



## Appendix 4D

### Condensed consolidated interim financial report For the six months ended 31 December 2009

#### Ansell Limited and Subsidiaries

ACN 004 085 330

**This interim financial report is a general purpose financial report prepared in accordance with the ASX listing rules and Accounting Standard AASB 134: Interim Financial Reporting. It should be read in conjunction with the annual financial report for the year ended 30 June 2009 and any public announcements to the market made by the entity during the period. The financial statements in this report are 'condensed financial statements' as defined in AASB 134: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report.**

**The Company reports in Australian dollars.**

**The United States dollar (US dollar) is the currency in which we manage our global business.**

**Refer to Notes 1 and 2 to the condensed financial statements which provide financial information in US dollars for the convenience of the reader.**

**In addition the Company has issued US dollar financial information which is supplementary to the Company's Appendix 4D Half Year Report.**

**The US dollar values in Notes 1 and 2 and the supplementary US dollar information have not been subject to review.**

# Appendix 4D

## Condensed consolidated interim financial report

### For the six months ended 31 December 2009

#### Ansell Limited and Subsidiaries

ACN 004 085 330

#### Results for Announcement to the Market

		%	\$M
Revenue from ordinary activities	up/(down)	(11.6)% to	614.3
Profit from ordinary activities after tax attributable to members	up/(down)	(15.0)% to	61.4
Net profit for the period attributable to members	up/(down)	(15.0)% to	61.4

#### Dividends (distributions)

	Amount per share	Franked amount per share
Dividend	13.0 ¢	Nil
Record date for determining entitlements to the dividend	3 March 2010	

#### Highlights

- Sales of \$611.6 million compared to last year's \$689.9 million.
- Net profit attributable to members \$61.4 million compared to last year's \$72.2 million.
- Basic earnings per share of 45.6¢ compared to last year's 53.1¢.
- An interim dividend of 13¢ per share unfranked has been declared payable on 24 March 2010.



## Commentary on Results

(This commentary is in US dollars which is the predominant global currency of Ansell's business transactions)

### Business Review

Profit Attributable of US\$54.3m was up marginally on the previous year's US\$54.1m.

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

### Results Summary:

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

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

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

### Occupational Healthcare:

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

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

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

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

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

### Professional Healthcare:

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

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

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

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

### Consumer Healthcare:

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

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

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

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

### Corporate Development:

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

### Restructuring:

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

## Finance:

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

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

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

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

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

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

**ANSELL LIMITED**

**ABN 89 004 085 330**

**DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

This Report by the Directors of Ansell Limited (**the Company**) is made pursuant to the provisions of the Corporations Act 2001 for the half-year ended 31 December 2009 and is accompanied by the Consolidated Interim Financial Report of the Group comprising the Company and the subsidiaries it controlled at the end of, or during, the half-year ended 31 December 2009.

The information set out in this Report is to be read in conjunction with that appearing in the attached Half-Year Results Announcement and in the Notes to the Consolidated Interim Financial Report which accompanies this Report.

**1. Directors**

The name of each person who has been a Director of the Company at any time during or since the end of the half-year, is:

Peter L Barnes (Chairman)

Glenn L L Barnes

Ronald J S Bell

L. Dale Crandall

W. Peter Day

Marissa T Peterson

Douglas D Tough (Managing Director and Chief Executive Officer)

**2. Review and Results of Operations**

A review of the operations of the Group during the half-year ended 31 December 2009 and the results of those operations is contained in the attached Half-Year Results Announcement.

**3. Auditor's Independence Declaration**

A copy of the independence declaration received from the Company's auditor, KPMG, in accordance with section 307C of the Corporations Act 2001, in respect of the audit review undertaken in relation to the Consolidated Interim Financial Report for the half year financial period ending 31 December 2009, is attached.

