

ANSELL LTD
Form 6-K
October 11, 2006

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 October 2006 (October 10, 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 world and in those areas where the Company has or will have substantial operations; foreign currency exchange rates; pricing pressures on

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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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Ansell Limited
Ansell Limited
Business Overview -
Business Overview -
October 2006
October 2006

Doug Tough
Doug Tough
Chief Executive Officer
Chief Executive Officer
Rustom Jilla
Rustom Jilla
Chief Financial Officer
Chief Financial Officer

2
Agenda
Agenda
1.
1.
Overview
Overview

-
-
Doug Tough
Doug Tough

2.
2.
Results
Results

-
-
Rustom Jilla
Rustom Jilla

3.
3.
Strategic Focus
Strategic Focus

-
-
Doug Tough
Doug Tough

FORWARD-LOOKING STATEMENTS

This presentation 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.

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3
Overview
Overview
Doug Tough
Doug Tough

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Who is Ansell?

Who is Ansell?

A 101+ year old company

A world leader in healthcare barrier protection products and services

An Australian (ASX) listed Company (ANN), with market capitalization ~US\$1.1 billion

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Sales of ~US\$850 million and over 11,000 employees in 26 countries
Statutory HQ in Australia, Operating HQ in the US, Asian Regional HQ in Melbourne,
with manufacturing headquarters in Shah Alam, Malaysia
85% of sales in Europe and N. America and most plants in Asia & Mexico
Asian Plants in Malaysia (3), Thailand (2), Sri Lanka (1) and India (3)
Operating currency is the USD (which is used in this presentation unless otherwise
noted)

Filings -

Australian Statutory Report and US SEC 20F

Corporate website

www.ansell.com

Ratings

Long Term

Short Term

Outlook

Standard & Poor's

BB+

B

Positive

Moody's

Baa3

P3

Stable

5

A Global Leader

A Global Leader

Occupational Gloves (Synthetics)

Occupational Gloves (Synthetics)

Market: ~US\$2.1B

Market: ~US\$2.1B

2006

2006

#1 Ansell

#1 Ansell

~20%

~20%

Consumer (Condoms)

Consumer (Condoms)

Market: ~US\$0.9B

Market: ~US\$0.9B

2006

2006

#3 Ansell

#3 Ansell

~11%

~11%

Estimated global market size and positions

Estimated global market size and positions

Surgical Gloves

Surgical Gloves

Market: ~US\$0.6B

Market: ~US\$0.6B

2006

2006

#2 Ansell

#2 Ansell

~ 24%

~ 24%

Exam Gloves (Excluding

Exam Gloves (Excluding

Occupational)

Occupational)

Market: ~US\$1.0B

Market: ~US\$1.0B

2006

2006

#2 Ansell

#2 Ansell

~ 8%

~ 8%

Source: Nielsen, IMS, and internal estimates

6
Our Products
Our Products

7

Diversified Key Customers
Diversified Key Customers
Companies: industrial, auto,
Companies: industrial, auto,
chemicals, food etc.
chemicals, food etc.

Hospitals/Medical Centres;
Hospitals/Medical Centres;
acute and alternate care,
acute and alternate care,
first responders etc
first responders etc
Retail: food stores, drug
Retail: food stores, drug
stores, convenience stores,
stores, convenience stores,
mass merchandisers
mass merchandisers

