PACIFIC PREMIER BANCORP INC
Form DEF 14A
April 28, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934, as amended

Filed by the Registrant ý
Filed by a Party other than the Registrant ¨

Check the appropriate box:
¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

Pacific Premier Bancorp, Inc.
(Name of Registrant as Specified In Its Charter)
Not Applicable
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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ýNo fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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(4) Date Filed:

1600 Sunflower Avenue
Costa Mesa, California 92626
714-431-4000

April 28, 2011

Fellow Stockholders:

On behalf of the Board of Directors and management of Pacific Premier Bancorp, Inc. (the "Company"), you are cordially invited to attend the Annual Meeting of Stockholders of the Company ("Annual Meeting"). The Annual Meeting will be held on Wednesday, May 25, 2011, at 9:00 a.m., Pacific Time, at the Company's corporate headquarters located at 1600 Sunflower Avenue, Costa Mesa, California 92626.

An important aspect of the Annual Meeting is the stockholder vote on corporate business items. The attached Notice of the Annual Meeting and Proxy Statement describe the formal business to be transacted at the Annual Meeting. Directors and officers of the Company will be present at the Annual Meeting to respond to any questions that you may have regarding the business to be transacted.

The Board of Directors of the Company has determined that the matters to be considered at the Annual Meeting are in the best interests of the Company and its stockholders. For the reasons set forth in the Proxy Statement, the Board of Directors unanimously recommends that you vote "FOR" the director nominees specified under Item 1 and "FOR" the ratification of the appointment of Vavrinek, Trine, Day & Co., LLP as the independent auditors of the Company for the fiscal year ended December 31, 2011 under Item 2.

We encourage you to attend the Annual Meeting in person if it is convenient for you to do so. If you are unable to attend, it is important that vote via Internet, or by telephone, or sign, date and return the enclosed proxy card in the enclosed postage-paid envelope. Your cooperation is appreciated since a majority of the common stock must be represented, either in person or by proxy, to constitute a quorum for the transaction of business.

On behalf of the Board of Directors and all of the employees of Pacific Premier Bancorp, Inc., we thank you for your continued support.

Best Regards,

/s/ Steven R. Gardner

Steven R. Gardner
President and Chief Executive Officer

PACIFIC PREMIER BANCORP, INC.
1600 Sunflower Avenue
Costa Mesa, California 92626
714-431-4000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 25, 2011

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders ("Annual Meeting") of Pacific Premier Bancorp, Inc. (the "Company") will be held on Wednesday, May 25, 2011 at 9:00 a.m., Pacific Time, at the Company's corporate headquarters located at 1600 Sunflower Avenue, Costa Mesa, California, to consider and act upon the following matters:

1. To elect three (3) directors, each for a three-year term, or until their successors are elected and qualified;

2. To ratify the appointment of Vavrinek, Trine, Day & Co., LLP as the Company's independent auditor for the fiscal year ended December 31, 2011; and

3. To transact such other matters as may properly come before the meeting and at any adjournments thereof, including whether or not to adjourn the meeting. Management is not aware of any other such business.

The Board of Directors has fixed April 1, 2011 as the record date for determination of stockholders entitled to receive notice of and to vote at the Annual Meeting and any adjournment thereof. Only those stockholders of record as of the close of business on that date will be entitled to vote at the Annual Meeting or at any such adjournment.

By Order of the Board of Directors,

/s/ Kent J. Smith
Kent J. Smith
Corporate Secretary/SVP/CFO
Costa Mesa, California
April 28, 2011

IMPORTANT: Whether or not you expect to attend the Annual Meeting, we urge you to vote your proxy at your earliest convenience via the Internet, by telephone or by mail by using the enclosed postage-paid reply envelope. This will ensure the presence of a quorum at the Annual Meeting and will save Pacific Premier Bancorp, Inc. the expense of additional solicitation. Submitting your proxy will not prevent you from voting your shares in person at the Annual

Meeting if you desire to do so. Your proxy is revocable at your option in the manner described in the Proxy Statement.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 25, 2011.

The proxy materials for this Annual Meeting of Stockholders are available over the Internet at www.proxyvote.com.

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PACIFIC PREMIER BANCORP, INC.
1600 Sunflower Avenue
Costa Mesa, California 92626

PROXY STATEMENT
GENERAL INFORMATION

For 2011 Annual Meeting of Stockholders
To Be Held on Wednesday, May 25, 2011

Our Board of Directors is soliciting proxies to be voted at our 2011 Annual Meeting of Stockholders ("Annual Meeting") on May 25, 2011, at 9:00 a.m., Pacific Time, and at any adjournments or postponements thereof, for the purposes set forth in the attached Notice of Annual Meeting of Stockholders (the "Notice"). This Proxy Statement and the proxies solicited hereby are being first sent or delivered to stockholders of the Company on or about April 28, 2011.

As used in this Proxy Statement, the terms "Company," "we," "us" and "our" refer to Pacific Premier Bancorp, Inc., the term "Bank" refers to Pacific Premier Bank and the terms "Board of Directors" and "the Board" refers to the Board of Directors of the Company.

Questions and Answers about these Proxy Materials and the Annual Meeting

Question: Why am I receiving these materials?

Answer: Our Board of Directors is providing these proxy materials to you in connection with the Annual Meeting, to be held on May 25, 2011. As a stockholder of record as of April 1, 2011, you are invited to attend our Annual Meeting, and are entitled to and requested to vote on the items of business described in this Proxy Statement.

Question: What information is contained in this Proxy Statement?

Answer: This information relates to the proposals to be voted on at our Annual Meeting, the voting process, compensation of our directors and most highly paid executives, and certain other required information.

Question: Can I access the Company's proxy materials and annual report electronically?

Answer: Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 25, 2011. The proxy statement and annual report are available at www.proxyvote.com. To view this material, you must have available the 12-digit control number located on the proxy card or, if shares are held in the name of a broker, bank or other nominee, the voting instruction form.

Question: Who is soliciting my vote pursuant to this Proxy Statement?

Answer: Our Board of Directors is soliciting your vote at our Annual Meeting.

Question: Who is entitled to vote?

Answer: Only stockholders of record at the close of business on April 1, 2011 (the "Record Date") will be entitled to vote at our Annual Meeting.

Question: How many shares are eligible to be voted?

Answer: As of the Record Date, we had 10,084,226 shares of common stock outstanding. Each outstanding share of our common stock will entitle its holder to one vote on each of the three (3) directors to be elected and one vote on each other matter to be voted on at our Annual Meeting.

Question: What am I voting on?

Answer: You are voting on the following matters:
- The election of three (3) directors. Our nominees are Kenneth A. Boudreau, Michael L. McKennon, and Ronald G. Skipper.
- Ratification of the appointment of Vavrinek, Trine, Day & Co., LLP ("VTD") as the Company's independent auditor for 2011.

Question: How does our Board of Directors recommend that I vote?

Answer: Our Board recommends that you vote "FOR" each director nominee and "FOR" the ratification of the appointment of VTD as independent auditor.

Question: How many votes are required to hold the Annual Meeting and what are the voting procedures?