#### 4. Rounding Off

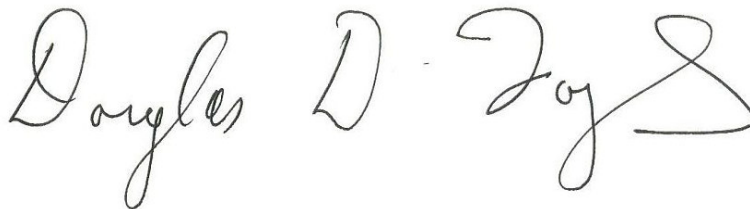
The Company is of a kind referred to in ASIC class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Consolidated Interim Financial Report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



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P L Barnes  
Director



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D D Tough  
Director

Dated in Melbourne this 17<sup>th</sup> day of February 2010.



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of Ansell Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*KPMG*

KPMG

*Don Pasquariello*

Don Pasquariello  
*Partner*

Melbourne

17 February 2010

## Condensed Consolidated Interim Income Statement

### of Ansell Limited and Subsidiaries for the six months ended 31 December 2009

	Note	2009 A\$m	2008 A\$m
<b>Revenue</b>			
Total revenue	3	614.3	694.6
<b>Expenses</b>			
Cost of goods sold		356.3	410.5
Distribution		29.1	34.8
Selling and administration		151.8	164.8
Total expenses, excluding financing costs		537.2	610.1
Financing costs		8.1	10.5
<b>Profit before income tax</b>		<b>69.0</b>	<b>74.0</b>
Income tax expense/(benefit)		5.8	(0.8)
<b>Net profit</b>		<b>63.2</b>	<b>74.8</b>
Non-controlling interests in net profit		1.8	2.6
<b>Net profit attributable to Ansell Limited shareholders</b>		<b>61.4</b>	<b>72.2</b>

		cents	cents
Earnings per share is based on net profit attributable to Ansell Limited shareholders			
Basic earnings per share	6	45.6	53.1
Diluted earnings per share	6	45.2	52.3

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**Condensed Consolidated Interim Statement of Comprehensive Income**

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**of Ansell Limited and Subsidiaries for the six months ended 31 December 2009**

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	2009 A\$m	2008 A\$m
<b>Profit for the period</b>	<b>63.2</b>	<b>74.8</b>
<b>Other Comprehensive Income/(Expense)</b>		
Net exchange difference on translation of financial statements of foreign operations	(29.7)	88.2
Net movement in effective hedges for period	2.6	(7.4)
<b>Other comprehensive income/(expense) for the period, net of income tax</b>	<b>(27.1)</b>	<b>80.8</b>
<b>Total comprehensive income for the period</b>	<b>36.1</b>	<b>155.6</b>
Attributable to:		
Members of Ansell Limited	34.3	153.0
Non-controlling interests	1.8	2.6
<b>Total comprehensive income for the period</b>	<b>36.1</b>	<b>155.6</b>

## Condensed Consolidated Interim Balance Sheet

of Ansell Limited and Subsidiaries as at 31 December 2009

	Note	31 December 2009 A\$m	30 June 2009 A\$m
<b>Current Assets</b>			
Cash on hand		1.0	1.1
Cash at bank and on deposit		203.7	267.1
Cash - restricted deposits		3.8	4.1
Trade and other receivables		190.2	183.0
Inventories		177.2	189.2
Other		12.7	11.1
<b>Total Current Assets</b>		<b>588.6</b>	<b>655.6</b>
<b>Non-Current Assets</b>			
Trade and other receivables		19.9	22.2
Investments		0.3	0.2
Property, plant and equipment		156.4	176.8
Intangible assets		333.3	354.8
Deferred tax assets		93.6	102.5
<b>Total Non-Current Assets</b>		<b>603.5</b>	<b>656.5</b>
<b>Total Assets</b>		<b>1,192.1</b>	<b>1,312.1</b>
<b>Current Liabilities</b>			
Trade and other payables		168.0	140.4
Interest-bearing liabilities		109.8	145.7
Provisions		43.5	38.0
Current tax liabilities		7.7	11.0
<b>Total Current Liabilities</b>		<b>329.0</b>	<b>335.1</b>
<b>Non-Current Liabilities</b>			
Trade and other payables		0.9	1.1
Interest-bearing liabilities		186.7	249.5
Provisions		25.5	25.8
Retirement benefit obligations		19.5	26.0
Deferred tax liabilities		32.4	35.5
<b>Total Non-Current Liabilities</b>		<b>265.0</b>	<b>337.9</b>
<b>Total Liabilities</b>		<b>594.0</b>	<b>673.0</b>
<b>Net Assets</b>		<b>598.1</b>	<b>639.1</b>
<b>Equity</b>			
Issued capital	4	901.6	941.1
Reserves		(64.8)	(27.9)
Accumulated losses		(248.9)	(288.7)
<b>Total Equity Attributable to Ansell Limited Shareholders</b>		<b>587.9</b>	<b>624.5</b>
Non-controlling interests		10.2	14.6
<b>Total Equity</b>		<b>598.1</b>	<b>639.1</b>

