	6.3
(I) REGION CAPITAL EXPENDITURE				
Asia Pacific	**10.1**	13.6	**5.9**	7.1
Americas	**4.2**	5.3	**2.5**	2.8
Europe	**0.9**	2.0	**0.5**	1.0
(J) SEGMENT DEPRECIATION				
Occupational Healthcare	**11.0**	15.7	**6.5**	8.2
Professional Healthcare	**15.5**	18.8	**9.1**	9.8
Consumer Healthcare	**4.8**	5.6	**2.8**	2.9
Discontinued Businesses	**–**	11.1	**–**	5.8
(K) SEGMENT OTHER NON-CASH EXPENSES (EXCLUDING PROVISION FOR RATIONALISATION AND WRITE-DOWN OF ASSETS SEPARATELY DISCLOSED)				
Occupational Healthcare	**8.3**	8.9	**4.9**	4.6
Professional Healthcare	**0.7**	1.9	**0.4**	1.0
Consumer Healthcare	**2.9**	5.1	**1.7**	2.7
Discontinued Businesses	**–**	14.8	**–**	7.7

9. CONTINGENT LIABILITIES

INDEMNITIES AND GUARANTEES

Ansell Limited ('the Company') has previously entered into Deeds of Indemnity with each of the Directors of the Company and certain officers of controlled entities, in relation to liabilities that they may incur (other than to Group Companies) as Directors of the Company and Directors of certain controlled entities respectively, to the extent permitted by law and the Company's Constitution.

The Company has also guaranteed the performance of certain wholly-owned controlled entities which have negative shareholders' funds.

At this time, no liabilities the subject of any such indemnity or guarantee have been identified and, accordingly, it is not possible to quantify any financial obligation of the consolidated entity under these indemnities and of the Company pursuant to its guarantee.

ACCUFIX LITIGATION

Claims have been made against certain Group Companies in a number of jurisdictions relating to the Accufix Pacing Leads manufactured by Accufix Research Institute, Inc. (formerly TPLC) ('ARI').

As at 30 June 2003, all lawsuits have been concluded with the exception of three lawsuits which remain outstanding in France in relation to the Accufix Pacing Leads: one involving three individual claimants, and two recently initiated actions one of which involves eight claimants, the other involving only one claimant.

In addition, claims may still be made by any of the 150 persons who opted out of the class settlement in the United States.

As at 30 June 2003, the balance of the provisions made for settlements (approximately $14.5 million) is considered adequate to address any remaining liability of members of the Ansell Group to claims made by individuals with respect to the manufacture of the Accufix Pacing Leads.

LATEX ALLERGY LITIGATION

Proceedings have been brought against various Group Companies (the 'Ansell Defendants') in the United States and Australia in relation to exposure to natural rubber latex gloves.

As at 30 June 2003, there were approximately 313 such cases pending against one or more of the Ansell Defendants. Ansell Limited is no longer a defendant in any cases in the United States.

The Australian Competition and Consumer Commission has instituted legal action against the Company alleging breaches of the Trade Practices Act relating to the labelling and packaging of natural rubber latex gloves. The Company is vigorously defending this litigation.

BUSINESS AND ASSET SALES

The Company and various Group Companies have, as part of the Group's asset and business sale program, provided warranties, indemnities and other undertakings and, in some instances, the Company has guaranteed the warranties, indemnities and other obligations of various Group Companies, to the purchasers of Group assets and businesses.

At this time, it is not possible to quantify the potential financial impact of those warranties, indemnities, undertakings or guarantees upon the economic entity.

From time to time, the Company has received notices from purchasers of its businesses pursuant to the relevant sale agreements.

Simplot Australia Pty Ltd has instituted proceedings against the Company and other Group Companies in the Supreme Court of Victoria in relation to the sale of the Edgell-Bird's Eye and Herbert Adams Bakeries businesses. The matter is scheduled to be heard in March 2004. The Company denies all of the allegations made against it and is continuing to strenuously defend the claim.

No other formal proceedings have been initiated and, accordingly, it is not possible at this time to quantify the potential financial impact on the Group.