Answer: Quorum Requirement: As of the Record Date, 10,084,226 shares of the Company's common stock were issued and outstanding. A majority of the outstanding shares entitled to vote at the Annual Meeting, present or represented by proxy, constitutes a quorum for the purpose of adopting proposals at the Annual Meeting. If you submit a properly executed proxy, then you will be considered part of the quorum.

Required Votes: Each outstanding share of our common stock is entitled to one vote on each proposal at the Annual Meeting, subject to the limitation in our certificate of incorporation, as amended, that provides that record holders of our common stock who beneficially own in excess of 10% of our outstanding shares of common stock are not entitled to vote in respect to the shares held in excess of this voting limitation (the "Voting Limit").

- Election of Directors: If there is a quorum at our Annual Meeting, the three (3) nominees who receive the greatest number of votes cast for directors will be elected. There is no cumulative voting for our directors. If you indicate "withhold authority to vote" for a particular nominee on your proxy card, your vote will not count either "for" or "against" the nominee. Abstentions are not counted in the election of directors and do not affect the outcome.
- Ratification of Independent Auditors: If there is a quorum, the affirmative vote of a majority of the shares present and entitled to vote at the meeting is required for ratification of the appointment of VTD as our independent auditor for 2011.

If a broker indicates on its proxy that it does not have authority to vote certain shares held in "street name," the shares not voted are referred to as "broker non-votes." Broker non-votes occur when brokers do not have discretionary voting authority to vote certain shares held in "street name" on particular proposals under the rules of the New York Stock Exchange, and the "beneficial owner" of those shares has not instructed the broker how to vote on those proposals. If you are a beneficial owner, your broker, bank or other nominee is permitted to vote your shares for or against "routine" matters such as the ratification of the appointment of our independent registered public accounting firm, even if the holder does not receive voting instructions from you. Brokers are not permitted to exercise discretionary voting authority to vote your shares for or against "non-routine" matters such as the election of directors. Shares represented by proxies that are marked vote "withheld" with respect to the election of any nominee will not be considered in determining whether such nominee has received the affirmative vote of a plurality of the shares. Shares represented by proxies that are marked "abstain" with respect to any other mater to be voted upon at the annual meeting will have the effect of a negative vote.

Question: How may I cast my vote?

Answer: If you are the stockholder of record, you may vote by one of the following four methods (as instructed on the enclosed proxy card):

- in person at the Annual Meeting,
- via the Internet,
- by telephone, or
- by mail.

If you would like to vote in person at the Annual Meeting and would like to obtain directions to the Annual Meeting please contact Investor Relations, Pacific Premier Bancorp, Inc., 1600 Sunflower Avenue, Costa Mesa, California 92626 at (714) 431-4000.

If you elect to vote by mail and you received a printed proxy card, you may mark, sign, date and mail the proxy card you received from us in the return envelope. If you did not receive a printed proxy card and wish to vote by mail, you may do so by requesting a paper copy of the proxy materials (as described below), which will include a proxy card.

Whichever method of voting you use, the proxies identified on the proxy card will vote the shares of which you are the stockholder of record in accordance with your instructions. If you submit a proxy card without giving specific voting instructions, the proxies will vote the shares as recommended by our Board of Directors.

If you own your shares in “street name,” that is, through a brokerage account or in another nominee form, you must provide instructions to the broker or nominee as to how your shares should be voted. Your broker or nominee will usually provide you with the appropriate instruction forms at the time you receive this Proxy Statement and our Annual Report. If you own your shares in this manner, you cannot vote in person at the Annual Meeting unless you receive a proxy to do so from the broker or the nominee, and you bring the proxy to our Annual Meeting.

Question: How may I cast my vote over the Internet or by telephone?

Answer: Voting over the Internet: If you are a stockholder of record, you may use the Internet to transmit your vote up until 11:59 P.M., Eastern Time, May 24, 2011. Visit www.voteproxy.com and have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

Voting by Telephone: If you are a stockholder of record, you may call 1-800-776-9437 and use any touch-tone telephone to transmit your vote up until 11:59 P.M., Eastern Time, May 24, 2011. Have your proxy card in hand when you call and then follow the instructions.

If you hold your shares in “street name,” that is through a broker, bank or other nominee, that institution will instruct you as to how your shares may be voted by proxy, including whether telephone or Internet voting options are available.

Question: How may a stockholder nominate someone at the Annual Meeting to be a director or bring any other business before the Annual Meeting?

Answer: The Company’s bylaws require advance notice to the Company if a stockholder intends to attend an annual meeting of stockholders in person and to nominate someone for election as a director or to bring other business before the meeting. Such a notice may be made only by a stockholder of record within the time period established in the bylaws and described in each year’s Proxy Statement.

Question: How may I revoke or change my vote?

Answer: If you are the record owner of your shares, and you completed and submitted the proxy card you may revoke your proxy at any time before it is voted at the Annual Meeting by:

- submitting a new proxy card,
- delivering written notice to our Secretary on or before May 24, 2011, stating that you are revoking your proxy, or
- attending the Annual Meeting and voting your shares in person.

If you are a record owner of your shares and you submitted your proxy by telephone or via the Internet, you may change your vote or revoke your proxy with a later telephone or Internet proxy, as the case may be.

Please note that attendance at the Annual Meeting will not, in itself, constitute revocation of your proxy.

Question: Who is paying for the costs of this proxy solicitation?

Answer: Our Company will bear the cost of preparing, printing and mailing the materials in connection with this solicitation of proxies. In addition to mailing these materials, officers and regular employees of our Company may, without being additionally compensated, solicit proxies personally and by mail, telephone, facsimile or electronic communication. We have retained American Stock Transfer & Trust Co. to assist in the solicitation at a cost of approximately $3,500, plus payment of reasonable out-of-pocket expenses incurred by American Stock Transfer & Trust Co.

Question: Who will count the votes?

Answer: American Stock Transfer & Trust Co., our inspector of elections for the Annual Meeting, will receive and tabulate the ballots and voting instruction forms.
Question: What happens if the Annual Meeting is postponed or adjourned?

Answer: Your proxy will still be effective and may be voted at the rescheduled meeting. You will still be able to change or revoke your proxy until it is voted.

Question: How can I obtain the Company's Corporate Governance information?

Answer: Our Company's Corporate Governance information is available on our website at www.ppbi.com under the Investor Relations section. Our stockholders may also obtain written copies at no cost by writing to us at 1600 Sunflower Avenue, Costa Mesa, California 92626, Attention: Investor Relations Department, or by calling (714) 431-4000.

Question: How do I request electronic or printed copies of this and future proxy materials?

Answer: You may request and consent to delivery of electronic or printed copies of future proxy statements, annual reports and other stockholder communications by (i) visiting www.proxyvote.com, (ii) calling 1-800-579-1639, or (iii) sending an email to sendmaterial@proxyvote.com. You must have available the 12-digit control number described above.

INFORMATION ABOUT THE MEETING

Our Annual Meeting will be held at 9:00 a.m., Pacific Time, on Wednesday, May 25, 2011, at Pacific Premier Bancorp, Inc.'s corporate headquarters located at 1600 Sunflower Avenue, Costa Mesa, California 92626.

ITEM 1. ELECTION OF DIRECTORS

Board Nominees

The Company's Board of Directors has nominated each of the following persons for re-election as a director. Each nominee is currently a director of the Company and each has indicated that he is willing and able to continue to serve as a director. We have provided biographical and other information on each of the nominees beginning on page 4 of this Proxy Statement.