8

Ansell Regions

Ansell Regions

F 06

F 06

SEGMENT EBIT (\$M) = 107.6

SEGMENT EBIT (\$M) = 107.6

SALES (\$M) = 849.1

SALES (\$M) = 849.1

16%

16%

37%

37%

47%

47%

43%

43%

25%

25%

32%

32%

Asia Pacific

133.2

Europe

313.7

Americas

402.2

Asia Pacific

27.3

Americas

46.4

Europe

33.9

9

Manufacturing Facilities

Manufacturing Facilities

80% in Asia

80% in Asia

12% in Mexico

12% in Mexico

5% in North America
5% in North America
3% in Europe
3% in Europe
Americas & UK
Americas & UK
Chemical Resistant
Chemical Resistant
General Purpose
General Purpose
Specialty
Specialty
High spec knitted
High spec knitted
Outsource ~US\$150 M
Outsource ~US\$150 M
Exam gloves
Exam gloves
Occupational gloves
Occupational gloves
Malaysia
Premium Surgical
Premium Surgical
Powder Free Exam
Powder Free Exam
Powdered Exam
Powdered Exam
Household gloves
Household gloves
Primary R&D facility near KL
Primary R&D facility near KL
Thailand
Thailand
Condoms
Condoms
Powder Free Exam
Powder Free Exam
Household gloves
Household gloves
Synthetic Exam
Synthetic Exam
India & Sri Lanka
India & Sri Lanka
Standard & Premium Surgical
Condoms
Powder Free Exam
General Purpose
Chemical Resistant
Critical Environment
80% in Asia

80% in Asia
12% in Mexico
12% in Mexico
5% in North America
5% in North America
3% in Europe
3% in Europe
Americas & UK
Americas & UK
Chemical Resistant
Chemical Resistant
General Purpose
General Purpose
Specialty
Specialty
High spec knitted
High spec knitted
Outsource ~US\$150 M
Outsource ~US\$150 M
Exam gloves
Exam gloves
Occupational gloves
Occupational gloves
Premium Surgical
Premium Surgical
Powder Free Exam
Powder Free Exam
Powdered Exam
Powdered Exam
Household gloves
Household gloves
Primary R&D facility near KL
Primary R&D facility near KL
Thailand
Thailand
Condoms
Condoms
Powder Free Exam
Powder Free Exam
Household gloves
Household gloves
Synthetic Exam
Synthetic Exam
India & Sri Lanka
80% in Asia
12% in Mexico
5% in North America
3% in Europe
Americas & UK
Chemical Resistant

General Purpose
Specialty
High spec knitted
Outsource ~US\$150 M
Exam gloves
Occupational gloves
Premium Surgical
Powder Free Exam
Powdered Exam
Household gloves
Primary R&D facility near KL
Thailand
Condoms
Powder Free Exam
Household gloves
Synthetic Exam
Employees (11,000 approx.)

10
Results
Results
Rustom Jilla
Rustom Jilla

11
AUD +64%
USD
AUD
\$10.04
\$7.65
USD +80%

ASX200 +67%

30 June 05

30 June 04

31 Dec 04

F 04

TSR 34%

F 05

TSR 32%

1 July 03

31 Dec 03

ASX 200

Total Shareholder Return

Total Shareholder Return

\$7.74

\$5.90

\$3.99

\$5.35

3,039

3,533

31 Dec 05

4,278

Dividends

A13¢

A17¢

A21¢

Total Shareholder Return (TSR) = Share Price appreciation plus dividends

Share Price 29 Sept 06

30 June 06

F 06

TSR -1%

\$9.67

\$7.18

5,074

2.5

3

3.5

4

4.5

5

5.5

6

6.5

7

7.5

8

8.5

9

9.5

10

10.5

11

11.5
12
2.5
3
3.5
4
4.5
5
5.5
6
6.5
7
7.5
8
8.5
9
9.5
10
10.5
11
11.5
12

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Key Financial Metrics
Key Financial Metrics
EPS -
US\$
ROE %
ROA (HC only)%

Gearing %

EBIT %

Gross Margin %

Free Cash Flow

Profit Attributable \$M

Sales \$M

F 05 was 41.1 ¢

pre AIFRS

57 ¢

60 ¢

18.2

18.7

18.0

23.2

After SPT sale, buybacks,
dividends

10.8

19.1

12.1

13.5

Latex, sales mix

37.4

40.1

Average WC days from 85 to 80

76.7

94.5

DTA

90.8

101.0

+4.6% despite USD headwinds

849.1

812.1

F 06

F 05

The impact of write-downs (-\$60.9M in F 05, -\$4.1M in F 06) in the since divested South Pacific Tyres investment are excluded from the metrics above

Taxes were reduced by \$16.2M and \$7.5M in F 05 and F 06 due to Deferred Tax Adjustments.

