

ANSELL LTD
Form 6-K
September 21, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the month of September 2006 (September 19, 2006)

Commission File Number: 0-15850

ANSELL LIMITED

(Translation of registrant's name into English)

Level 3, 678 Victoria Street, Richmond, Victoria 3121, Australia

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulations S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

This Form 6-K contains forward-looking statements within the meaning of the Securities Exchange Act of 1934 as amended, and information that is based on management's beliefs as well as assumptions made by and information currently available to management. When used in this Form 6-K, the words anticipate, approach, begin, believe, continue, expect, forecast, going forward, improved, likely, look for, outlook, plans, potential, proposal, should and would and similar expressions are intended to identify forward-looking statements. These forward-looking statements necessarily make assumptions, some of which are inherently subject to uncertainties and contingencies that are beyond the Company's control. Should one or more of these uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, expected, estimated or projected. Specifically, the ability of the Company to realize its ongoing commitment to increasing shareholder value through its ongoing restructuring, asset dispositions, strategic review and implementation, and cost cutting initiatives, may be affected by many factors including: uncertainties and contingencies such as economic conditions both in the

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world and in those areas where the Company has or will have substantial operations; foreign currency exchange rates; pricing pressures on products produced by its subsidiaries; growth prospects; positioning of its business segments; future productions output capacity; and the success of the Company's business strategies, including further structural and operational changes, business dispositions, internal reorganizations, cost cutting, and consolidations.

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Financial Report of Ansell Limited and Subsidiaries - 2006

Please note that the Annual Review 2006 contains the Concise Financial Report of Ansell Limited which is derived from the Financial Report 2006. The Annual Review 2006 does not constitute part of this report.

Both the Annual Review 2006 (containing the Concise Financial Report) and the Financial Report 2006 are available from the Company's website (www.ansell.com) or upon request. Information on the web site does not constitute part of this report.

Ansell Limited

ACN 004 085 330

678 Victoria Street

Richmond, VIC

Telephone (613) 9270 7270

Facsimile (613) 9270 7300

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Ansell Limited and Subsidiaries

Financial Statements - 30 June 2006

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Board of Directors

PETER BARNES,

B.COM (HONS), MBA (MELB)

AGE 63. RESIDES AUSTRALIA.

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

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

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

The Board considers Peter Barnes to be an independent Director.

DOUG TOUGH,

MBA, BBA

AGE 57. RESIDES USA.

Managing Director and Chief Executive Officer since 1 July 2004.

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

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

As an Executive Director, Doug Tough is not independent.

GLENN BARNES,

B. AG. SCI (MELB), CPM, FAMI, FAIM, FAICD, SF FIN, FRSA

AGE 59. RESIDES AUSTRALIA.

Appointed Non-executive Director in September 2005. Member of the Audit Committee.

Glenn Barnes is Chairman of Baycorp Advantage Limited and a Director of Lion Nathan Limited. He also serves as Chairman, Director and council member of a number of not-for-profit and private interest companies, including the Reach Foundation and the Australian Institute of Company Directors. He was previously a Non-executive Director of Banksia Wines Limited, Repco Corporation Limited, National Foods Limited and a Council member of Monash University.

Glenn Barnes commenced his management career with Unilever Limited and was involved in fast moving consumer goods, banking and financial services for over 30 years in Australia, and internationally including UK, USA, Republic of Ireland, Japan and China. Since retiring from executive roles in 2002, Mr Barnes has focused on governance and consulting.

The Board considers Glenn Barnes to be an independent Director.

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RONNIE BELL,

BA (STRATHCLYDE)

AGE 56. RESIDES UK.

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

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

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

The Board considers Ronnie Bell to be an independent Director.

DALE CRANDALL,

MBA UC BERKELEY, CPA

AGE 65. RESIDES USA.

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

Dale Crandall is a Director of Union Bank of California, Covad Communications Group, BEA Systems Inc., Coventry Health Care Inc. and UGS Corp. He is also a Trustee of Dodge & Cox Mutual Funds.