Kenneth A. Boudreau	Michael L. McKennon	Ronald G. Skipper

If any nominee becomes unable or unwilling to serve, which is not anticipated, the accompanying proxy may be voted for the election of such other person as shall be designated by the Nominating and Corporate Governance ("Nominating Committee") of our Board of Directors. Proxies granted may not be voted for a greater number of nominees than the three (3) named above. Unless instructions to the contrary are specified in a proxy properly voted and returned through available channels, the proxies will be voted FOR each of the nominees listed above.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" EACH OF THE NOMINEES.

Nominated Directors

Below is information regarding each of our nominated directors, each of whom has been nominated for re-election at the Annual Meeting.

Kenneth A. Boudreau, 61, has served as a member of the Company's Board since 2005. Mr. Boudreau is Vice President & General Manager of Coast Composites, Inc., a manufacturing concern in Irvine, California. He joined Coast Composites in 2008 after a 12-year career with M. C. Gill Corporation, a manufacturing concern in El Monte, California, where he last served as President and Chief Executive Officer. Mr. Boudreau joined M. C. Gill Corporation in 1996 as its Chief Financial Officer, assumed progressive responsibilities over time, and was named President and Chief Executive Officer in 2002. Mr. Boudreau had previously been employed by The Quikset Organization in Irvine, California for 15 years where he was initially hired as their controller and advanced to lead their subsidiaries with $40 million in revenue. Mr. Boudreau is a CPA in California, and was employed by Deloitte & Touche before joining The Quikset Organization. He obtained his B.A. degree in Business Administration from California State University, Fullerton.

Michael L. McKennon, 50, has served as a member of the Company's Board since 2004, and currently chairs our Audit Committee. Mr. McKennon is a partner with the Newport Beach public accounting firm of dbbmckennon, a registered firm of the Public Company Accounting Oversight Board ("PCAOB"). Prior thereto, Mr. McKennon was a founding partner of the Irvine, California accounting firm of McKennon Wilson & Morgan LLP, a registered firm of the PCAOB. Mr. McKennon, a CPA in the state of California, has been responsible for audit and accounting practices since 1998 in these firms. Mr. McKennon was previously employed by the accounting firm of PricewaterhouseCoopers LLP and Arthur Andersen & Co. Mr. McKennon has 26 years experience in private and public accounting, auditing and consulting in Southern California. He obtained his B.A. degree in Business Administration from California State University, Fullerton.

Ronald G. Skipper, 70, has been Chairman of the Board of the Company since 1997 and a member of the Company's Board since 1983. Mr. Skipper is a self-employed attorney and has been practicing law for 45 years. Mr. Skipper also serves on the Board of Directors of Stater Bros. Markets Corporation, a supermarket company. He is general counsel to the National Orange Show Board of Directors of San Bernardino County, California and has served on numerous boards of directors, including The University of California, Hastings College of Law 1066 Foundation, California State University, San Bernardino Foundation and St. Bernadine's Hospital Foundation.

Continuing Directors

John D. Goddard, 72, has served as a director for the Company since 1988. Mr. Goddard has been a Certified Public Accountant for the past 43 years. Mr. Goddard was initially employed by W.C. Brassfield, CPA from 1962 to 1965. He formed the partnership, Brassfield and Goddard, CPAs in 1965 and continued practicing there until September 1976. The firm incorporated into Goddard Accountancy Corporation, CPAs where Mr. Goddard practiced and served as President from September 1976 until December 2003. The corporation merged with the firm of Soren McAdam Christenson, LLP in January 2004. Mr. Goddard retired on January 1, 2008 from full-time practice as a CPA and now works part-time on a consulting basis.

David L. Hardin, 57, began serving as a director for the Company in April 2007. In March 2008, Mr. Hardin resigned as a director to pursue other professional activities. In August 2008, Mr. Hardin was again appointed as a director. Mr. Hardin has been the President and Chief Executive Officer of HRE Mortgage, Inc., the parent company of Covenant Mortgage which was founded in 2004 and Chief Executive Officer of Covenant Debt Solutions, Inc. which was founded in 2008 and the Chief Executive Officer of Covenant Insurance Services which was founded in 2010. Prior to that, Mr. Hardin was Executive Vice President/Chief Banking Officer of Hawthorne Savings from 1993 to 2003. Mr. Hardin has served in management positions in retail banking, lending production and operations as well as sitting on various management loan committees, including serving as an executive at World Savings, Columbia Savings, Valley Federal Savings and Downey Savings. Mr. Hardin holds a B.A. degree from California State University, Fullerton.

Jeff C. Jones, 56, has served as a member of the Company's Board since July 2006. Mr. Jones is the current Managing Partner and current Executive Committee member of, and partner in, the regional accounting firm Moore Stephens Wurth Frazer and Torbet, LLP, which he has been with since 1977. Mr. Jones has over 30 years of experience in servicing small and medium sized business clients primarily within the real estate, construction, and agricultural industries. Mr. Jones is a past president of Inland Exchange, Inc, an accommodator corporation, and has served on the Board of Directors of Moore Stephens North America, Inc. Mr. Jones holds a B.S. degree in Business Administration from Lewis and Clark College in Portland, Oregon, and a Masters of Business Taxation from Golden Gate University. Mr. Jones is a CPA in California, is licensed as a life insurance agent and holds a Series 7 securities license.

Steven R. Gardner, 50, has been the President and Chief Executive Officer of the Company and the Bank since the third quarter of 2000, and has served as a director of the Company since 2000. Prior to joining us in February 2000 as Chief Operating Officer, Mr. Gardner was Senior Vice President at Hawthorne Financial since 1997. Mr. Gardner has served in management positions in credit administration, portfolio management, lending production and operations as well as risk management for the past 25 years. Mr. Gardner holds a B.A. degree from California State University, Fullerton and attended graduate school at California State University, Long Beach.

Named Executives

Kent Smith, 49, Executive Vice President/Chief Financial Officer and Treasurer, was hired in September 2009. Mr. Smith serves as Chairman of our Asset Liability Committee. Prior to joining the Bank, Mr. Smith worked for sixteen years for Downey Savings and Loan Association as a Senior Vice President, Controller, Assistant Controller, Financial Reporting Manager and Senior Technical Auditor. Mr. Smith served as Vice President, Loan Accounting Manager for FarWest Savings and Loan and as a Senior Accountant for Deloitte and Touche. Mr. Smith obtained his B.A. degree in Accounting from Brigham Young University.

Edward Wilcox, 44, Executive Vice President/Chief Banking Officer – was hired in August 2003 as the Bank's Senior Vice President and Chief Credit Officer. In September 2004, Mr. Wilcox was promoted to Executive Vice President and was responsible for overseeing loan and deposit production. In the fourth quarter of 2005, Mr. Wilcox was promoted to Chief Banking Officer and assumed responsibility of the branch network. Prior to joining us, Mr. Wilcox served as Loan Production Manager at Hawthorne Savings for two years and as the Secondary Marketing Manager at First Fidelity Investment & Loan for five years. Mr. Wilcox has an additional nine years of experience in real estate banking including positions as Asset Manager, REO Manager and Real Estate Analyst at various financial institutions. Mr. Wilcox obtained his B.A. degree in Finance from New Mexico State University.