Excluding SPT and DTA, PA went from \$84.8M to \$83.3M in F 06

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Latex Cost Graph
Latex Cost Graph
Updated
Updated
Latex Prices
+7% in F 05

+73% in F 06
Malaysian 00
MYR (per wet kg)
F 07 start price
was MYR 6.81
Price on Oct 9
was MYR 4.53
down 1/3rd from
July 1 price
Early
latex
price
decline
in
F 07
a
positive.
However,
given
initial
inventories
(at
higher
F 06
prices)
and
previous
forward
purchases
of
20%
of
F 07
demand

Ansell s
YTD
average
is
~
5.5
MYR/wet
kg
Plus/minus
.5
off
a
F 07
full
year

average
cost
of
~
5.5
MYR/wet
kg
would,
assuming
no
other
changes,
have
an
EPS
impact
of
~US2¢

Notes:
Wet
Kg
price
divided
by
.6
equals
~
dry
kg
price.

Source: Malaysian Rubber Board Statistics

1.00
2.00
3.00
4.00
5.00
6.00
7.00
'86
'87
'88
'89
'90
'91
'92
'93
'94
'95
'96

'97
'98
'99
'00
'01
'02
'03
'04
'05
'06

14

Occupational Business

Occupational Business

50% of Revenue and 56% of Segment EBIT

50% of Revenue and 56% of Segment EBIT

208.9

208.9

205.8
205.8
All Other
All Other
14.3%
14.3%
14.9%
14.9%
EBIT/Sales
EBIT/Sales
Margin Erosion / Mix
Margin Erosion / Mix
60.7
60.7
61.0
61.0
Segment EBIT
Segment EBIT
+3.6%
+3.6%
424.6
424.6
409.8
409.8
Sales
Sales
81.9
81.9
81.3
81.3
Disposables
Disposables
VOL -9%, ASP +9%
VOL -9%, ASP +9%
46.8
46.8
47.5
47.5
Knitted
Knitted
VOL +17%
VOL +17%
87.0
87.0
75.2
75.2
HyFlex®
HyFlex®
F 06
F 06

F 05

F 05

\$M

\$M

Natural

Latex

13%

Synthetic

87%

Strategy:

Continued concept of hand injury solutions -

Guardian

SM

Continued emphasis on lower cost plants and outsourcing

New products -

expanding ergonomic technology advantage

New channels and markets

15

Professional Business

Professional Business

34% of Revenue and 27% of Segment EBIT

34% of Revenue and 27% of Segment EBIT

VOL +25%, ASP lower due to mix

36.8

30.8
Synthetic
VOL +10% (EMEA up), ASP flat
13.5
12.3
Powdered
VOL +19%, ASP -6%
77.2
68.7
Exam: PF
9.3
10.8
Other
10.0%
11.8%
EBIT/Sales
Latex costs / Exam Mix
29.0
32.7
Segment EBIT
+4.6%
289.0
276.3
Sales
Strong volume growth; all regions
16.2
4.1
14.7
3.6
Synthetic
Other
EMEA up, AM and AP down
60.2
65.3
Powdered
EMEA and AP growth
71.7
70.1
Surgeons: Branded PF
F 06
F 05
\$M
Strategy:
Pricing to recover latex cost increases
New products to upgrade range (including synthetics)
US surgical market share recovery
Outsourcing commodity products instead of investment in new capacity
Synthetic
21%
Natural

Latex
79%

16

Consumer Business

Consumer Business

16% of Revenue and 17% of Segment EBIT

16% of Revenue and 17% of Segment EBIT

13.2%

13.2%

17.4%
17.4%
EBIT/Sales
EBIT/Sales
US Retail Market Promotions
US Retail Market Promotions
17.9
17.9
22.0
22.0
Segment EBIT
Segment EBIT
+7.5%
+7.5%
135.5
135.5
126.0
126.0
Sales
Sales
4Play & Supplements
4Play & Supplements
12.9
12.9
9.8
9.8
Other
Other
19.0
19.0
19.2
19.2
HHG
HHG
Tenders up, AM Public Sector Down
Tenders up, AM Public Sector Down
31.5
31.5
26.7
26.7
Bid
Bid
/
/
Public
Public
Jissbon \$3.1M, EU +8%, AM -14%
72.1
72.1
70.3

70.3

Condoms: Branded

Condoms: Branded

Retail

Retail

F 06

F 06

F 05

F 05

\$M

\$M

Strategy:

Strategy:

Recover USA Retail condoms

Recover USA Retail condoms

New products, new packaging, brand & line extensions

New products, new packaging, brand & line extensions

Use capacity through public sector and OEM supply

Use capacity through public sector and OEM supply

Expand geographic footprint and leverage global strength

Expand geographic footprint and leverage global strength

Synthetic

10%

Natural

Latex

90%

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Ansell's Financial Overview

Ansell's Financial Overview

Ansell had mixed results in F 06 after several strong years, but continues to have solid fundamentals:

Operationally:

Sales growth was the highest in 8 years while EBIT was pulled down by latex

Margins of Non-latex

products, which account for 52% of sales, remained strong

The Balance Sheet is healthy with low gearing and high interest coverage

Free Cash Flow generation capability remains good

EPS commitments were met, albeit with tax reduction benefits

Structurally:

The balanced capital management strategy continued to be executed. Surplus cash was distributed via higher dividends (\$22.5M) and another share buy-back (\$76.1M)

A total of \$307.8 M has now been distributed to our owners between F 04

F 06 (80% via

share buybacks)

Ansell also made its first acquisition in 6 years spending \$18.5M for 75% of Jissbon

SPT, the last of the non-healthcare legacy businesses, was sold and \$92M received

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Strategic Focus
Strategic Focus
Doug Tough
Doug Tough

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Strategic Evolution

Strategic Evolution

From meeting multi-year Segment EBIT commitments to

From meeting multi-year Segment EBIT commitments to

advancing Ansell Growth Strategy for F 07 and Beyond

advancing Ansell Growth Strategy for F 07 and Beyond

Methodology:
Methodology:
F 06 Base
Synthetic Surg
Excite
AlphaTEC
Channels
China
China
Mexico
Mexico
India
India
Russia
Russia
Technical
Technical
Partnerships
Partnerships
Other
Other
Jissbon
Jissbon

20

Geographic Expansion

Geographic Expansion

Ansell's growth in Emerging

Ansell's growth in Emerging

markets

markets

Jissbon Acquisition

10% Share of China Retail Condom market

China Occupational

New Ansell trading company initiated

Europe Emerging Markets

Strong Consumer & Occupational growth

India

Occupational distribution set up

Occupational +50%

Occupational +50%

Professional +37%

Professional +37%

Consumer +10%

Consumer +10%

Consumer +66%

Consumer +66%

Occupational +80%

Occupational +80%

Occupational +29%

Occupational +29%

Professional +60%

Professional +60%

China

Russia

& CIS

Central &

Eastern

Europe

Latin

America

South Africa

Occupational +70%

Occupational +70%

Consumer +15%

Consumer +15%

21

Ansell Takeaway

Ansell Takeaway

Solid and steadily growing company:

Solid and steadily growing company:

-

-

Organically

Organically

-

-

Geographically

Geographically

-

-

Acquisitively

Acquisitively

Cost components tightly managed

Cost components tightly managed

Diverse portfolio of brands, businesses, geographies

Diverse portfolio of brands, businesses, geographies

Strong financial position with investment and share buy-back

Strong financial position with investment and share buy-back

capability

capability

F 07 has started with good sales growth in all major areas

F 07 has started with good sales growth in all major areas

Despite this good sales start, and lower latex

Despite this good sales start, and lower latex

prices (July

prices (July

early

early

October), we are not revising F 07 EPS guidance, at this time, from

October), we are not revising F 07 EPS guidance, at this time, from

the US46¢

the US46¢

-

-

US50¢

US50¢

range, due to latex cost volatility.

range, due to latex cost volatility.

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ANSELL
ANSELL
LIMITED
LIMITED

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ANSELL LIMITED

(Registrant)

By: /s/ DAVID M. GRAHAM
Name: DAVID M. GRAHAM
Title: GENERAL MANAGER FINANCE &
TREASURY

Date: October 10, 2006