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## Condensed Consolidated Interim Statement of Changes in Equity

### of Ansell Limited and Subsidiaries for the six months ended 31 December 2009

	2009 A\$m	2008 A\$m
<b>Share Capital</b>		
Balance at 1 July	941.1	944.5
Conversion of Executive Share Plan shares to fully paid and exercise of options	-	0.4
Buy-back of shares	(39.5)	(3.8)
<b>Total Share Capital at 31 December</b>	<b>901.6</b>	<b>941.1</b>
<b>Reserves</b>		
<b>Share-Based Payments Reserve</b>		
Balance at 1 July	25.4	24.0
Charge to the income statement for the period	1.2	6.6
Balance at 31 December	26.6	30.6
<b>Hedging Reserve</b>		
Balance at 1 July	(6.1)	(4.7)
Net movement in effective hedges for the period	2.6	(7.4)
Balance at 31 December	(3.5)	(12.1)
<b>General Reserve</b>		
Balance at 1 July	8.7	7.3
Transfer to accumulated losses	(0.3)	-
Balance at 31 December	8.4	7.3
<b>Foreign Currency Translation Reserve</b>		
Balance at 1 July	(55.9)	(81.6)
Currency translation differences arising during the period	(29.7)	88.2
Balance at 31 December	(85.6)	6.6
<b>Transactions with Non-Controlling Interests</b>		
Balance at 1 July	-	-
Transactions with non-controlling interests in subsidiaries	(10.7)	-
Balance at 31 December	(10.7)	-
<b>Total Reserves at 31 December</b>	<b>(64.8)</b>	<b>32.4</b>
<b>Accumulated Losses</b>		
Balance at 1 July	(288.7)	(356.2)
Transfer from reserves	0.3	-
Net profit attributable to Ansell Limited shareholders	61.4	72.2
Dividends paid	(21.9)	(21.1)
<b>Accumulated Losses at 31 December</b>	<b>(248.9)</b>	<b>(305.1)</b>
<b>Total Equity at 31 December attributable to Ansell Limited shareholders</b>	<b>587.9</b>	<b>668.4</b>
<b>Non-controlling interests</b>		
Share Capital	2.5	3.0
Reserves	(4.1)	3.2
Retained Profits	11.8	14.5
<b>Total Non-controlling interests</b>	<b>10.2</b>	<b>20.7</b>
<b>Total Equity</b>	<b>598.1</b>	<b>689.1</b>