10. CONTINGENT ASSETS

EXIDE CORPORATION

US legal proceedings are continuing against entities in the Exide Group that have not filed for bankruptcy ('Non-bankrupt Entities'), to recover amounts due to the Ansell Group in connection with the sale of the GNB business. These proceedings have been joined with the Exide Technologies bankruptcy case. The Ansell Group has opposed this joinder, and is seeking a motion to have the proceedings remitted to the Illinois State Court. The Ansell Group will continue to aggressively pursue recovery of the amounts owed by the Non-bankrupt Entities, including the separation of these claims from Exide Technologies bankruptcy case.

11. ENVIRONMENTAL MATTERS

The Company and various Group Companies as the occupiers of property receive, from time to time, notices from relevant authorities pursuant to various environmental legislation. On receiving such notices, the Company evaluates potential remediation options and the associated costs.
At this time, the Company does not believe that the potential financial impact of such remediation upon the economic entity is material.

In the ordinary course of business, the Ansell Group has maintained comprehensive general liability insurance policies covering its operations and assets. Generally such policies exclude coverage for most environmental liabilities.

12. EVENT AFTER BALANCE DATE

Since the end of the financial year, Simplot Australia Pty. Ltd. ('Simplot'), the Company and other Group Companies have entered into an agreement to settle the claims previously instituted by Simplot in the Supreme Court of Victoria that were outstanding during, and at the end of, the financial year.

Directors' Declaration

In the opinion of the Directors of Ansell Limited, the accompanying concise financial report of the consolidated entity, comprising Ansell Limited and its controlled entities for the year ended 30 June 2003, set out on pages 27 to 37:

(a) has been derived from or is consistent with the financial report for the financial year; and

(b) complies with Accounting Standard AASB 1039 'Concise Financial Reports'.

Signed in accordance with a resolution of the Directors:

Edward D Tweddell
Director

Harry Boon
Director

Dated in Melbourne this 1st day of September 2003

Independent Audit Report on Concise Financial Report

To the members of Ansell Limited,

Scope

We have audited the concise financial report of Ansell Limited and its controlled entities for the financial year ended 30 June 2003, consisting of the statement of financial performance, statement of financial position, statement of cash flows, industry segments, accompanying notes 1 to 12, and the accompanying discussion and analysis on the statement of financial performance, statement of financial position and statement of cash flows, set out on pages 27 to 37 in order to express an opinion on it to the members of the Company. The Company's Directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Ansell Limited and its controlled entities for the year ended 30 June 2003.

Our audit report on the full financial report was signed on 1 September 2003, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 'Concise Financial Reports' issued in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion the concise financial report of Ansell Limited and its controlled entities for the year ended 30 June 2003 complies with AASB 1039 'Concise Financial Reports' issued in Australia.

KPMG

KPMG

William J Stevens
Partner

Dated in Melbourne this 1st day of September 2003

Shareholders

Details of quoted shares held in Ansell Limited as at 20 August 2003.

DISTRIBUTION OF ORDINARY SHAREHOLDERS AND SHAREHOLDINGS

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS		NUMBER OF SHARES	
1 – 1,000	49,394*	82.48	17,638,800	9.51
1,001 – 5,000	9,374	15.65	19,027,274	10.26
5,001 – 10,000	737	1.23	5,260,898	2.84
10,001 – 100,000	327	0.55	8,309,360	4.48
100,001 AND OVER	51	0.09	135,184,118	72.91
	59,883	100%	185,420,450	100%

* Including 1,962 shareholders holding a parcel of shares of less than $500 in value (75 shares), based on market price of $6.71.

Percentage of the total holding of the 20 largest shareholders – 68.59 per cent.

In addition to the foregoing, there were 2,080 members of the Employee Share Plan, holding 210,679 shares, and 872 members of the Executive Share Plan, whose shares are paid to one cent each, holding 920,100 Plan shares.

Voting rights as governed by the Constitution of the Company provide that each ordinary shareholder 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
National Nominees Limited	45,884,734	24.75
Westpac Custodian Nominees Limited	18,917,639	10.20
RBC Global Services Australia Nominees Pty Limited (PIPOOLED A/C)	13,261,873	7.15
J P Morgan Nominees Australia Limited	12,542,278	6.76
Queensland Investment Corporation	7,520,080	4.06
RBC Global Services Australia Nominees Pty Limited	5,964,996	3.22
Commonwealth Custodial Services Limited	4,652,307	2.51
Cogent Nominees Pty Limited	3,028,101	1.63
Citicorp Nominees Pty Limited	3,017,984	1.63
RBC Global Services Australia Nominees Pty Limited (PIIC A/C)	2,301,409	1.24
AMP Life Limited	1,698,075	0.92
De Bortoli Wines Pty Limited	1,679,327	0.91
ANZ Nominees Limited	1,201,353	0.65
Westpac Custodian Nominees Limited (ADR A/C)	1,199,120	0.65
Caledonia Investments Limited	974,430	0.53
Permanent Trustee Australia Limited (PAR0006 A/C)	937,154	0.51
HSBC Custody Nominees (Australia) Limited	625,948	0.34
Government Superannuation Office (A/C State Super Fund)	614,009	0.33
RBC Global Services Australia Nominees Pty Limited (BKCUST A/C)	550,000	0.30
Cogent Nominees Pty Limited (SMP Accounts)	549,726	0.30
	127,120,543	68.59

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:

7 November 2002	Maple-Brown Abbott Limited	20,954,605	11.24%
15 August 2003	Harris Associates L.P.	16,840,730	9.06%
15 August 2003	Perpetual Trustees Australia Limited	18,274,579	9.83%
21 August 2003*	Shamrock Holdings of California Inc. and its related bodies corporate	18,937,905	10.19%

* Advice of change in substantial shareholding was received from Shamrock Holdings of California Inc. subsequent to the table of 20 largest shareholders being compiled.

Investor Information

ANNUAL REPORT

Ansell's Annual Report consists of two documents – the Annual Review 2003 (incorporating the concise financial report to shareholders) and the Financial Report 2003. The Annual Review details the Company's operations and provides a summary of the financial statements. The financial statements and disclosures in the concise financial report have been derived from the Ansell Limited Financial Report 2003. A more complete understanding of the Company's financial performance, financial position and financing and investing activities can be obtained from the Financial Report.

All shareholders are entitled to receive a copy of the Annual Review. Those who do not wish to receive a copy of the Annual Review can have their name deleted from the mailing list by advising the Company in writing. A copy of the Financial Report of the Company and its Controlled Entities is available and will be sent to shareholders, free of charge, on request.

Alternatively, shareholders can access the Financial Report 2003 and other information on the Company and its activities on the internet from Ansell's 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 11.0 cents per share will be paid on 9 October 2003 to shareholders registered on 18 September 2003. 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 Review, 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: Investor Relations
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
GPO Box 2975
Melbourne VIC 3001
Australia
Telephone (+61 3) 9611 5711
Facsimile (+61 3) 9611 5710
Shareholder Enquiries 1300 850 505

Or visit their website (**www.computershare.com**), where shareholder information can be accessed by clicking on 'Investors' and providing a Security Holder Number (SRN) or HIN, Family or Business name and Postcode.

LISTINGS

Ansell's shares (Ticker Symbol ANN) are listed on the Australian, New Zealand and London stock exchanges. In the US, Ansell shares are traded in the form of American Depositary Receipts (ADRs) on NASDAQ. Each ADR unit represents four ordinary Ansell shares. Cash dividends for ADRs are paid in US dollar denominated cheques and stock dividends are issued in the form of ADRs by the administrator of the program. ADR investors requiring information concerning their shareholding should contact:

JPMorgan Service Center
P O Box 43013
Providence RI 02940-3013 USA
US Toll Free (800) 990 1135
Telephone (+1 781) 575 4328
Facsimile (+1 781) 575 4088
Email adr@jpmorgan.com

FINANCIAL CALENDAR – 2004

11 February 2004
Announcement of result for half-year ending 31 December 2003

11 August 2004
Announcement of result for year ending 30 June 2004

14 October 2004
Annual General Meeting

Ansell Offices

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Lawyers
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Senior Management

Harry Boon
Managing Director & Chief Executive Officer, Ansell Limited
(Red Bank)

Robert Bartlett
Company Secretary & General Manager – Corporate
(Richmond)

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

Duane Dickson
Head of Global Marketing & Program Director, *Operation Full Potential*
(Red Bank)

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

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

Neil O'Donnell
Senior Vice-President & Regional Director, Asia Pacific
(Richmond)

Scott Papier
Vice-President Global Supply & Logistics
(Red Bank)

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

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

Peter Soszyn
Senior Vice-President & Chief Information Officer
(Red Bank)

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

Gwynne Woodward
Senior Vice-President Risk Management
(Red Bank)

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

A complete copy of the financial statements can be obtained from the Ansell website **www.ansell.com**

Designed and produced by Amanda Roach Design

Ansell