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

The Board considers Dale Crandall to be an independent Director.

HERB ELLIOTT,

AC, MBE, MA (CANTAB)

AGE 68. RESIDES AUSTRALIA.

Appointed Non-executive Director in February 2001. Member of the Audit and Nomination, Remuneration and Evaluation Committees.

Herb Elliott was appointed Deputy Chairman of Fortescue Metals Group Limited in May 2005, having served as a Director of that company since October 2003. He is also Chairman of the Telstra Foundation Limited.

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

The Board considers Herb Elliott to be an independent Director.

MARISSA PETERSON,

MBA (HARVARD), B.SC (MECH)

AGE 44. RESIDES USA

Appointed Non-executive Director on 22 August 2006.

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Marissa Peterson is a Director of Supervalu Inc and Lucille Packard Children's Hospital in California, and serves on the Board of Trustees of Kettering University. She was formerly a Director of Covisint Inc. and a member of both the Industry Executive Advisory Council, of Stanford University's Alliance for Innovative Manufacturing, and the US National Center for Women & Information Technology Executive Council.

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

The Board considers Marissa Peterson to be an independent Director.

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Corporate Governance

INTRODUCTION

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

The Board, which has authority for ultimate oversight of the Company, works under a set of well-established corporate governance policies and Charters. These policies are publicly available on the Company's website, www.ansell.com. The Board regularly reviews and updates these policies and Charters to ensure that they remain in accordance with best practice. The Board is aware of, and has had regard to, developments in Australia and overseas in relation to corporate governance best practice.

This Report is divided into four sections:

the way in which the Board is formed;

the way in which the Board operates;

governance policies specific to the Board; and

governance policies adopted by the Board that apply generally throughout Ansell.

PART 1 COMPOSITION OF THE BOARD

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

Maintaining a balance of experience and skills is an important factor in Board composition. Details of the skills, experience and expertise of each Director are set out on page 4.

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

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

The Board has adopted the definition of independence set out in the IFSA Blue Book (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 seven Directors, one of whom is an Executive Director (the Chief Executive Officer who is also the Managing Director). All of the Non-executive Directors, including the Chairman, are considered to be independent.

BOARD REVIEW

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

assessment and consideration of the effectiveness and composition of the Board;

an assessment of the performance of the Chief Executive Officer by the Non-executive Directors; and

assessing whether corporate governance principles are appropriate and reflect good practice .

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

BOARD ELECTION PROCESS

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

APPOINTMENT TERMS

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

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

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

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

PART 2 OPERATION OF THE BOARD

Relevant policies and charters (see www.ansell.com)

Board Charter
Audit Committee Charter

Nomination, Remuneration and Evaluation Committee Charter

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

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

strategy, planning and monitoring;

shareholder communication and compliance; and

risk management and internal controls.

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Corporate Governance continued

	STRATEGY, PLANNING AND MONITORING	SHAREHOLDER COMMUNICATION AND COMPLIANCE	RISK MANAGEMENT AND INTERNAL CONTROLS
Approving	<p>corporate strategies, budgets, plans and policies</p> <p>appointment of the Chief Executive Officer and other members of the senior management team</p> <p>the remuneration package for the Chief Executive Officer</p> <p>the remuneration policy applicable to the senior executives of the Group</p> <p>the remuneration policy applicable to Non-executive Directors</p>	<p>procedures to ensure compliance with applicable laws, regulations, accounting standards, ethical standards and business practices</p> <p>shareholder communication strategies</p>	<p>the Company's risk management framework and internal compliance and controls systems</p>
Reviewing and monitoring	<p>implementation of corporate strategies, budgets, plans and policies</p> <p>financial and business results (including the audit process) in order to understand the financial position of the Group</p>	<p>implementation of compliance procedures</p> <p>timeliness and accuracy of information provided to shareholders and the financial market</p>	<p>implementation of risk management framework and internal compliance and controls systems</p> <p>the Company's wider risk management profile</p>
Evaluating	<p>performance against corporate strategies, budgets, plans and policies</p> <p>the performance of the Chief Executive Officer and other members of the senior management team</p>	<p>the effectiveness of reporting procedures and mechanisms</p> <p>whether adequate, accurate and timely information is provided to shareholders and the financial market</p>	<p>internal processes for determining, monitoring and assessing key risk areas</p> <p>the process for assessing the effectiveness of risk management practices</p>