## Condensed Consolidated Interim Cash Flow Statement

### of Ansell Limited and Subsidiaries for the six months ended 31 December 2009

	2009 A\$m	2008 A\$m
<b>Cash Flows Related to Operating Activities</b>		
Receipts from customers	615.8	651.5
Payments to suppliers and employees	(507.8)	(634.1)
Net receipts from customers	108.0	17.4
Income taxes paid	(7.0)	(6.3)
<b>Net Cash Provided by Operating Activities</b>	<b>101.0</b>	<b>11.1</b>
<b>Cash Flows Related to Investing Activities</b>		
Purchase of businesses, net of cash acquired	(13.7)	(10.2)
Purchase of property, plant and equipment	(5.9)	(11.8)
Proceeds from sale of plant and equipment	2.8	0.8
Purchase of other investments	(0.1)	(0.2)
<b>Net Cash Used in Investing Activities</b>	<b>(16.9)</b>	<b>(21.4)</b>
<b>Cash Flows Related to Financing Activities</b>		
Proceeds from borrowings	7.4	21.0
Repayments of borrowings	(75.5)	(2.4)
Net proceeds from/(repayment of) borrowings	(68.1)	18.6
Proceeds from issues of shares	-	0.4
Payments for share buy-back	(39.5)	(3.8)
Additional contribution from non-controlling interests	-	2.4
Dividends paid	(23.6)	(25.3)
Interest received	2.7	4.7
Interest and financing costs paid	(8.1)	(10.2)
<b>Net Cash Used in Financing Activities</b>	<b>(136.6)</b>	<b>(13.2)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(52.5)</b>	<b>(23.5)</b>
Cash and cash equivalents at the beginning of the period	272.3	200.6
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies at the beginning of the period	(11.3)	31.5
<b>Cash and Cash Equivalents at the end of the period</b>	<b>208.5</b>	<b>208.6</b>

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## Notes to the condensed consolidated interim financial statements

### 1. Business and Regional Segments

#### of Ansell Limited and Subsidiaries for the six months ended 31 December 2009

	Operating Revenue				Operating Result			
	December		December		December		December	
	2009	2008	2009	2008	2009	2008	2009	2008
	A\$m	A\$m	US\$m (a)	US\$m (a)	A\$m	A\$m	US\$m (a)	US\$m (a)
<b>Business Segments</b>								
Occupational Healthcare	291.1	337.8	253.8	261.7	37.2	43.8	32.8	34.9
Professional Healthcare	200.9	220.1	175.1	168.8	29.6	21.8	26.0	16.4
Consumer Healthcare	119.6	132.0	104.4	101.7	11.9	19.8	10.5	14.8
<b>Total Business Segments</b>	<b>611.6</b>	<b>689.9</b>	<b>533.3</b>	<b>532.2</b>	<b>78.7</b>	<b>85.4</b>	<b>69.3</b>	<b>66.1</b>
Corporate revenue/costs	2.7	4.7	2.3	3.6	(4.3)	(5.6)	(3.7)	(4.6)
<b>Earnings before Net Interest and Tax (EBIT)</b>					<b>74.4</b>	<b>79.8</b>	<b>65.6</b>	<b>61.5</b>
Financing costs net of interest revenue					(5.4)	(5.8)	(4.7)	(4.4)
<b>Profit before Income Tax</b>					<b>69.0</b>	<b>74.0</b>	<b>60.9</b>	<b>57.1</b>
Income tax benefit/(expense)					(5.8)	0.8	(5.0)	(1.0)
<b>Profit for the period</b>					<b>63.2</b>	<b>74.8</b>	<b>55.9</b>	<b>56.1</b>
Non-controlling interests					(1.8)	(2.6)	(1.6)	(2.0)
<b>Total Consolidated</b>	<b>614.3</b>	<b>694.6</b>	<b>535.6</b>	<b>535.8</b>	<b>61.4</b>	<b>72.2</b>	<b>54.3</b>	<b>54.1</b>

<b>Regional Segments</b>								
Asia Pacific	108.1	122.4	94.4	93.7	28.2	33.4	24.7	24.9
Americas	257.1	298.4	224.2	229.4	28.7	24.9	25.3	19.4
Europe, Middle East and Africa	246.4	269.1	214.7	209.1	21.8	27.1	19.3	21.8
<b>Total Regional Segments</b>	<b>611.6</b>	<b>689.9</b>	<b>533.3</b>	<b>532.2</b>	<b>78.7</b>	<b>85.4</b>	<b>69.3</b>	<b>66.1</b>