Mike Karr, 42, Executive Vice President/Chief Credit Officer – was hired in April 2006. Mr. Karr oversees the Bank's credit functions and has responsibility for all lending and portfolio operations. He is the Chairman of our Credit Committee and our Credit and Investment Review Committee. Prior to joining the Bank, Mr. Karr worked for Fremont Investment & Loan for 11 years as Vice President in charge of their Commercial Real Estate Asset Management department. Mr. Karr obtained his B.A. degree in Economics and Government, Cum laude, from Claremont McKenna College and his Masters in Business Administration from the University of California, Irvine.

Corporate Governance

We value strong corporate governance principles and adhere to the highest ethical standards. These principles and standards, along with our core values of fairness and caring, assist us in achieving our corporate mission. To foster strong corporate governance and business ethics, our Board of Directors continues to take many steps to strengthen and enhance our corporate governance practices and principles. To that end, we have adopted Corporate Governance Guidelines to achieve the following goals:

- to promote the effective functioning of the Board of Directors;
- to ensure that the Company conducts all of its business in accordance with the highest ethical and legal standards; and
- to enhance long-term stockholder value.

The full text of our Corporate Governance Guidelines is available on our website at www.ppbi.com under the Investor Relations section. Our stockholders may also obtain a written copy of the guidelines at no cost by writing to us at 1600 Sunflower Avenue, Costa Mesa, California 92626, Attention: Investor Relations Department, or by calling (714) 431-4000.

The Nominating and Corporate Governance Committee (the "Nominating Committee") of our Board of Directors administers our Corporate Governance Guidelines, reviews performance under the guidelines and the content of the guidelines annually and, when appropriate, and recommends updates and revisions to our Board of Directors.

Director Qualifications, Diversity and Nomination Process

Our Nominating Committee is responsible for reviewing with the Board of Directors annually the appropriate skills and characteristics required of our Board members, and for selecting, evaluating and recommending nominees for election by our stockholders. The Nominating Committee has authority to retain a third-party search firm to identify or evaluate, or assist in identifying and evaluating, potential nominees if it so desires, although it has not done so to date.

In evaluating both the current directors and the nominees for director, the Nominating Committee considers such other relevant factors as it deems appropriate, including the current composition of the Board, the need for Audit Committee expertise, and the director qualification guidelines set forth in the Company's Corporate Governance Policy. Under the Company's Governance Policy, the factors considered by the Nominating Committee and the Board in its review of potential nominees and directors include: high integrity and independence, substantial accomplishments, and prior or current association with institutions noted for their excellence; demonstrated leadership ability, with broad experience, diverse perspectives, and the ability to exercise sound business judgment; the background and experience of candidates, particularly in areas important to the operation of the Company such as business, education, finance, government, law or banking; the ability to make a significant and immediate contribution to the Board's discussions and decision-making; special skills, expertise or background that add to and complement the range of skills, expertise and background of the existing directors; career success that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make; and the availability and energy necessary to perform his or her duties as a director. In addition, the Nominating Committee and the Board believes the composition of the Board should reflect sensitivity to the need for diversity as to gender, ethnic background and experience. Application of these factors involves the exercise of judgment by the Board and cannot be measured in any mathematical or routine way.

In connection with the evaluation of nominees, the Nominating Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Nominating Committee, in concert with the Company's Chief Executive Officer, interviews prospective nominees. After completing its evaluation, the Nominating Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Nominating Committee.

For each of the nominees to the Board and the current directors, the biographies shown above highlight the experiences and qualifications that were among the most important to the Nominating Committee in concluding that the nominee or the director should serve or continue to serve as a director of the Company. The table below supplements the biographical information provided above. The vertical axis displays the primary factors reviewed by the Nominating Committee in evaluating a board candidate.

Experience, Qualifications, Skill or Attribute	Boudreau	Gardner	Goddard	Hardin	Jones	McKennon	Skipper
Professional standing in chosen field	X	X	X	X	X	X	X
Expertise in financial services or related industry		X	X	X	X	X	X
Audit Committee Financial Expert (actual or potential)	X	X	X		X	X	
Civic and community involvement	X	X	X	X		X	X
Other public company experience	X	X	**Note** **2005** **A$m**				

2004
A$m

2005
US$m(a)

2004
US$m(a)

Revenue

Total revenue

2 1,109.9 1,131.1 834.2 804.6

Expenses

Cost of goods sold

650.1 662.1 488.6 471.0

Selling, distribution and administration

277.8 289.8 208.5 206.0

Depreciation and amortisation

45.3 46.7 33.9 33.2

Write-down of assets

80.0 9.8 60.9 6.9

Total expenses, excluding borrowing costs

1,053.2 1,008.4 791.9 717.1

Borrowing costs

21.9 29.4 16.6 20.9

Profit from ordinary activities before income tax expense

3 **34.8 93.3 25.7 66.6**

Income tax expense attributable to ordinary activities

21.7 20.7 16.4 14.8

Net profit from ordinary activities after income tax expense

13.1 72.6 9.3 51.8

Outside equity interests in net profit after income tax

1.8 1.9 1.4 1.4

Net profit after income tax attributable to Ansell Limited shareholders

11.3 70.7 7.9 50.4

Non-owner transaction changes in equity

Net exchange difference on translation of financial statements of self-sustaining foreign operations

(44.5) (7.4) (33.4) (5.3)

Total valuation adjustments attributable to Ansell Limited shareholders recognised directly in equity

(44.5) (7.4) (33.4) (5.3)

Total changes in equity from non-owner related transactions attributable to Ansell Limited shareholders

(33.2) 63.3 (25.5) 45.1

cents

cents

cents

cents

Earnings per share is based on Net Profit after income tax attributable to Ansell Limited shareholders

Basic earnings per share*

7 6.7 39.1 4.7 27.9

Diluted earnings per share

7 6.7 38.8 4.7 27.8

* Basic earnings per share in the current period is 54.5 cents (41.1 US cents) excluding the effect of the write-down of the investment in the South Pacific Tyres partnership.

(a) The Company reports in Australian dollars. The United States dollar (US dollar) is the predominant global currency of our business transactions. For the convenience of the reader, translation of amounts from Australian dollars to US dollars has been made throughout the Statement of Financial Performance at the average of the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters on the last working day of each month for the 13 month period June 2004 to June 2005.