In carrying out its duties, the Board meets formally at least six times a year, with additional meetings held as required to address specific issues. Directors also participate in meetings of various Board Committees, which assist the full Board in examining particular areas or issues.

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

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

BOARD COMMITTEES

The Board has established two standing Committees, being the:

Audit Committee; and

Nomination, Remuneration and Evaluation Committee.

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

Further details regarding the two standing Committees are set out in the table opposite.

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Corporate Governance continued

	AUDIT COMMITTEE	NOMINATION, REMUNERATION AND EVALUATION COMMITTEE
Members	L D Crandall (Chair from 9 August 2005)	P L Barnes (Chair from 9 August 2005)
	G L L Barnes (from 17 November 2005)	Dr E D Tweddell (Chair and member until 4 August 2005)
	P L Barnes (Chair and member until 8 August 2005)	R J S Bell (from 9 August 2005)
	H J Elliott	M J McConnell (until 5 September 2005)
		H J Elliott (from 5 September 2005)
Composition	Committee members are required to:	The Committee is required to:
	be independent, Non-executive Directors (minimum of three required)	comprise a majority of independent, Non-executive Directors (minimum of three required)
	be financially literate	
	possess sufficient financial expertise and knowledge of the industry in which Ansell operates	
Functions	Reviewing:	Reviewing:
	financial statements	the structure and performance of the Board, the Committees and individual Directors (and to recommend changes where required)
	adequacy of financial controls	
	annual audit arrangements (internal and external)	Establishing
	activities of internal and external auditors	policies and criteria for Non-executive Director selection, and identifying suitable candidates for appointment
	independence and remuneration of external auditor	Advising Board on:

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processes for identifying, managing and reporting business risk

succession planning

Advising Board on:

remuneration of Chief Executive Officer

appointment, removal and remuneration of external auditor

senior executive remuneration policy (including incentive plans, equity awards, retirement payments and service contracts)

independence of external auditor

financial reporting controls and systems, including their adequacy

national and international Accounting Standards

applicable Company policies, regulatory and statutory requirements

Attendance

Details regarding attendance at Committee meetings during the year are set out below

Details regarding attendance at Committee meetings during the year are set out below

Consultation

Company officers and the principal external audit partner attend Committee meetings to provide reports and/or guidance

As required, the Committee may engage independent professional advisers to:

assist in identifying high-calibre Directors and executives

advise on whether the Company's employment policies and practices, including terms and conditions, are competitive and consistent with those offered by comparable companies

The Committee may also request information from management where appropriate

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ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS DURING THE YEAR ENDED 30 JUNE 2006

	BOARD		AUDIT		NOMINATION, REMUNERATION AND EVALUATION	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
P L Barnes	8	8	1	1	7	7
G L L Barnes	7	7	3	3		
R J S Bell	8	8			7	6
L D Crandall	8	8	4	4		
H J Elliott	8	7	4	4	7	6
M J McConnell	3	3			1	3
D D Tough	8	8				

Held Indicates the number of meetings held while each Director was a member of the Board or Committee.