	Assets Employed				Liabilities			
	December		June		December		June	
	2009	2009	2009	2009	2009	2009	2009	2009
	A\$m	A\$m	US\$m (a)	US\$m (a)	A\$m	A\$m	US\$m (a)	US\$m (a)
<b>Business Segments</b>								
Occupational Healthcare	382.4	408.9	341.4	330.1	112.5	102.9	100.4	83.1
Professional Healthcare	301.2	312.3	269.0	252.2	82.3	78.1	73.5	63.1
Consumer Healthcare	216.3	229.9	193.2	185.6	35.6	34.5	31.8	27.9
<b>Total Business Segments</b>	<b>899.9</b>	<b>951.1</b>	<b>803.6</b>	<b>767.9</b>	<b>230.4</b>	<b>215.5</b>	<b>205.7</b>	<b>174.1</b>
Corporate assets/liabilities	83.7	88.7	74.6	71.7	363.6	457.5	324.7	369.3
Cash	208.5	272.3	186.2	219.8	-	-	-	-
<b>Total Consolidated</b>	<b>1,192.1</b>	<b>1,312.1</b>	<b>1,064.4</b>	<b>1,059.4</b>	<b>594.0</b>	<b>673.0</b>	<b>530.4</b>	<b>543.4</b>

<b>Regional Segments</b>								
Asia Pacific	219.3	229.4	195.8	185.2	79.3	79.4	70.8	64.1
Americas	197.9	216.4	176.7	174.7	82.6	82.2	73.8	66.5
Europe, Middle East and Africa	157.4	160.1	140.6	129.3	68.5	53.9	61.1	43.5
Goodwill and brand names	325.3	345.2	290.5	278.7	-	-	-	-
<b>Total Regional Segments</b>	<b>899.9</b>	<b>951.1</b>	<b>803.6</b>	<b>767.9</b>	<b>230.4</b>	<b>215.5</b>	<b>205.7</b>	<b>174.1</b>

(a) Refer to the Notes to the Business and Regional Segments Report.

## Notes to the condensed consolidated interim financial statements

### 1. Business and Regional Segments (continued)

#### Notes to the Business and Regional Segments Report

(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, monthly translations of amounts from Australian dollars into US dollars for Operating Revenue and Operating Result have been made at the average of the 10.00am mid buy/sell rate for Australian dollars as quoted by Reuters for each working day of each month for the period July 2009 to December 2009. Translation of amounts from Australian dollars into US dollars for Assets Employed and Liabilities have been made at the 10.00am mid buy/sell rate for Australian dollars as quoted by Reuters on Thursday, 31 December 2009 at US\$ 0.89300 = A\$1 (June 2009 US\$0.80740 = A\$1).

#### (b) Corporate Revenue/Costs

Represents costs of Statutory Head Office, part of the costs of Ansell Healthcare's Corporate Head Office and non-sales revenue.

#### (c) Income Tax

The Company regularly reviews the current and projected trading performances of operations in jurisdictions where unbooked tax benefits of operating tax losses exist. The trading performance of the Australian operations for the first six months of the year together with improved taxable income projections have resulted in the recognition of an additional deferred tax asset in respect of unbooked Australian revenue losses which has reduced current period income tax expense by \$9.0 million (US\$8.1 million) (2008- \$10.3 million; US\$6.9 million).

The recognition of unbooked tax losses in other jurisdictions is dependant upon achieving a sustainable improvement in the trading operations in such jurisdictions.

#### (d) Cash

Cash also includes Accufix Pacing Leads restricted deposits.

#### (e) Inter-Segment Transactions

Significant inter-segment sales were made by Asia Pacific - A\$104.7 million (US\$91.2 million) (2008 - \$133.8 million; US\$104.6 million) and America - A\$118.3 million (US\$103.1 million) (2008 - A\$142.8 million; US\$111.7 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.

#### (f) Business Segments

The Group 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.

#### (g) 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 Malaysia, Thailand, India and Sri Lanka and sales activity.

Americas - manufacturing facilities in USA, Mexico and Brazil and significant sales activity.

Europe, Middle East and Africa - manufacturing facility in Germany and significant sales activity.