Ansell Limited and its Controlled Entities

Appendix 4E

Preliminary Final Report for the year ended 30 June 2005

Statement of Financial Position

of Ansell Limited and its Controlled Entities

	Note	2005 A$m	2004 A$m	2005 US$m(a)	2004 US$m(a)
Current Assets					
Cash on hand		0.2	0.9	0.2	0.6
Cash at bank and on deposit		218.7	306.9	166.8	211.4
Cash - restricted deposits		8.4	10.3	6.4	7.1
Receivables (c)		214.1	228.7	163.1	157.5
Inventories		157.3	185.8	120.1	128.0
Other		14.4	16.4	11.0	11.3
Total Current Assets		**613.1**	**749.0**	**467.6**	**515.9**
Non-Current Assets					
Receivables (c)		68.3	63.6	52.1	43.8
Other investments (b)		59.0	141.4	45.0	97.4
Property, plant and equipment		195.4	227.8	149.0	156.9
Intangible assets		246.2	293.4	187.8	202.1
Deferred tax assets		15.1	24.2	11.5	16.7
Other		2.1		1.6	
Total Non-Current Assets		**586.1**	**750.4**	**447.0**	**516.9**
Total Assets		**1,199.2**	**1,499.4**	**914.6**	**1,032.8**
Current Liabilities					
Payables		132.8	159.4	101.2	109.8
Interest-bearing liabilities		34.3	190.2	26.3	131.0
Provisions		56.7	52.0	43.2	35.8
Current tax liabilities		2.3	2.6	1.8	1.8
Total Current Liabilities		**226.1**	**404.2**	**172.5**	**278.4**
Non-Current Liabilities					
Payables		0.8	3.3	0.6	2.3
Interest-bearing liabilities		331.0	236.0	252.4	162.6
Provisions		23.7	23.9	18.1	16.5
Deferred tax liabilities		14.8	20.2	11.3	13.9
Total Non-Current Liabilities		**370.3**	**283.4**	**282.4**	**195.3**

Total Liabilities		**596.4**	**687.6**	**454.9**	**473.7**
Net Assets		**602.8**	**811.8**	**459.7**	**559.1**
Equity					
Contributed equity		1,232.8	1,383.9	940.2	953.3
Reserves		(296.6)	(275.6)	(226.2)	(189.9)
Accumulated losses	4	(342.5)	(306.7)	(261.2)	(211.3)
Total Equity Attributable to Ansell Limited Shareholders		**593.7**	**801.6**	**452.8**	**552.1**
Outside equity interests		9.1	10.2	6.9	7.0
Total Equity	5	**602.8**	**811.8**	**459.7**	**559.1**

(a) The Company reports in Australian dollars. The United States dollar (US dollar) is the predominant global currency of our business transactions. For the convenience of the reader, translation of amounts from Australian dollars to US dollars has been made throughout the Statement of Financial Position at the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters on Thursday, 30 June 2005, at US$0.76265 = A$1 (June 2004 US$0.68885 = A$1).

(b) Includes investment in South Pacific Tyres Partnership and South Pacific Tyres N.Z. Ltd of $57.8 million (US$44.1 million) [June 2004 $138.0 million (US$95.1 million)].

(c) Includes interest bearing loans to South Pacific Tyres Partnership of $66.8 million (US$50.9 million) [June 2004 $62.8 million (US$43.3 million)].

Ansell Limited and its Controlled Entities

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Statement of Cash Flows

of Ansell Limited and its Controlled Entities for the year ended 30 June 2005

	2005 A$m	2004 A$m	2005 US$m(a)	2004 US$m(a)
Cash flows Related to Operating Activities				
Receipts from customers (excluding non recurring and Accufix Research Institute)	1,128.6	1,155.9	848.2	822.2
Payments to suppliers and employees (excluding non recurring and Accufix Research Institute)	(955.8)	(950.6)	(718.4)	(676.3)
Net receipts from customers (excluding non recurring and Accufix Research Institute)	172.8	205.3	129.8	145.9
Income taxes paid	(16.1)	(15.9)	(12.3)	(11.3)
Net cash provided by operating activities (excluding non recurring and Accufix Research Institute)	156.7	189.4	117.5	134.6
Non recurring payments to suppliers and employees		(7.1)		(5.1)
Payments to suppliers and employees net of customer receipts (Accufix Research Institute)	(3.9)	(3.1)	(2.9)	(2.2)
Net Cash Provided by Operating Activities	**152.8**	**179.2**	**114.6**	**127.3**
Cash Flows Related to Investing Activities				
Payments for property, plant and equipment	(14.1)	(13.8)	(10.6)	(9.8)
Proceeds from sale of plant and equipment in the ordinary course of business		5.3		3.7
Loans repaid		3.4		2.4
Proceeds from sale of other investments	1.4		1.1	
Payments for other investments		(1.3)		(0.9)
Net Cash Used in Investing Activities	**(12.7)**	**(6.4)**	**(9.5)**	**(4.6)**
Cash Flows Related to Financing Activities				
Proceeds from borrowings	145.1	104.3	109.0	74.2
Repayments of borrowings	(171.5)	(140.9)	(128.9)	(100.2)
Net repayments of borrowings	(26.4)	(36.6)	(19.9)	(26.0)
Proceeds from issues of shares	5.0	1.0	3.8	0.7
Payments for share buy-back	(156.1)	(65.4)	(121.7)	(47.9)
Dividends paid	(24.7)	(32.7)	(18.6)	(21.9)
Interest received	8.5	9.0	6.4	6.4
Interest and borrowing costs paid	(23.3)	(28.7)	(17.3)	(20.4)
Net Cash Used in Financing Activities	**(217.0)**	**(153.4)**	**(167.3)**	**(109.1)**
Net (Decrease)/Increase in Cash Held	**(76.9)**	**19.4**	**(62.2)**	**13.6**

Cash at the beginning of the financial year	314.8	297.2	216.8	198.4
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the financial year	(12.0)	(1.8)	17.7	4.8
Cash at the End of the Financial Year	**225.9**	**314.8**	**172.3**	**216.8**

(a) The Company reports in Australian dollars. The United States dollar (US dollar) is the predominant global currency of our business transactions. For the convenience of the reader, translation of amounts from Australian dollars to US dollars has been made throughout the Consolidated Statement of Cash Flows at the average of the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters on the last working day of each month for the 13 month period June 2004 to June 2005.

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Industry Segments

of Ansell Limited and its Controlled Entities for the year ended 30 June 2005

	Operating Revenue				Operating Result			
	June		June (a)		June		June (a)	
	2005 A$m	2004 A$m	2005 US$m	2004 US$m	2005 A$m	2004 A$m	2005 US$m	2004 US$m
INDUSTRY								
Ansell Healthcare								
Occupational Healthcare	551.6	545.2	414.3	387.8	81.3	74.2	61.0	52.8
Professional Healthcare	371.4	381.8	279.2	271.6	43.3	40.5	32.7	28.7
Consumer Healthcare	173.2	186.3	130.4	132.5	29.1	31.6	22.0	22.6
Total Ansell Healthcare	**1,096.2**	**1,113.3**	**823.9**	**791.9**	**153.7**	**146.3**	**115.7**	**104.1**
Unallocated Items	13.7	17.8	10.3	12.7	(8.8)	(13.1)	(6.5)	(9.2)
Operating EBITA					**144.9**	**133.2**	**109.2**	**94.9**
Write-down of investment in South Pacific Tyres					(80.0)		(60.9)	
Write-down of Ansell Healthcare assets/Discontinued Businesses adjustments						(1.7)		(1.2)
EBITA					**64.9**	**131.5**	**48.3**	**93.7**
Goodwill amortisation					(20.5)	(21.4)	(15.3)	(15.2)
Earnings before Net Interest and Tax (EBIT)					**44.4**	**110.1**	**33.0**	**78.5**
Borrowing Costs net of Interest Revenue					(9.6)	(16.8)	(7.3)	(11.9)
Operating Profit before Tax					**34.8**	**93.3**	**25.7**	**66.6**
Tax					(21.7)	(20.7)	(16.4)	(14.8)
Outside Equity Interests					(1.8)	(1.9)	(1.4)	(1.4)
Total Consolidated	**1,109.9**	**1,131.1**	**834.2**	**804.6**	**11.3**	**70.7**	**7.9**	**50.4**
REGIONS								
Asia Pacific	162.9	168.2	122.5	119.7	38.9	41.4	29.3	29.5
Americas	527.0	544.7	395.3	387.0	68.2	65.0	51.1	46.1
Europe	406.3	400.4	306.1	285.2	46.6	39.9	35.3	28.5
Total Ansell Healthcare	**1,096.2**	**1,113.3**	**823.9**	**791.9**	**153.7**	**146.3**	**115.7**	**104.1**

	Assets Employed				Liabilities			
	June 2005 A$m	June 2004 A$m	June (a) 2005 US$m	June (a) 2004 US$m	June 2005 A$m	June 2004 A$m	June (a) 2005 US$m	June (a) 2004 US$m
INDUSTRY								
Ansell Healthcare								
Occupational Healthcare	250.8	274.8	191.3	189.3	83.5	96.1	63.7	66.2
Professional Healthcare	230.9	277.4	176.1	191.1	62.6	68.1	47.7	46.9
Consumer Healthcare	88.5	110.4	67.5	76.0	21.1	37.2	16.1	25.6
Total Ansell Healthcare	**570.2**	**662.6**	**434.9**	**456.4**	**167.2**	**201.4**	**127.5**	**138.7**
Unallocated Items (b)	155.5	225.3	118.5	155.2	429.2	486.2	327.4	335.0
Goodwill and Brand names	246.2	293.4	187.8	202.1				
Cash	227.3	318.1	173.4	219.1				
Total Consolidated	**1,199.2**	**1,499.4**	**914.6**	**1,032.8**	**596.4**	**687.6**	**454.9**	**473.7**
REGIONS								
Asia Pacific	230.4	268.3	175.7	184.8	60.0	75.3	45.8	51.9
Americas	196.8	227.5	150.1	156.7	73.6	90.6	56.1	62.4
Europe	143.0	166.8	109.1	114.9	33.6	35.5	25.6	24.4
Total Ansell Healthcare	**570.2**	**662.6**	**434.9**	**456.4**	**167.2**	**201.4**	**127.5**	**138.7**

(a) The Company reports in Australian dollars. The United States dollar (US dollar) is the predominant global currency of our business transactions. For the convenience of the reader, translation of amounts from Australian dollars into US dollars for Operating Revenue and Operating Result have been made at the average of the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters on the last working day of each month for the 13 month period June 2004 to June 2005. Translation of amounts from Australian dollars into US dollars for Assets Employed and Liabilities have been made at the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters, on Thursday 30 June 2005, at US$0.76265 = A$1 (June 2004 US$0.68885 = A$1).

(b) Unallocated Items includes amounts previously classified as Discontinued Businesses. Prior year comparatives have been adjusted accordingly.

The above industry segments report should be read in conjunction with the accompanying Note 9.

Ansell Limited and its Controlled Entities

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Preliminary Final Report for the year ended 30 June 2005

Additional Financial Information

The Statement of Cash Flows required to be reported for statutory purposes provides an analysis of cash flows which have impacted the cash held by the Company and its controlled entities. The following analysis is based on the Company s internal cash management reporting which focuses on the cash flow generated by the operations and the movement in net interest bearing debt (NIBD).

(a) Cash Flow Analysis (movement in NIBD)

	2005 A$m	2004 A$m	2005 US$m	2004 US$m
Operating EBITA	144.9	133.2	109.2	94.9
Depreciation	24.8	25.3	18.6	18.0
Working Capital Reduction/(Increase)	23.4	6.0	(0.2)	(1.5)
Tax Paid	(16.1)	(15.9)	(12.3)	(11.3)
Capital Expenditure	(14.1)	(13.8)	(10.6)	(9.8)
Net Interest Paid	(14.8)	(19.7)	(10.9)	(14.0)
Free Cash Flow	**148.1**	**115.1**	**93.8**	**76.3**
Dividends Paid - Ansell Limited Shareholders	(23.6)	(31.0)	(17.7)	(21.9)
Share Buy-back	(156.1)	(65.4)	(121.7)	(47.9)
Other	4.3	48.4	15.9	35.5
(Increase)/Decrease in NIBD	**(27.3)**	**67.1**	**(29.7)**	**42.0**

(b) Abridged Statement of Financial Position

	2005 A$m	2004 A$m	2005 US$m	2004 US$m
Fixed Assets	195.4	227.8	149.0	156.9
Goodwill and Intangibles	246.2	293.4	187.8	202.1
Investment in/Loans to South Pacific Tyres	124.6	200.8	95.0	138.4
Other Assets/Liabilities	(38.1)	(35.6)	(29.0)	(24.7)
Trade Debtors	170.8	183.0	130.1	126.1
Inventories	157.3	185.8	120.1	128.0
Trade Creditors	(106.8)	(124.1)	(81.4)	(85.5)
Net Operating Assets	749.4	931.1	571.6	641.3
NIBD (Interest Bearing Liabilities less Cash at Bank and on Deposit)	(146.6)	(119.3)	(111.9)	(82.2)

Shareholder s Equity	602.8	811.8	459.7	559.1

(c) Reconciliation of Statutory Cash Flow Analysis to Management Cash Flow Analysis

	2005 A$m	**2004 A$m**	**2005 US$m**	**2004 US$m**
Operating EBITA	144.9	133.2	109.2	94.9
Depreciation	24.8	25.3	18.6	18.0
Working Capital Reduction/(Increase) - excluding FX	2.7	4.3	2.0	2.9
Tax Paid	(16.1)	(15.9)	(12.3)	(11.3)
Other	(3.5)	32.3	(2.9)	22.8
Net Cash Provided by Operating Activities	**152.8**	**179.2**	**114.6**	**127.3**
Capital Expenditure	(14.1)	(13.8)	(10.6)	(9.8)
Net Interest Paid	(14.8)	(19.7)	(10.9)	(14.0)
Dividends Paid - Ansell Limited Shareholders	(23.6)	(31.0)	(17.7)	(21.9)
Share Buy-back	(156.1)	(65.4)	(121.7)	(47.9)
Effect of exchange rate changes on the balances of cash and interest bearing liabilities held in foreign currencies	20.6	8.4	9.5	1.4
Other	7.9	9.4	7.1	6.9
(Increase)/Decrease in NIBD	**(27.3)**	**67.1**	**(29.7)**	**42.0**

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Notes

1. Change in Accounting Policy

Research and Development Costs

Expenditure on research and development is written off in the period in which it is incurred, except for development expenditure on new products or substantially improved existing products which is capitalised only when future recoverability is reasonably assured. Amortisation of the capitalised expenditure commences in the half year period following the product s commercialisation and continues for a three year period. Capitalised costs are regularly reviewed and when the criterion for capitalisation is no longer met, such costs are written off.

This is a change in policy from prior years when all research and development costs were written off in the period in which they were incurred.

The impact of this change in policy on the current year s results was to increase operating profit before income tax and non-current assets by $2.1 million.