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

A meeting of a special Board Committee comprising P L Barnes and R J S Bell was convened on 17 August 2005 in relation to the review and lodgement of the 2005 Full Year Results announcement. A meeting of a special Board Committee comprising P L Barnes and H J Elliott was convened on 23 September 2005 in relation to the signing of the accounts for the year ended 30 June 2005. A special Board Committee comprising P L Barnes and D D Tough was convened on 15 February 2006 in relation to the review and lodgement of the Half-Year Results announcement, Reports and financial statements for the six months ended 31 December 2005. Two of the meetings of the Nomination, Remuneration and Evaluation Committee were attended by all Directors. Audit Committee meetings were generally also attended by all other Directors.

PART 3 GOVERNANCE POLICIES APPLICABLE TO THE BOARD

Relevant policies and charters
(see www.ansell.com)

Share Trading Policy
Code of Conduct

REMUNERATION

Full details of the remuneration paid to Non-executive and Executive Directors and the Company's senior executives are set out in the Remuneration Report on pages 14 to 23.

DEALING IN SHARES

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

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, contracts and other directorships which may involve any potential conflict. Appropriate procedures have been adopted to ensure that, where the possibility of a material conflict arises, relevant information is not provided to the Director, and the Director does not participate in discussion on the particular issue or vote in respect of the matter at the meeting where the matter is considered.

EXTERNAL ADVICE

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

INDUCTION AND ONGOING EDUCATION

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

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

It is the Company's practice for Directors to visit some of the Company's facilities in each year. During the 2006 financial year, Board meetings were held in conjunction with visits to the Group's operating head office in Red Bank, New Jersey, and its European regional headquarters in Brussels. Some Directors also visited a number of the Company's manufacturing locations in South-east Asia and Mexico.

PART 4 GOVERNANCE POLICIES OF GENERAL APPLICATION THROUGHOUT ANSELL

Relevant policies and charters
(see www.ansell.com)

Code of Conduct
Continuous Disclosure Policy
Risk Management Policy

CODE OF CONDUCT

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

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

strives to uphold high ethical standards in all corporate activities;

is committed to competing lawfully, fairly and ethically in the marketplace, consistent with its aim of providing quality products to its customers;

is committed to pursuing sound growth and earnings goals, by operating in the best interests of the Company and shareholders;

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Corporate Governance continued

strives to treat all employees and applicants with fairness, honesty and respect;

expects all employees to work together for the common good and to avoid placing themselves in a position that is in conflict with the interests of the Company;

is committed to good corporate citizenship and participating actively in and improving the communities in which the Company does business; and

expects all employees to conduct themselves in accordance with the guiding principles.

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

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

The Company'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 required to participate in compliance training programs to ensure that they remain up to date regarding relevant legal and industry developments, as well as ethical practices. During the year computer-based courses, including courses relating to financial integrity, competition and antitrust, respect and responsibility, e-compliance and intellectual property, were implemented across the organisation globally.

EXTERNAL AUDIT

It is Board policy that the lead external audit partner and review partner are each rotated periodically. The Board has adopted a policy in relation to the provision of non-audit services by the Company's external auditor that is based on the principle that work that may detract from the external auditor's independence and impartiality, or be perceived as doing so, should not be carried out by the external auditor. Details of the amounts paid to the external auditor for non-audit services performed during the year are set out in the Report of the Directors on page 13. The Company's external auditor has also confirmed its independence to the Directors in accordance with applicable laws and standards as set out in the Report of the Directors.

RISK MANAGEMENT

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

The Company's risk management practices include:

a comprehensive risk control program that includes property protection and health, safety and environmental audits using underwriters, self-audits, and engineering and professional advisers; and

a process to identify and measure business risk.

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

DIVISION OF RISK MANAGEMENT FUNCTIONS

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Corporate Governance continued

MANAGEMENT ASSURANCE

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

the financial records of the Company and its subsidiaries are maintained in accordance with the Corporations Act;

the Financial Report for the year ended 30 June 2006 has been prepared in accordance with the relevant Accounting Standards and gives a true and fair view, in all material respects, of the financial position and performance of the Company and its subsidiaries; and

the assurance given above is based on a sound system of risk management and internal compliance and control which, in all material respects, is:

consistent with the policies adopted by the Board; and

operating effectively and efficiently.

