

ANSELL LTD
Form 6-K
September 21, 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 September 2006 (September 20, 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 forward, 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 -
September 2006
September 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.

When used in this

presentation, the words anticipate,

approach,

begin,

believe,

continue,

expect,

forecast,

going forward,

improved,

likely,

look forward,

opportunity,

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.

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materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, expected, estimated or projected.

3
Overview
Overview
Doug Tough
Doug Tough
3

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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
(~GBP590 million)

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Sales of ~US\$850 million (~GBP450 million) and over 11,000 employees in 26 countries
Statutory HQ in Australia, Operating HQ in the US, European Regional HQ in Brussels
85% of sales in Europe and N. America and most plants in Asia & Mexico.

UK operations at Redditch, Tamworth and Solihull

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

Stable

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

Market:

~US\$0.6B

2006

#2 Ansell

~ 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, first
acute and alternate care, first
responders etc
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

84% in Asia

84% in Asia

12% in Mexico

12% in Mexico

3% in North America
3% in North America
1% in Europe
1% in Europe
Employees (11,000 approx.)
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
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
Standard & Premium Surgical
Condoms
Condoms
Powder Free Exam

Powder Free Exam
General Purpose
General Purpose
Chemical Resistant
Chemical Resistant
Critical Environment
Critical Environment

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

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

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 13 Sept 06

30 June 06

F 06

TSR -1%

\$9.67

\$7.18

5,074

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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
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

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 Sept 12

was MYR 3.85

down 57% from

July 1 price

Seasonal supply driven price decline in early F 07 playing out as expected

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

Source: Malaysian Rubber Board Statistics

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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

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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

VOL +25%, ASP lower due to mix

36.8
36.8
30.8
30.8
Synthetic
Synthetic
VOL +10% (EMEA up), ASP flat
VOL +10% (EMEA up), ASP flat
13.5
13.5
12.3
12.3
Powdered
Powdered
VOL +19%, ASP -6%
VOL +19%, ASP -6%
77.2
77.2
68.7
68.7
Exam: PF
Exam: PF
9.3
9.3
10.8
10.8
Other
Other
10.0%
10.0%
11.8%
11.8%
EBIT/Sales
EBIT/Sales
Latex costs / Exam Mix
Latex costs / Exam Mix
29.0
29.0
32.7
32.7
Segment EBIT
Segment EBIT
+4.6%
+4.6%
289.0
289.0
276.3
276.3
Sales
Sales

Strong volume growth; all regions

Strong volume growth; all regions

16.2

16.2

4.1

4.1

14.7

14.7

3.6

3.6

Synthetic

Synthetic

Other

Other

EMEA up, AM and AP down

EMEA up, AM and AP down

60.2

60.2

65.3

65.3

Powdered

Powdered

EMEA and AP growth

EMEA and AP growth

71.7

71.7

70.1

70.1

Surgeons: Branded PF

Surgeons: Branded PF

F 06

F 06

F 05

F 05

\$M

\$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%

17.4%

EBIT/Sales

US Retail Market Promotions

17.9

22.0

Segment EBIT

+7.5%

135.5

126.0

Sales

4Play & Supplements

12.9

9.8

Other

19.0

19.2

HHG

Tenders up, AM Public Sector Down

31.5

26.7

Bid / Public

Jissbon \$3.1M, EU +8%, AM -14%

72.1

70.3

Condoms: Branded

Retail

F 06

F 05

\$M

Strategy:

Recover USA Retail condoms

New products, new packaging, brand & line extensions

Use capacity through public sector and OEM supply

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 advancing

From meeting multi-year Segment EBIT commitments to advancing

Ansell Growth Strategy for F 07 and Beyond

Ansell Growth Strategy for F 07 and Beyond

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

Strong financial position with investment and share buy-

back capability

back capability

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ANSELL LIMITED
ANSELL 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: September 20, 2006