

17th February, 2010

Ansell Limited Half Year Results 31 December, 2009

STRONG BROAD-BASED PERFORMANCE

Highlights:

- Strong recovery after Global Financial Crisis (GFC)
- Solid results, in US dollars, given the difficult environment
 - Sales of \$533.3m (flat)
 - EBIT of \$65.6m (up 7%)
 - Profit attributable of \$54.3m (flat)
 - EPS of US40.3¢ (up 1.3%)
- Australian Dollar results negatively impacted by FX translation
- Free cash flow of US\$67.2m (up 57%)
- Interim dividend increased to A13.0¢ (up 8%)

Chairman's Comments:

"Ansell has made a pleasing recovery from the GFC with the Occupational Division, which was hit hard last year, using its strong market position and customer relationships to recover quickly. This was assisted by decisive restructuring actions and the Company succeeded in delivering profits while still investing for future growth" said the Chairman, Peter Barnes.

He continued.... "These solid results and the strong balance sheet, once again enables your Board to increase the dividend by 8% to A13.0¢ a share"

Full Year Guidance:

EPS guidance has been upgraded to be in the range of US69¢ to US74¢. Unlike the previous guidance (of the top end of US56¢ to US62¢), the revised range also includes the H1 deferred tax adjustment of US6¢.

Ansell Limited Half Year 2010 Results Summary

Ansell Limited (ASX:ANN) today announced Profit Attributable for the first half of US\$54.3m, up marginally on the previous year's US\$54.1m.

Reported EPS of US40.3¢ was up 1.3% on the previous year's US39.8¢. Based on this, the Board declared an Interim Dividend of A13.0¢ a share, unfranked and payable on 24 March, 2010. Reported Profit Attributable included a US\$8.1m gain as an Australian Deferred Tax Asset (DTA) was recognised (US\$6.9m in F'09 H1). This increased F'10 H1 EPS by US6¢ per share (US5.1¢ per share last year).

Results Summary:

	Reported in Australian Dollars			Results in Operating Currency – US Dollars		
	F'09 H1 A\$M	F'10 H1 A\$M	%	F'09 H1 US\$M	F'10 H1 US\$M	%
	Sales	689.9	611.6	(11)	532.2	533.3
EBIT	79.8	74.4	(7)	61.5	65.6	7
Profit Attributable (PA)	72.2	61.4	(15)	54.1	54.3	-
Earnings Per Share (EPS)	53.1¢	45.6¢	(14)	39.8¢	40.3	1
Dividend	12.0¢	13.0¢	8			

Notes: 1) DTA adjustments are no longer considered "one off" in nature as Ansell has unbooked Australian tax losses of A\$460m that will probably be recognised in future years. The company will, however, continue to fully disclose all DTA Adjustments.

2) There are no significant one-offs in either period; therefore Underlying Results are the same as the Reported Results.

Business Review:

"Sales for the half were much stronger than expected, equalling F'09 H1 and eclipsing F'09 H2. Professional had an exceptional half as higher surgical sales coupled with significantly lower input costs took EBIT and EBIT to Sales to very satisfactory levels" said Ansell's CEO, Doug Tough.

"Occupational's recovery was truly gratifying; driven by Ansell's brand strength, great product range and strong international presence. Consumer sales growth came from SKYN[®], though EBIT was held back due to the impact of recent distributor changes in key markets to position the Company for future growth" he said.

Occupational Healthcare:

Reported	A\$M		US\$M	
	F'09 H1	F'10 H1	F'09 H1	F'10 H1
Sales	337.8	291.1	261.7	253.8
Segment EBIT	43.8	37.2	34.9	32.8
EBIT/Sales	13.0%	12.8%	13.3%	12.9%

Occupational accounted for 48% of Sales Revenue and 47% of Segment EBIT.

After a subdued F'09 H2, when sales were down 25% on the corresponding period, Occupational has recovered strongly. While half on half sales were down 3% compared to a strong F'09 H1, business picked up strongly in the latter part of F'10 H1. Orders improved in the Automotive, General Industry and Chemical segments, with end users and distributors restocking. Higher usage rates were evident as the global economy recovered.

Innovation continues and this half saw the release of the "Tar Sands" glove and the light weight AlphaTec[®] glove. New Channel development continued with the DIY program at Menards (in the US) and the Military channel through Hawkeye making solid progress.

EBIT was down 6.0% half on half. The current half included much higher restructuring costs, offset by savings from F'09's restructuring and a better sales mix.

Professional Healthcare:

Reported	A\$M		US\$M	
	F'09 H1	F'10 H1	F'09 H1	F'10 H1
Sales	220.1	200.9	168.8	175.1
Segment EBIT	21.8	29.6	16.4	26.0
EBIT/Sales	9.9%	14.7%	9.7%	14.8%

Professional accounted for 33% of Sales Revenue and 38% of Segment EBIT.

Sales continue to grow, led strongly by Surgical which was up 8.8% versus F'09 H1. EBIT growth of 58.5% half on half has been dramatic. Sales growth came from Ansell's extensive surgical glove range, and EBIT was helped by a better product mix and significantly lower raw material costs.