2. Total Revenue

	2005 A$m	2004 A$m
Revenue from the sale of goods	1,096.2	1,113.3
Revenue From Other Operating Activities		
Interest Received or Due and Receivable		
From related parties	4.0	3.5
From others	8.3	9.0
Total revenue from other operating activities	**12.3**	**12.5**
Revenue from Outside Operating Activities		
Proceeds from the Sale of Non-Current Assets	1.4	5.3
Total revenue from outside operating activities	**1.4**	**5.3**
Total Revenue	**1,109.9**	**1,131.1**

3. Profit from Ordinary Activities Before Income Tax

	2005 A$m	2004 A$m
Individually significant items included in profit from ordinary activities before income tax expense		
Provision for diminution in value of investment in South Pacific Tyres Partnership	(80.0)	
Sales Tax Refund		17.8
GNB Workers Compensation Costs		(7.5)
Write-down of Ansell Healthcare fixed assets		(8.8)

Notes

4. Accumulated Losses

	2005 A$m	2004 A$m
Accumulated losses at the beginning of the financial year	(306.7)	(345.7)
Transfers (to)/from reserves	(23.5)	(0.7)
Net profit attributable to Ansell Limited shareholders	11.3	70.7
Dividends paid during the year	(23.6)	(31.0)
Accumulated losses at the end of the financial year	**(342.5)**	**(306.7)**

5. Total Equity

	2005 A$m	2004 A$m
Total equity at the beginning of the year	811.8	844.5
Total changes in equity from non-owner related transactions attributable to Ansell Limited shareholders	(33.2)	63.3
Transactions with owners as owners		
Contributions of equity	5.0	1.0
Share buy-back	(156.1)	(65.4)
Dividends paid during the year	(23.6)	(31.0)
Total changes in outside equity interest	(1.1)	(0.6)
Total equity at the end of the financial year	**602.8**	**811.8**

	No. Shares	No. Shares
Number of shares on issue at the end of the financial year		
Ordinary shares fully paid	160,125,483	176,310,916 (a)
Executive Plan shares paid to 5 cents	377,800	738,000

(a) Includes 198,288 shares bought back by the Company prior to 30 June 2004 but not cancelled at that date.

6. Dividends Paid and Declared

	2005 A$m	2004 A$m
Dividends Paid		
A final unfranked dividend of 7 cents per share for the year ended 30 June 2004 (June 2003 - 11 cents unfranked) was paid on 14 October 2004 (2003 - 9 October 2003)	12.4	20.4
An interim dividend of 7 cents per share franked to 57% for the year ended 30 June 2005 (June 2004 - 6 cents unfranked) was paid on 8 April 2005 (2004 - 8 April 2004)	11.2	10.6
	23.6	31.0

Dividends Declared

Since the end of the financial year the Directors have declared a final dividend of 10 cents per share unfranked, for the year ended 30 June 2005.

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2005 and will be recognised in subsequent financial reports.

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7. Earnings per Share (EPS)

	2005 cents	**2004 cents**
Earnings per Ordinary Share		
Basic	6.7	39.1
Diluted	6.7	38.8

	2005 A$m	**2004 A$m**
Earnings Reconciliation		
Net profit from ordinary activities after income tax	13.1	72.6
Net profit attributable to outside equity interests	1.8	1.9
Earnings used in calculation of Basic and Diluted EPS	11.3	70.7

	No. Shares	**No. Shares**
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic earnings per share	167,488,404	180,789,553
Effect of partly paid Executive Plan shares, Options and Performance Share Rights	1,616,764	1,305,351
Number ordinary shares and potential ordinary shares for diluted earnings per share	169,105,168	182,094,904

Partly paid Executive Plan shares, Options and Performance Share Rights have been included in diluted earnings per share in accordance with applicable Australian accounting standards.

8. NTA backing

	2005 A$m	**2004 A$m**
Shareholders Equity attributable to Ansell Limited shareholders	593.7	801.6

Less Intangible Assets	246.2	293.4
Net Tangible Assets	347.5	508.2

	No. Shares	No. Shares
Total fully paid ordinary shares on issue (millions)	160.1	176.3
Net tangible asset backing per ordinary share	$ 2.17	$ 2.88

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9. Notes to the Industry Segments Report

(a) 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.

(b) Cash

Cash also includes Accufix Pacing Leads restricted deposits.

(c) Inter-Segment Transactions

Significant inter-segment sales were made by Asia Pacific - A$196.8 million (US$147.9 million) (2004 - $216.3 million; US$154.1 million) and Americas - A$219.9 million (US$165.2 million) (2004 - A$233.0 million; US$166.0 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.

(d) 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.

(e) 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 4 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.

	2005 A$m	2004 A$m	2005 US$m	2004 US$m
(f) Segment Capital Expenditure				
Occupational Healthcare	5.1	5.4	3.8	3.9
Professional Healthcare	6.0	4.4	4.5	3.1
Consumer Healthcare	3.0	3.3	2.3	2.4
(g) Region Capital Expenditure				
Asia Pacific	8.3	8.7	6.2	6.3
Americas	4.6	3.4	3.5	2.4
Europe	1.2	1.0	0.9	0.7
(h) Segment Depreciation				
Occupational Healthcare	9.1	8.7	6.8	6.3
Professional Healthcare	11.1	11.5	8.3	8.1
Consumer Healthcare	4.2	5.1	3.2	3.6
(i) Segment Other Non Cash Expenses (excluding Provision for Rationalisation and Write-down of Assets separately disclosed)				
Occupational Healthcare	11.3	6.9	8.5	4.9
Professional Healthcare	2.7	1.5	2.0	1.1
Consumer Healthcare	1.3	4.9	1.0	3.5

Notes

10. 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

Only a limited number of lawsuits in relation to the Accufix Pacing Leads which have been made against certain Group Companies are currently on foot, the majority of which have been brought in France.

As at 30 June 2005, the balance of the provisions made for settlements in relation to claims is considered adequate to address any remaining liability of members of the Ansell Group.

Latex Allergy Litigation

As at 30 June 2005, there were approximately nine product liability cases pending against one or more Ansell Group Companies in the United States in relation to allergic reaction to exposure to natural rubber latex gloves.

In a number of additional cases, distributors of latex gloves, who have also been named as defendants, are pursuing cross-claims and third party claims against several manufacturers of natural rubber latex gloves, including the Ansell Group Companies, in an effort to recover their costs related to the latex litigation. In some cases, judgement has been entered against an Ansell Group Company. The relevant Ansell Group Companies are appealing these decisions. The Company is not a defendant in any cases in the United States.

It is not possible at this time to quantify the potential financial impact of the remaining cases on the Group, however they are not considered to have a material potential impact on the Group results either individually or on an aggregate basis.

Business and Asset Sales

The Company and various Group Companies have, as part of the Group s historical 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. No formal proceedings are presently on foot and, accordingly, it is not possible at this time to quantify the potential financial impact on the Group.

11. Contingent Assets

Exide Corporation

US legal proceedings are continuing against entities in the Exide Group in connection with the sale of the GNB business. Proceedings against those entities in the Exide Group that have not filed for bankruptcy (Non-bankrupt Entities) were transferred to the Delaware bankruptcy court (the Court) where the Court determined that all of the Ansell Group s claims against the Non-bankrupt Entities may only be asserted against Exide Technologies, Inc., a company which has emerged from bankruptcy.

The Ansell Group has requested that the Court reconsider its decision and the Court has denied that request. The Ansell Group has filed an appeal to the appropriate court. The Ansell Group will continue to pursue recovery of the amounts owed by the Exide Group, but as to the reorganised Company (Exide Technologies, Inc) the Ansell Group expects to recover only stock in that Company. The ultimate amount of the Ansell Group s claims has not yet been determined and therefore the amount and value of the stock that may be recovered from Exide Technologies, Inc. is also undetermined.

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Notes

12. 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.

13. Impact of Adopting Australian Equivalents to International Financial Reporting Standards

Ansell is in the process of transitioning its accounting polices and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS). The adoption of AIFRS will be reflected in Ansell's financial statements for the half-year ended 31 December 2005 and the year ending 30 June 2006.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. This will mean that the opening AIFRS balance sheet will be a restated comparative balance sheet, dated 1 July 2004. Most adjustments required on transition to AIFRS will be made, retrospectively against opening accumulated losses on 1 July 2004, however transitional adjustments relating to those standards where comparatives are not required will only be made on 1 July 2005. Comparatives restated to comply with AIFRS will be reported for the first time in the financial statements for the half-year ending 31 December 2005.

Ansell has established a project team to plan and implement the transition process to AIFRS. The project team has analysed all of the AIFRS and has identified the accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards . The choices have been analysed to determine the most appropriate accounting policy for Ansell.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and the known or reliably estimable impacts on the financial report for the year ended 30 June 2005 had it been prepared using AIFRS.

The figures disclosed are management s best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to (a) ongoing work being undertaken by the AIFRS project team; (b) potential amendments to AIFRSs and Interpretations thereof being issued by the standard-setters and the International Financial Reporting Interpretations Committee; and (c) emerging accepted practice in the interpretation and application of AIFRS and Urgent Issues Group interpretations. Therefore, until Ansell prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

Intangible Assets - goodwill

Under AASB 3 Business Combinations, amortisation of goodwill will be prohibited and will be replaced by impairment testing on an annual basis or upon the occurrence of triggers which may indicate a potential impairment. Such impairment testing will focus on the discounted cash flows of the related cash generating unit.

This will result in a change to the current accounting policy, under which goodwill is amortised on a straight line basis over the period during which the benefits are expected to arise but not exceeding 20 years. The Group has not elected to apply AASB 3 retrospectively and hence, prior year amortisation would not be written-back as at the date of transition.

If the policy required by AASB 3 had been applied during the year ended 30 June 2005, consolidated goodwill at 30 June 2005 would have been $20.5 million higher and consolidated amortisation expense for the year ended 30 June 2005 would have been $20.5 million lower.

Notes

13. Impact of Adopting Australian Equivalents to IFRS (continued)

Share based payments

Options and or Performance Share Rights (PSR s) are granted to executives under the Ansell Limited Stock Incentive Plan. Under current Australian GAAP, no expense is required to be recognised for options/PSR s issued to employees, however the Group has recorded a charge to the profit and loss over the past three years based on the expected vesting of PSR s with the accrual for the current year of $3.7 million being recorded within current payables.

Under AASB 2 Share-based Payments, the Group is required to recognise an expense for the fair value of both options and PSR s issued to employees after 7 November 2002 that had not vested as at 1 January 2005 with a corresponding increase in a share-based payment reserve. This will result in a change to the current policy of recognising an expense for PSR s only and recording such an expense as an accrual within current payables.

If the policy required by AASB 2 had been applied during the year ended 30 June 2005, consolidated employee benefit expense at 30 June 2005 would have been $0.9 million higher, current liabilities would have been $3.7 million lower and a share-based payment reserve of $4.6 million would have been recognised.

Defined benefit superannuation plans

Under current Australian GAAP, defined benefit superannuation plans are accounted for on a cash basis with no defined benefit obligation or plan assets recognised in the balance sheet. Under AASB 119 Employee Benefits, the net deficit/surplus of the Group s defined benefit superannuation plans is required to be recognised in the balance sheet as a liability/asset. The AASB 1 election to recognise all cumulative actuarial gains and losses at transition date through accumulated losses/retained earnings will be adopted. Actuarial gains or losses on defined benefit superannuation plans post transition will be recognised directly in accumulated losses/retained earnings.

Foreign currency

Under AASB 121 The Effect of Changes in Foreign Exchange Rates, each entity in the consolidated entity determines its functional currency, being the currency of the primary economic environment in which the entity operates reflecting the underlying transactions events and conditions that are relevant to the entity. Each entity maintains its books and records in its functional currency.

The assets and liabilities of foreign operations are translated from the entity s functional currency to the consolidated entity s presentation currency of Australian dollars at foreign exchange rates ruling at reporting date. The revenues and expenses of foreign operations are translated to Australian dollars at average exchange rates during the period which approximate the rates ruling at the date of the transactions. Foreign exchange differences arising on translation are recognised directly in a separate component of equity.

There are no expected changes in functional currency for the Company or its subsidiaries.

The AASB 1 election to reset existing foreign currency translation reserve balances as at 1 July 2004 to nil will be adopted. As a result the balance of the foreign currency translation reserve of the group at 30 June 2005 will increase by $279.6 million. Consolidated accumulated losses will increase by this amount.

On the disposal/liquidation of a foreign operation, AASB 21 requires the amount recognised in the foreign currency translation reserve attributable to the foreign operation be included in the calculation of the gain or loss on disposal/liquidation and recycled through the current year income statement.

Financial Instruments

The Group will be taking advantage of the exemption available under AASB 1 to apply AASB 132 Financial Instruments : Disclosure and Presentation and AASB 139 Financial Instruments : Recognition and Measurement only from 1 July 2005. This allows the Group to apply previous Australian generally accepted accounting principles (Australian GAAP) to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the 30 June 2006 financial report.

Under AASB 132, the current classification of financial instruments issued by entities in the consolidated entity would not change.

The Group uses cash flow hedges such as interest rate swap contracts and foreign exchange forward and option contracts to hedge the variability in cash flows associated with floating debt and highly probable forecast sales and purchases in currencies other than US dollars. Under AASB 139 changes in the fair value of cash flow hedges can be deferred in equity in the Statement of Financial Position provided certain prescribed effectiveness test are met. Changes in the market value of fair value hedges together with changes in the fair value of the underlying positions are booked to the Statement of Financial Position.

The Group currently values all hedges at their fair value and defers gains and losses on effective hedges to the Statement of Financial Position until the underlying transaction occurs.

The Group expects to predominantly continue the use of cash flow hedging in respect of its foreign exchange and interest rate risk hedges, which will increase or decrease shareholders equity and assets/liabilities. However, the time value component of foreign exchange option contracts, which fall outside the prescribed effectiveness tests, will be recorded in reported earnings from 1 July 2005.

Ansell Limited and its Controlled Entities

Appendix 4E

Preliminary Final Report for the year ended 30 June 2005

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgents Issues Group Consensus Views or other standards acceptable to ASX.

2 This report, and the accounts upon which the report is based, use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on accounts which are in the process of being audited.

5 The entity has a formally constituted audit committee.

Signed: Date 17 August, 2005.
Company Secretary

Name: R J Bartlett

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: August 17, 2005