	2009 December A\$m	2008 December A\$m	2009 December US\$m	2008 December US\$m
<b>(h) Segment Capital Expenditure</b>				
Occupational Healthcare	1.4	3.9	1.2	3.0
Professional Healthcare	3.7	5.8	3.3	4.6
Consumer Healthcare	0.8	2.0	0.7	1.6
<b>(i) Region Capital Expenditure</b>				
Asia Pacific	5.0	9.4	4.4	7.4
Americas	0.7	1.6	0.6	1.3
Europe, Middle East and Africa	0.2	0.7	0.2	0.5
<b>(j) Segment Depreciation</b>				
Occupational Healthcare	4.3	5.4	3.7	4.2
Professional Healthcare	5.0	6.3	4.4	4.8
Consumer Healthcare	2.8	3.1	2.4	2.4
<b>(k) Segment Other Non Cash Expenses</b>				
Occupational Healthcare	3.4	5.6	3.0	4.4
Professional Healthcare	0.1	-	0.1	-
Consumer Healthcare	1.2	0.3	1.0	0.2

## Notes to the condensed consolidated interim financial statements

### 2. Additional Financial Information

The Cash Flow Statement required to be reported for statutory purposes provides an analysis of cash flows which have impacted the cash held by the Company and its subsidiaries. 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)

	December 2009 A\$m	December 2008 A\$m	December 2009 US\$m (1)	December 2008 US\$m (1)
EBIT	74.4	79.8	65.6	61.5
Depreciation/amortisation/asset write-downs	12.5	14.9	10.9	11.9
Working Capital Reduction/(Increase)- excluding acquisitions*	31.5	(111.5)	6.7	(12.3)
Tax Paid	(7.0)	(6.3)	(6.2)	(4.8)
Capital Expenditure	(5.9)	(11.8)	(5.3)	(9.3)
Net Interest Paid	(5.4)	(5.5)	(4.5)	(4.3)
<b>Free Cash Flow</b>	<b>100.1</b>	<b>(40.4)</b>	<b>67.2</b>	<b>42.7</b>
Acquisitions	(13.7)	(12.4)	(11.0)	(11.6)
Dividends Paid - Ansell Limited shareholders	(21.9)	(21.1)	(18.8)	(17.3)
Contributions of equity	-	0.4	-	0.3
Share Buy-Back	(39.5)	(3.8)	(34.8)	(3.7)
Other	10.3	(45.1)	18.0	(57.5)
<b>(Increase)/Decrease in NIBD</b>	<b>35.3</b>	<b>(122.4)</b>	<b>20.6</b>	<b>(47.1)</b>

#### (b) Abridged Balance Sheet

	December 2009 A\$m	June 2009 A\$m	December 2009 US\$m (2)	June 2009 US\$m (2)
Property, Plant & Equipment	156.4	176.8	139.5	142.7
Intangible Assets	333.3	354.8	297.6	286.5
Other Assets/Liabilities	(17.8)	(14.9)	(15.7)	(11.9)
Trade Debtors	172.3	172.5	153.9	139.3
Inventories	177.2	189.2	158.2	152.6
Trade Creditors	(130.5)	(111.2)	(116.6)	(89.7)
Net Operating Assets	<b>690.9</b>	<b>767.2</b>	<b>616.9</b>	<b>619.5</b>
NIBD (Interest Bearing Liabilities less Cash at Bank and on Deposit)	(92.8)	(128.1)	(82.9)	(103.5)
Shareholders' Equity	<b>598.1</b>	<b>639.1</b>	<b>534.0</b>	<b>516.0</b>

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

	December 2009 A\$m	December 2008 A\$m	December 2009 US\$m	December 2008 US\$m
EBIT	74.4	79.8	65.6	61.5
Depreciation/amortisation/asset write-downs	12.5	14.9	10.9	11.9
Working Capital Reduction/(Increase)- excluding acquisitions*	31.5	(111.5)	6.7	(12.3)
Tax Paid	(7.0)	(6.3)	(6.2)	(4.8)
Other	(10.4)	34.2	10.7	(47.6)
<b>Net Cash Provided by Operating Activities</b>	<b>101.0</b>	<b>11.1</b>	<b>87.7</b>	<b>8.7</b>
Capital Expenditure	(5.9)	(11.8)	(5.3)	(9.3)
Net Interest Paid	(5.4)	(5.5)	(4.5)	(4.3)
Acquisitions	(13.7)	(12.4)	(11.0)	(11.6)
Dividends Paid - Ansell Limited shareholders	(21.9)	(21.1)	(18.8)	(17.3)
Contributions of equity	-	0.4	-	0.3
Share Buy-Back	(39.5)	(3.8)	(34.8)	(3.7)
Effect of exchange rate changes on the balances of cash and interest bearing liabilities held in foreign currencies	19.2	(78.8)	6.7	(14.0)
Other	1.5	(0.5)	0.6	4.1
<b>(Increase)/Decrease in NIBD</b>	<b>35.3</b>	<b>(122.4)</b>	<b>20.6</b>	<b>(47.1)</b>

\* Working capital increase of \$111.5 million in 2008 includes the impact of a declining A\$ estimated to be \$70 million.

## Notes to the condensed consolidated interim financial statements

### 2. Additional Financial Information (continued)

#### Note:

(1) 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 has been made throughout the Free Cash Flow Analysis at the average of the 10.00 am buy/sell rate for Australian dollars as quoted by Reuters for each working day of each month for the period July 2009 to December 2009 with the exception of the movement in Working Capital which is the actual movement in working capital balances from the start to the end of the financial periods.

(2) Translation of amounts from Australian dollars into US dollars has been made throughout the Abridged Balance Sheet at the 10.am mid buy/sell rate for Australian dollars as quoted by Reuters on Thursday, 31 December 2009 at US\$0.89300 = A\$1 (June 2009 US\$0.80740 = A\$1).

### 3. Total Revenue

	31 December 2009	31 December 2008
	A\$m	A\$m
<b>Revenue from the sale of goods</b>	611.6	689.9
<b>Interest Received or Due and Receivable</b>		
From others	2.7	4.7
<b>Total Revenue</b>	<b>614.3</b>	<b>694.6</b>

### 4. Issued Capital

	31 December 2009	31 December 2008
	No. of Shares	
<b>Ordinary Shares</b>		
Balance at 1 July	136,161,986	135,851,540
Conversion of Performance Share Rights and exercise of options	552,666	754,600
Conversion of Executive Share Plan shares to fully paid	-	5,000
Buy-back/cancellation of shares*	(3,999,725)	(449,154)
Balance at 31 December	<u>132,714,927</u>	<u>136,161,986</u>

\*50,000 shares bought back in June 2008 were not cancelled until July 2008.

### 5. Dividends Paid and Declared

	31 December 2009	31 December 2008
	A\$m	A\$m
<b>Dividends Paid</b>		
A final dividend of 16.0 cents per share unfranked for the year ended 30 June 2009 (June 2008- 15.5 cents unfranked) was paid on 23 September 2009 (2008 - 24 September 2008)	21.9	21.1

#### Dividends Declared

An interim dividend for the year ended 30 June 2010 of 13¢ per share unfranked, has been declared and is payable on 24 March 2010.

The balance of available franking credits in the franking account as at 31 December 2009 was Nil (2008 - Nil).

## Notes to the condensed consolidated interim financial statements

### 6. Earnings per Share (EPS)

	31 December 2009 A\$m	31 December 2008 A\$m
<b>Earnings Reconciliation</b>		
Net profit	63.2	74.8
Less Net profit attributable to non-controlling interests	1.8	2.6
<b>Earnings used in calculation of Basic and Diluted EPS</b>	<b>61.4</b>	<b>72.2</b>

	No. Shares	No. Shares
<b>Weighted average number of ordinary shares used as the denominator</b>		
<b>Number of ordinary shares for basic earnings per share</b>	134,794,985	136,009,224
Effect of partly paid Executive Plan shares, Options, Performance Share Rights and Performance Rights	1,147,819	1,980,978
<b>Number of ordinary shares for diluted earnings per share</b>	<b>135,942,804</b>	<b>137,990,202</b>

Partly paid Executive Plan shares, Options, Performance Share Rights and Performance Rights have been included in diluted earnings per share in accordance with applicable Australian accounting standards. The number of dilutive shares has decreased from the previous period as a result of the replacement of the share-based long-term incentive plan with a cash-based plan.

### 7. Net Tangible Asset backing

	31 December 2009 A\$m	31 December 2008 A\$m
Shareholders' Equity attributable to Ansell Limited shareholders	587.9	668.4
Less Intangible Assets	333.3	388.5
Net Tangible Assets	254.6	279.9

	No. Shares	No. Shares
Total fully paid ordinary shares on issue (millions)	132.7	136.2
Net tangible asset backing per ordinary share	\$1.92	\$2.06

### 8. Acquisition of Businesses and Subsidiaries

Effective 2nd July 2009, Ansell Limited acquired a further 15% equity interest in Wuhan Jissbon Sanitary Products Company Ltd for \$13.7 million (US\$11.0 million). Under the revised AASB 127 *Consolidated and Separate Financial Statements* that became effective as at 1 July 2009, the excess of the consideration over the value at which the non-controlling interests were recorded has been adjusted directly against equity as a debit to a reserve entitled "Transactions with Non-Controlling Interests".

### 9. Accounting Policies

This interim financial report has been prepared in accordance with the same accounting policies that were applied in the most recent annual financial report except as set out below. These policies comply with the Australian Accounting Standards adopted by the Australian Accounting Standards Board, Corporations Act 2001 and International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

#### AASB 127 Consolidated and Separate Financial Statements

The Group has adopted AASB 127 *Consolidated and Separate Financial Statements* for acquisitions of non-controlling interests in subsidiaries occurring in the financial year commencing 1 July 2009 as explained in Note 8 above. Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously goodwill would have been recognised, being the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the acquisition date.

**ANSELL LIMITED**

**ABN 89 004 085 330**

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**Directors' Declaration**

The Directors of Ansell Limited (**the Company**) declare that, in their opinion:

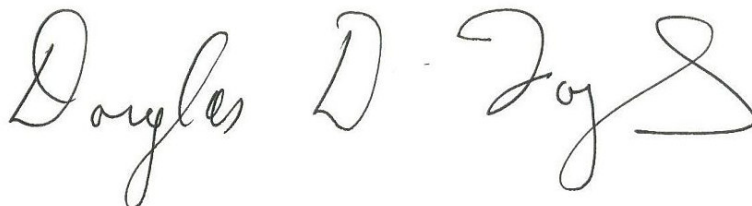
1. the Consolidated Interim Financial Report (including the notes to the Consolidated Interim Financial Report) of the Group, comprising the Company and the subsidiaries it controlled at the end of, or during, the half-year ended 31 December 2009, in the form of ASX Appendix 4D:
  - (a) has been made out in compliance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;
  - (b) gives a true and fair view of the financial performance of the Group for the half-year ended 31 December 2009 and of the financial position of the Group as at 31 December 2009; and
2. as at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



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P L Barnes  
Director



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D D Tough  
Director

Dated in Melbourne this 17<sup>th</sup> day of February 2010.



## Independent auditor's review report to the members of Ansell Limited

We have reviewed the accompanying interim financial report of Ansell Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2009, condensed consolidated income statement and condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the interim period ended on that date, a statement of accounting policies and other explanatory notes 1 to 9 and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

### *Directors' responsibility for the interim financial report*

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's responsibility*

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2009 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Ansell Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Ansell Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Don Pasquariello  
*Partner*

Melbourne  
17 February 2010

## Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent 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 have been subject to review by external auditors.
- 5 The entity has a formally constituted audit and risk committee.



Signed: ..... Date 17 February 2010  
Company Secretary

Name: C M Cameron

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