Innovation continued with a focus not only on patient health but also on OH&S for Health Industry employees. There is a full pipeline of new products looking forward.

Consumer Healthcare:

Reported	A\$M		US\$M	
	F'09 H1	F'10 H1	F'09 H1	F'10 H1
Sales	132.0	119.6	101.7	104.4
Segment EBIT	19.8	11.9	14.8	10.5
EBIT/Sales	15.0%	9.9%	14.6%	10.1%

Consumer accounted for 19% of Sales Revenue and 15% of Segment EBIT.

Consumer sales were up 2.6% half on half despite delays in major condom tenders. SKYN[®] sales continue to grow very well and the product/brand has been introduced into several countries.

EBIT however was down 29.1% half on half, with the EBIT to Sales margin declining sharply versus a year ago. This was mostly due to Ansell making some significant distributor changes in a key market (to position the company for future growth), condom vs. household glove sales mix, lower factory cost recoveries due to delayed tenders, and restructuring costs of about \$2.2m (vs. none in F'09 H1).

Corporate Development:

During the half, Ansell signed contracts for the purchase and implementation of an ERP system, which will be completed over the next 3 years at a total cost of approximately US\$60m. Capital expenditure for this program is expected to be \$18m in F'10 H2.

Restructuring:

In response to the GFC, Ansell significantly reduced Occupational glove production in F'09 H2 and downsized its cost structure. Restructuring was stepped up in F'10 H1, with further moves in manufacturing and a 7% reduction in global SG&A positions. The total cost this half was \$9.3m (versus \$1.8m in F'09 H1) and the full benefit of these actions will be seen in F'11.

Management had previously guided that the year on year net EPS benefit from restructuring in F'11 would be US10¢. However, net costs in F'10 are now expected to be US1¢ lower than envisaged and so the year-on-year benefit in F'11 will be US9¢.

Finance:

Foreign exchange rates provided a half on half sales benefit in F'10 H1 of approximately US\$10m as Ansell's major revenue currencies (EUR, CAD, and AUD) strengthened against the USD. The major cost currencies (MYR, THB) also strengthened, but by much less and the overall impact on EBIT was positive.

Book taxes increased, with higher profits made in high tax jurisdictions such as the US, where business rebounded. This was offset by a US\$8.1m recognition of a deferred tax asset in Australia (US\$6.9m in F'09 H1).

Working capital continued to be well controlled with Inventory below last December's elevated level and Debtors in line. Working Capital was US\$44.4m lower than in the corresponding period last year. Working Capital Days fell from 74 to 72 days.

Free cash flow was up 57% (US\$67.2m against US\$42.7m in F'09 H1) driven by strong EBITDA and Working Capital gains. As expected, Capital Expenditure was lower half on half, as Ansell has sufficient manufacturing capacity after stepped up investments in recent years.

Ansell continues to have a strong Balance Sheet. Gearing (Net Interest Bearing Debt / NIBD + Equity) was 13.4%, well below 31 December 2008's 27.5% and 30 June 2009's 16.7%. Interest cover was 13.3x and Net Debt to EBITDA was 0.6x. In addition, liquidity is strong, with cash on deposit of US\$182m and unused bank facilities of US\$122m. Ansell therefore has the capacity to invest in the business as needed, make bolt-on acquisitions, pay dividends and continue to buy back shares as appropriate.

During F'10 H1, 3,999,725 shares were purchased (and cancelled) under Ansell's existing 7.5m share buy-back program at an average price of A\$9.87 per share and a total cost of A\$39.5m.

Dividends:

The Ansell Board has announced an increased dividend of 13.0¢ (A12.0¢ in 2009) per share unfranked. The dividend will have a record date of 3 March, 2010 and a payment date of 24 March, 2010.

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

F'10 Outlook:

Ansell finished the first half better placed than anticipated, after a strong recovery from the GFC. Sales momentum is solid and overhead costs tightly controlled. However, the raw material and energy cost increases of recent months will impact H2 profits as there are lags before offsetting selling price increases and various manufacturing productivity initiatives take effect. Bearing this in mind, Ansell has upgraded its EPS Guidance to be in the range of US69¢ to US74¢.

The table below shows the drivers of the upward movement in Ansell's guidance.

	US¢
Original Guidance	56 – 62
Plus DTA	~ +6¢
Original Guidance with DTA	62 – 68
Restructuring	~ +1¢
Share buy-back	~ +1¢
Stronger Business Performance	
New Guidance	69 - 74

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Ansell is a world leader in providing superior health and safety protection solutions that enhance human well being. With operations in the Americas, Europe and Asia, Ansell employs more than 10,000 people worldwide and holds leading positions in the natural latex and synthetic polymer glove and condom markets. Ansell operates in three main business segments: Occupational Healthcare, supplying hand protection to the industrial market; Professional Healthcare, supplying surgical and examination gloves to healthcare professionals; and Consumer Healthcare, supplying sexual health products and consumer hand protection. Information on Ansell and its products can be found at <http://www.ansell.com>.