DISCLOSURE TO INVESTORS

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

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

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

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Report of the Directors

This Report by the Directors of Ansell Limited (the Company) is made for the year ended 30 June 2006. The information set out below is to be read in conjunction with the:

Remuneration Report appearing on pages 14 to 23; and

Notes 22 and 25 to the financial statements.

DIRECTORS AND SECRETARY

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

Peter L Barnes (Chairman)

Douglas D Tough (Managing Director and Chief Executive Officer)

Glenn L L Barnes

Ronald J S Bell

L Dale Crandall

Herbert J Elliott

Marissa T Peterson (appointed 22 August 2006)

Michael J McConnell (resigned 17 November 2005)

Stanley P Gold (alternate to M J McConnell, resigned 17 November 2005)

Edward D Tweddell (until 4 August 2005)

Particulars of the qualifications, experience and special responsibilities of each Director as at the date of this Report, and of their other directorships, are set out on page 4.

Details of meetings of the Company's Directors (including meetings of Committees of Directors) and each Director's attendance are also set out in the Corporate Governance Statement, on page 8. As described on pages 6 and 7 of this Report, the Board has established an Audit Committee and a Nomination, Remuneration and Evaluation Committee.

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The Company Secretary is Robert Bartlett, Dip Com, FCPA, MAICD, who was appointed to that position in 2001. Mr Bartlett joined the Company in 1965 and has an accounting, finance and general management background. He has held senior finance and general management positions in the Corporate Head Office as well as in operating business units of the Company in Australia and overseas.

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS AND RESULTS

Profit Attributable to shareholders for the 2006 financial year was A\$116.1 million (US\$86.7 million) and compares with the previous year's result of \$54.4 million (US\$40.1 million). These results include write-downs of the Company's 50% investment in South Pacific Tyres of \$5.5 million (US\$4.1 million) in 2006 and \$80.0 million (US\$60.9 million) in 2005. The sale of this investment was completed in January 2006.

The full year dividend was 21 cents per share, an increase of 24% on the previous year.

Free cash flow of US\$76.7 million was US\$17.8 million lower than 2005, due to higher inventories brought about partly by higher latex costs and new product introductions, and higher year end receivables following strong sales in the fourth quarter. However, average working capital days improved further from 85 in 2005 to 80 in 2006.

Capital expenditure of US\$12.3 million was US\$1.7 million higher than the previous year and represented 65% of depreciation.

Acquisitions of US\$18.5 million, share buy-backs of US\$76.1 million and dividend payments to Ansell Limited shareholders of US\$22.5 million were partially offset by the US\$89.5 million proceeds from the sale of the South Pacific Tyres investment.

Net interest paid of US\$4.4 million was lower by US\$6.5 million as a function of higher cash balances and lower fixed rates on interest bearing debt. Interest cover is robust at 26.9 times having further improved from 17.7 times in 2005.

Gearing (net interest bearing debt as a percentage of net interest bearing debt plus equity) continues to be low at 10.8%, and compares with 19.1% at the end of the prior year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company sold its investment in the South Pacific Tyres partnership in Australia and joint venture in New Zealand for \$122 million in January 2006, acquired a 75% interest in Wuhan Jissbon Sanitary Products Company Ltd, a Chinese condom distributor, in March 2006, and established a new trading entity, Ansell (Shanghai) Commercial and Trading Company Limited to facilitate the sale in China of the Company's products in the Occupational Healthcare sector.

DIVIDENDS AND SHARE BUY-BACK

An interim cash dividend of 9 cents per share (unfranked) was paid in respect of the half-year ended 31 December 2005. A final dividend of 12 cents per share (unfranked) in respect of the year ended 30 June 2006 is payable on 5 October 2006 to shareholders registered on 14 September 2006. These dividends were paid out of Ansell Limited's Profit Attributable of \$116.1 million.

The Company bought back shares during the year as follows: