Appendix 4D

Interim financial report
For the six months ended 31 December 2004

Ansell Limited and its Controlled Entities

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 1029: Interim Financial Reporting. It should be read in conjunction with the annual financial report for the year ended 30 June 2004 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 1029: 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 unaudited US dollar financial information which is supplementary to the Company's Appendix 4D Half Year Report.

Appendix 4D

Interim financial report

For the six months ended 31 December 2004

Ansell Limited and its Controlled Entities

ACN 004 085 330

Results for Announcement to the Market		%		$M
Revenue from ordinary activities	up/(down)	(2.9)%	to	550.5
Net profit for the period attributable to members	up/(down)	25.9%	to	43.2

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	7.0 ¢	4.0 ¢
Record date for determining entitlements to the dividend	18 March 2005	

- Revenue from the Healthcare business $541.9 million compared to last year's $560.7 million.
- Net profit attributable to members $43.2 million compared to last year's $34.3 million.
- Earnings per share of 24.7¢ compared to last year's 18.6¢ .
- An interim dividend of 7¢ per share franked to 57% has been declared payable on 8 April 2005.

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 unaudited US dollar financial information which is supplementary to the Company's Appendix 4D Half Year Report.

Commentary on Results

	A$M			US$M	
	F'04 H1	F'05 H1		F'04 H1	F'05 H1
Sales	560.7	541.9		383.4	**395.0**
Healthcare Segment EBITA	73.1	75.5		50.1	**55.2**
Ansell EBITA	64.8	69.6		44.2	**50.9**
Profit Attributable to Shareholders	34.3	43.2		23.5	**31.7**
Earnings Per Share	18.6¢	24.7¢		12.7¢	**18.1¢**

Profit Attributable to Shareholders was US$31.7 million, up 35% on the 31 December, 2003 first half result of US$23.5 million. Based on this result and the completion of an Off Market Share Buy-Back of approximately 16.8 million shares, Earnings Per Share rose strongly from US12.7¢ to US18.1¢ or 42%. An interim dividend of A7¢ a share franked to 57% has been declared, payable on 8 April, 2005. This is up A1¢ or a 17% increase on the previous year.

Sales increased by 3% on the previous year, again led by Occupational which grew 9%, while Professional held its ground, and Consumer fell by 7%, due mostly to lower condom tender business than in the comparative period.

Occupational continued its record of improved Sales and EBITA margin. Professional has seen a stabilisation of sales and slight improvement in EBITA margin. Within the Consumer division the condom market segment remained difficult.

The Company has continued to focus on selling value-added products and reducing costs while investing in research and development programs including the recent roll out of the new StageGate New Product Development process.

Occupational Healthcare

	A$M		US$M	
	F’04 H1	F’05 H1	F’04 H1	F’05 H1
Sales	267.9	273.0	183.1	198.9
Segment EBITA	33.3	40.5	22.7	29.5
EBITA/Sales	12.4%	14.8%	12.4%	14.8%

The Occupational glove business accounted for 50% of Ansell’s revenues and 54% of Segment EBITA in H1.

Sales growth came from higher volumes in the HyFlex® family of ergonomic gloves, industrial household gloves for food processing, and disposable examination gloves used in a variety of industries. The strong improvement in profitability came not only from these volumes but from continued significant cost savings from operations.

HyFlex® family volumes grew 28%, helped by an expanded product range. Partnership programs with distributors and focused "solution selling" continued to provide growth. Sales of higher valued-added knitted gloves increased. The Vantage cut resistant line of knitted gloves made from proprietary Intercept Technology yarn was launched in H1.

This period’s EBITA comparison benefited from the closure of the knitting plant in Wilkesboro in December 2003. During H1, the Mexican knitting plant continued to improve its efficiency and helped improve segment EBITA results.

Professional Healthcare

	A$M		US$M	
	F’04 H1	F’05 H1	F’04 H1	F’05 H1
Sales	195.0	184.0	133.4	134.2
Segment EBITA	21.8	20.9	15.0	15.4
EBITA/Sales	11.2%	11.5%	11.2%	11.5%

The Professional business accounted for 34% of Ansell’s revenues and 28% of Segment EBITA in H1.

Unit sales of Ansell’s branded latex powder free (PF) surgical gloves increased by 14% globally, led by the flagship brands of Encore, Gammex and MicroTouch. The Americas bounced back with a 10% volume increase – benefiting from preferred provider status in 6 of the top 7 Group Purchasing Organisation (GPO) contracts in the USA. Synthetic surgical glove growth was lower, but is expected to increase with the planned launch of new products. Powdered surgical glove volumes fell 7% as conversions to PF continued and some tenders were lost due to price competition.

Examination glove volumes grew 5%, while average selling prices for latex PF gloves fell 3%. Competitive pricing pressure did not allow for recovery of increases in the cost of latex, which is a high proportion of the cost of this glove. Increases in the cost of petroleum-based materials, such as nitrile and vinyl, also impacted margins.

Consumer Healthcare

	A$M		US$M	
	F'04 H1	F'05 H1	F'04 H1	F'05 H1
Sales	97.8	84.9	66.9	61.9
Segment EBITA	18.0	14.1	12.4	10.3
EBITA/Sales	18.4%	16.6%	18.4%	16.6%

The Consumer business accounted for 16% of Ansell's revenues and 18% of Segment EBITA in H1.

Ansell's global branded condom businesses had mixed results. In Australia, market leadership and share was maintained. In the US, softer demand intensified the tough competitive environment. In Europe, the "Play" sub-brand was launched for the youth market with good early results. Ansell gained market share in France but continued to suffer from the UK's difficult competitive environment.

F'05 H1 comparisons were hurt by lower global tender sales. The Brazilian tender business contributed $4 million to sales in H1 last year and nothing this year due to a disruption in the Brazilian government procurement process with obvious flow through impact of lost contributions and lower capacity utilisation in the plants. Lower U.S. government funding for condom purchases adversely impacted U.S. Public sector sales though market share leadership was maintained.

Demand from our household glove partner continued to be low. Major new promotions are now planned to support sales of the new Foamlined glove.

South Pacific Tyres (SPT)

SPT continued to produce results ahead of the previous year but below the original restructure plan of 2001. Expectations, when reviewed in combination with the business' own outlook for the remaining option period, indicate Ansell's carrying value of A$203 million can still be recovered.

Ansell continues to advise the market that any shortfalls in these future expectations or actual performance could result in less than full recovery and may require a revision of the carrying value of the investment.

Ansell also continues to expect to hold its investment in SPT until the end of the option period in August 2006.

Finance

The United States dollar is the currency in which we manage our global business.

A weaker US dollar in H1 compared to last year helped sales and margins. However higher latex costs (half on half) offset much of the margin benefit.

Based on our recently introduced StageGate process, the Company has reviewed its accounting policy for Research and Development expenditure. As a result of this review some H1 development costs (US$0.6 million) have been deferred in order to match them with future revenues upon completion of these projects.

During the half, capital expenditure was US$5.3 million, up on the previous year's US$3.8 million, but well below depreciation. Tax paid was lower at US$3.5 million, but working capital increased mostly due to a weak U.S. dollar and higher inventory. As a result, Free Cash Flow was US$33.1 million, down from the previous year's US$48.1 million.

Gearing (NIBD/NIBD plus EQUITY) at 24% is up from 30 June, 2004's 13%, due to the large Off-Market Share Buy-Back completed in December at a cost of approximately A$155 million (US$121 million). Net Debt, however, only rose from US$82.2 million at 30 June, 2004 to US$161.3 million at the end of H1.

Borrowing Costs fell for the half from US$6.0 million in F'04 H1 to US$2.9 million due to lower average net debt and reduced borrowing costs from a net debt refinancing in April 2004. Interest cover rose to 20.8X (last year 8.8X), but will be lower in the second half due to the Share Buy-back.

Dividends

An increased Interim Dividend of A7¢ a share franked to 57%, has been declared with a record date of 18 March, 2005 and is payable on 8 April, 2005.

The franking account will be reduced to Nil once this dividend is paid and future dividends will be unfranked.

ANSELL LIMITED

ABN 89 004 085 330

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

This Report by the Directors of Ansell Limited (**the Company**) is made pursuant to Division 2 of Part 2M.3 of the Corporations Act 2001 for the half-year ended 31 December 2004 and is accompanied by the Consolidated Financial Report for the six months of the economic entity comprising the Company and the entities it controlled from time to time during that period ("economic entity").

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 Financial Statements which are included in 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:

Dr Edward D Tweddell (Chairman)

Mr Peter L Barnes

Mr L. Dale Crandall

Mr Herbert J Elliott – AC, MBE

Mr Stanley P Gold (Alternate for Mr McConnell)

Mr Michael J McConnell

Mr Douglas D Tough (Managing Director)

All Directors and Mr Gold (in his capacity as Alternate Director) held office from 1 July 2004 to the date of this Report.

2. Review and Results of Operations

A review of the operations of the economic entity during the half-year ended 31 December 2004 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 in respect of the audit review undertaken in relation to the financial statements for the half year financial period ending 31 December 2004 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 Financial Report and Directors' 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.

Dr E D Tweddell
Director

D D Tough
Director

Dated in Melbourne this 9th day of February 2005.

Condensed Statement of Financial Performance

of Ansell Limited and its Controlled Entities for the six months ended 31 December 2004

	Note	2004 A$m	2003 A$m
Revenue			
Total revenue	3	550.5	567.0
Expenses			
Cost of good sold		319.4	333.3
Selling, distribution and adminstration		141.0	149.3
Depreciation and amortisation		23.2	23.8
Write-down of assets		-	1.0
Total expenses, excluding borrowing costs		483.6	507.4
Borrowing costs		11.8	14.9
Profit from ordinary activities before income tax expense	4	**55.1**	**44.7**
Income tax expense attributable to ordinary activities		11.2	9.2
Net profit from ordinary activities after income tax expense		**43.9**	**35.5**
Outside equity interests in net profit after income tax		0.7	1.2
Net profit after income tax attributable to Ansell Limited shareholders		**43.2**	**34.3**
Non-owner transaction changes in equity			
Net exchange difference on translation of financial statements of self-sustaining foreign operations		(31.0)	(44.7)
Total valuation adjustments attributable to Ansell Limited shareholders recognised directly in equity		(31.0)	(44.7)
Total changes in equity from non-owner related transaction attributable to Ansell Limited shareholders		**12.2**	**(10.4)**

	cents	cents
Earnings per share is based on Net Profit after income tax attributable to Ansell Limited shareholders		
Basic earnings per share	24.7	18.6
Diluted earnings per share	24.6	18.5

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Condensed Statement of Financial Position

of Ansell Limited and its Controlled Entities

	Note	31 December 2004 A$m	30 June 2004 A$m
Current Assets			
Cash		160.9	307.8
Cash - restricted deposits		7.7	10.3
Receivables [b]		207.7	228.7
Inventories		188.5	190.5
Prepayments		16.8	11.7
Total Current Assets		**581.6**	**749.0**
Non-Current Assets			
Receivables [b]		65.8	63.6
Other investments [a]		139.9	141.4
Other property, plant and equipment		199.4	227.8
Intangible assets		252.4	293.4
Tax assets		22.2	24.2
Total Non-Current assets		**679.7**	**750.4**
Total Assets		**1,261.3**	**1,499.4**
Current Liabilities			
Payables		139.0	159.4
Interest-bearing liabilities		118.9	190.2
Provisions		56.0	52.0
Current tax liabilities		2.5	2.6
Total Current Liabilities		**316.4**	**404.2**
Non-Current Liabilities			
Payables		0.5	3.3
Interest-bearing liabilities		248.6	236.0
Provisions		21.4	23.9
Deferred tax liabilities		19.3	20.2
Total Non-Current Liabilities		**289.8**	**283.4**
Total Liabilities		**606.2**	**687.6**
Net Assets		**655.1**	**811.8**
Equity			
Contributed equity		1,229.0	1,383.9
Reserves		(307.3)	(275.6)
Accumulated losses	5	(275.2)	(306.7)
Total Equity Attributable to Ansell Limited Shareholders		**646.5**	**801.6**
Outside equity interests		8.6	10.2
Total Equity	6	**655.1**	**811.8**

(a) Includes investment in South Pacific Tyres Partnership and South Pacific Tyres N.Z. Ltd of $138.0m (June 2004 $138.0m)

(b) Includes interest bearing loans to South Pacific Tyres Partnership of $64.7m (June 2004 $62.8m)

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Condensed Statement of Cash Flows

of Ansell Limited and its Controlled Entities for the six months ended 31 December 2004

	Note	2004 A$m	2003 A$m
Cash flows Related to Operating Activities			
Receipts from customers (excluding non recurring and Accufix Research Institute)		562.3	597.6
Payments to suppliers and employees (excluding non recurring and Accufix Research Institute)		(495.2)	(491.4)
Net receipts from customers (excluding non recurring and Accufix Research Institute)		67.1	106.2
Income taxes paid		(4.7)	(10.0)
Net cash provided by operating activities (excluding non recurring and Accufix Research Institute)		62.4	96.2
Non recurring payments to suppliers and employees		-	(5.3)
Payments to suppliers and employees net of customer receipts (Accufix Research Institute)		(1.9)	(1.4)
Net Cash Provided by Operating Activities		**60.5**	**89.5**
Cash Flows Related to Investing Activities			
Payments for property, plant and equipment		(7.2)	(5.4)
Proceeds from sale of plant and equipment in the ordinary course of business		-	0.4
Proceeds from sale of other investments		0.8	-
Net Cash Used in Investing Activities		**(6.4)**	**(5.0)**
Cash Flows Related to Financing Activities			
Proceeds from borrowings		65.6	0.9
Repayments of borrowings		(85.3)	(35.8)
Net repayments of borrowings		(19.7)	(34.9)
Proceeds from issues of shares		0.1	0.9
Payments for share buy-back		(155.0)	(35.9)
Dividends paid		(12.5)	(20.4)
Interest received		5.8	4.3
Interest and borrowing costs paid		(12.5)	(15.5)
Net Cash Used in Financing Activities		**(193.8)**	**(101.5)**
Net Decrease in Cash Held		**(139.7)**	**(17.0)**
Cash at the beginning of the financial period		314.8	297.2
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the financial period		(9.5)	(11.4)
Cash at the End of the Financial Period	7	**165.6**	**268.8**

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Notes to the condensed financial statements

1. Industry Segments

of Ansell Limited and its Controlled Entities for the six months ended 31 December 2004

	Operating Revenue				Operating Result			
	December		December		December		December	
	2004 A$m	2003 A$m	2004 US$m (a)	2003 US$m (a)	2004 A$m	2003 A$m	2004 US$m (a)	2003 US$m (a)
INDUSTRY								
Ansell Healthcare								
Occupational Healthcare	273.0	267.9	198.9	183.1	40.5	33.3	29.5	22.7
Professional Healthcare	184.0	195.0	134.2	133.4	20.9	21.8	15.4	15.0
Consumer Healthcare	84.9	97.8	61.9	66.9	14.1	18.0	10.3	12.4
Total Ansell Healthcare	**541.9**	**560.7**	**395.0**	**383.4**	**75.5**	**73.1**	**55.2**	**50.1**
Unallocated Items	8.6	6.3	6.3	4.3	(5.9)	(7.9)	(4.3)	(5.4)
Operating EBITA					**69.6**	**65.2**	**50.9**	**44.7**
NON RECURRING								
Discontinued Businesses								
Other						8.0		5.5
Rationalisation/Restructuring								
Ansell Healthcare						(7.4)		(5.3)
Write-down of assets								
Other						(1.0)		(0.7)
					69.6	**64.8**	**50.9**	**44.2**
Goodwill amortisation					(10.5)	(11.1)	(7.6)	(7.6)
Earnings before Net Interest and Tax (EBIT)					**59.1**	**53.7**	**43.3**	**36.6**
Borrowing Costs net of Interest Revenue					(4.0)	(9.0)	(2.9)	(6.0)
Operating Profit before Tax					**55.1**	**44.7**	**40.4**	**30.6**
Tax					(11.2)	(9.2)	(8.2)	(6.3)
Outside Equity Interests					(0.7)	(1.2)	(0.5)	(0.8)
Total Consolidated	**550.5**	**567.0**	**401.3**	**387.7**	**43.2**	**34.3**	**31.7**	**23.5**
REGIONS								
Asia Pacific	80.9	86.3	59.2	59.0	19.9	20.2	14.6	13.8
Americas	274.4	280.5	199.7	191.8	37.9	30.6	27.7	21.1
Europe	186.6	193.9	136.1	132.6	17.7	22.3	12.9	15.2
Total Ansell Healthcare	**541.9**	**560.7**	**395.0**	**383.4**	**75.5**	**73.1**	**55.2**	**50.1**

	Assets Employed				Liabilities			
	December 2004 A$m	June 2004 A$m	December 2004 US$m (a)	June 2004 US$m (a)	December 2004 A$m	June 2004 A$m	December 2004 US$m (a)	June 2004 US$m (a)
INDUSTRY								
Ansell Healthcare								
Occupational Healthcare	269.9	274.8	210.1	189.3	80.9	96.1	63.0	66.2
Professional Healthcare	238.4	277.4	185.6	191.1	60.2	68.1	46.9	46.9
Consumer Healthcare	94.2	110.4	73.3	76.0	19.9	37.2	15.5	25.6
Total Ansell Healthcare	**602.5**	**662.6**	**469.0**	**456.4**	**161.0**	**201.4**	**125.4**	**138.7**
Unallocated Items	29.5	15.6	23.0	10.7	426.3	463.8	331.8	319.6
Discontinued Businesses	208.2	209.7	162.0	144.5	18.9	22.4	14.6	15.4
Goodwill and Brand names	252.5	293.4	196.5	202.1				
Cash	168.6	318.1	131.2	219.1				
Total Consolidated	**1,261.3**	**1,499.4**	**981.7**	**1,032.8**	**606.2**	**687.6**	**471.8**	**473.7**
REGIONS								
Asia Pacific	235.8	268.3	183.5	184.8	58.7	75.3	45.7	51.9
Americas	220.4	227.5	171.6	156.7	68.2	90.6	53.1	62.4
Europe	146.3	166.8	113.9	114.9	34.1	35.5	26.6	24.4
Total Ansell Healthcare	**602.5**	**662.6**	**469.0**	**456.4**	**161.0**	**201.4**	**125.4**	**138.7**

(a) Refer to the Notes to the Industry Segments Report.

Notes to the condensed financial statements

1. Industry Segments (continued)

Notes to the Industry 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, translation 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 on the last working day of each month for the 7 month period June 2004 to December 2004. 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 Friday 31 December 2004, at US$ 0.77835 = A$1 (June 2004 US$0.68885 = A$1).

(b) 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.

(c) Cash
Cash also includes Accufix Pacing Leads restricted deposits.

(d) Inter-Segment Transactions
Significant inter-segment sales were made by Asia Pacific - A$101.7 million (US$74.1 million) (2003 - $109.8 million; US$75.1 million) and America - A$118.4 million (US$86.3 million) (2003 - A$96.9 million; US$66.2 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.

(e) Industry Segments
The consolidated entity comprises the following main business segments:
Occupational Healthcare - manufacture and sale of occupational health and safety gloves.
Professional Healthcare - manufacuture 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.
Discontinued Businesses - represents former Industry Segment businesses which have been sold or abandoned.

(f) 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.

	2004 December A$m	2003 December A$m	2004 December US$m	2003 December US$m
(g) Segment Capital Expenditure				
Occupational Healthcare	3.3	1.7	2.4	1.2
Professional Healthcare	2.1	2.2	1.5	1.6
Consumer Healthcare	1.8	1.5	1.4	1.0
(h) Region Capital Expenditure				
Asia Pacific	3.4	3.5	2.5	2.5
Americas	3.2	1.4	2.4	1.0
Europe	0.6	0.5	0.4	0.3
(i) Segment Depreciation				
Occupational Healthcare	4.6	4.2	3.3	2.9
Professional Healthcare	5.7	5.7	4.2	3.9
Consumer Healthcare	2.1	2.8	1.6	1.9
(j) Segment Other Non Cash Expenses (excluding Provision for Rationalisation and Write-down of Assets separately disclosed)				
Occupational Healthcare	3.9	3.7	2.8	2.5
Professional Healthcare	1.2	0.6	0.9	0.4
Consumer Healthcare	0.3	1.9	0.2	1.3

Notes to the condensed financial statements

2. Additional Financial Information

(a) Abridged Statement of Financial Position

	31 December 2004 A$m	30 June 2004 A$m	31 December 2004 US$m (1)	30 June 2004 US$ m (1)
Fixed Assets	199.4	227.8	155.2	156.9
Goodwill and Intangibles	252.4	293.4	196.5	202.1
Investment in/Loans to South Pacific Tyres	202.7	200.8	157.8	138.4
Other Assets/Liabilities	(35.8)	(40.3)	(27.9)	(27.4)
Working Capital (Trade Debtors plus Inventories less Trade Creditors)	243.6	249.4	189.6	171.3
Net Operating Assets	862.3	931.1	671.2	641.3
Net Debt (Interest Bearing Liabilities less Cash)	(207.2)	(119.3)	(161.3)	(82.2)
Shareholder's Equity	655.1	811.8	509.9	559.1

(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 Abriged Statement of Financial Position at the 10.am mid buy/sell rate for Australian dollars as quoted by Reuters on Friday, 31 December 2004 at US$ 0.77835 = A$1 (June 2004 US$ 0.68885 = A$1).

(b) Free Cash Flow Analysis

	31 December 2004 A$m	31 December 2003 A$m	31 December 2004 US$m (2)	31 December 2003 US$ m (2)
Operating EBITA (excluding Non Recurring)	69.6	65.2	50.9	44.7
Depreciation	12.7	12.7	9.3	8.7
Working Capital Reduction/(Increase)	5.8	34.8	(18.3)	5.4
Tax Paid	(4.7)	(10.0)	(3.5)	(6.9)
Capital Expenditure	(7.2)	(5.4)	(5.3)	(3.8)
Free Cash Flow	**76.2**	**97.3**	**33.1**	**48.1**

(2) 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 on the last working day of each month for the 7 month period June 2004 to December 2004 with the exception of the Working Capital Reduction which is the actual movement in working capital balances from the start to the end of the financial periods.

Notes to the condensed financial statements

3. Total Revenue

	31 December 2004 A$m	31 December 2003 A$m
Revenue from the sale of goods	541.9	560.7
Revenue From Other Operating Activities		
Interest Received or Due and Receivable		
From related parties	1.9	1.6
From others	5.9	4.3
Total revenue from other operating activities	**7.8**	**5.9**
Revenue from Outside Operating Activities		
Proceeds from the Sale of Non-Current Assets	0.8	0.4
Total revenue from outside operating activities	**0.8**	**0.4**
Total Revenue	**550.5**	**567.0**

4. Profit from Ordinary Activities Before Income Tax

	31 December 2004 A$m	31 December 2003 A$m
Individually significant items included in profit from ordinary activities before income tax expense		
Indirect Tax Refund	-	8.0
Ansell Healthcare Restructure	-	(7.4)

5. Accumulated Losses

	31 December 2004 A$m	30 June 2004 A$m
Accumulated losses at the beginning of the financial period	(306.7)	(345.7)
Transfers (to)/from reserves	0.7	(0.7)
Net profit attributable to members	43.2	70.7
Dividends	(12.4)	(31.0)
Accumulated losses at the end of the financial period	**(275.2)**	**(306.7)**

6. Total Equity

	31 December 2004 A$m	30 June 2004 A$m
Total equity at the beginning of the financial period	811.8	844.5
Total changes in equity from non-owner related transactions attributable to Ansell Limited shareholders	12.2	63.3
Transactions with owners as owners		
Contributions of equity	0.1	1.0
Share buy-back	(155.0)	(65.4)
Dividends	(12.4)	(31.0)
Total changes in outside equity interest	(1.6)	(0.6)
Total equity at the end of the financial period	**655.1**	**811.8**

Number of shares on issue as at	**31 December 2004**	**30 June 2004**
Ordinary share fully paid	159,303,683	176,310,916 [(a)]
Executive Plan shares paid to 5 cents	699,600	738,000

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

Notes to the condensed financial statements

7. Components of Cash

	31 December 2004 A$	31 December 2003 A$
For the purposes of the Statements of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash as shown in the Statements of Cash Flows comprises:		
Cash on hand	0.8	0.8
Cash at bank	78.8	68.1
Short-term deposits	81.3	191.8
Restricted deposits	7.7	11.3
Bank overdrafts	(3.0)	(3.2)
	165.6	**268.8**

8. NTA backing

	31 December 2004 A$	31 December 2003 A$
Net tangible asset backing per ordinary share	$2.47	$2.70

9. Earnings per security (EPS)

	31 December 2004 A$m	31 December 2003 A$m
Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027 'Earnings Per Share' are as follows:		
Earnings Reconciliation		
Net profit	43.9	35.5
Net profit attributable to outside equity interests	0.7	1.2
Basic Earnings	43.2	34.3
After-tax effect of interest on converting financial instruments	-	-
Diluted earnings	43.2	34.3
Weighted average number of ordinary shares used as the denominator	**No. Shares**	**No. Shares**
Number for basic earnings per share		
Ordinary shares	174,765,296	184,381,270
Effect of partly paid Executive Plan Shares and options	910,945	521,521
Number for diluted earnings per share	175,676,241	184,902,791

Partly paid Executive Shares and options have been included in diluted earnings per share in accordance with accounting standards.

10. Loss of control of entities having material effect

There were no material disposals of businesses or controlled entities during the six months.

11. Dividends

The final dividend for the year ended 30 June 2004 of 7¢ per share unfranked, was paid on 14th October 2004.

An interim dividend for the year ended 30 June 2005 of 7¢ per share franked to 57%, has been declared and is payable on 8 April 2005.

The balance of available franking credits in the franking account as at 31 December 2004 was $2.7 million (2003 - $2.7 million). These franking credits will be fully utilised upon payment of the interim dividend in April 2005.

Notes to the condensed financial statements

12. 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 31 December 2004, the balance of the provisions made for settlements in relation to the claims (approximately A$8.7 million) is considered adequate to address any remaining liability of members of the Ansell Group.

Latex Allergy Litigation

As at 31 December 2004, there were approximately 12 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 the Ansell Group manufacturer companies in an effort to recover their costs related to the latex litigation. It is not possible at this time to quantify the potential impact of the remaining cases on the Group.

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.

13. 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. The Court has yet to rule on that request. The Ansell Group will continue to pursue recovery of the mounts 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.

Notes to the condensed financial statements

14. 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.

15. 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 with the exception of Accounting for Research and Development Costs. Research and Development expenditure continues to be 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. These deferred costs are amortised over a three year period commencing in the half-year period following their capitalisation. Capitalised costs are to be regularly reviewed and when the criterion for capitalisation is no longer met, provision will be made for any impairment in value. This change in policy has increased profit after tax and total assets by $800,000 for the six months to 31 December 2004.

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

Ansell will be required to prepare financial statements using Australian equivalents to International Reporting Standards (IFRS) for the year ending 30 June 2006. Ansell will report for the first time in compliance with IFRS when the results for the half-year ending 31 December 2005 are released.

IFRS requires that entities reporting their financial statements for the first time under IFRS must also restate their comparatives using all IFRS with the exception of IAS 32 Financial Instruments: Disclosure and Presentation and IAS 39 Financial Instruments: Recognition and Measurement. This will mean the opening IFRS balance sheet will be a restated comparative balance sheet, dated 1 July 2004. Most adjustments required on transition to IFRS 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 IFRS 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 IFRS. The project team has completed an impact study to identify key areas that will be impacted by IFRS. The impact study addressed key differences in accounting policies and disclosures, business issues associated with Australian equivalents to IFRS and key milestones for IFRS implementation. As at 31 December 2004, additional IFRS information requirements have been identified and collation and analysis of this information has commenced to capture the IFRS transitional adjustments and facilitate the preparation of the opening IFRS balance sheet.

The key potential implications of the transition to IFRS on the consolidated entity are as follows:

- Intangible Assets - the amortisation of goodwill will be prohibited, and will be replaced by annual impairment testing of cash flows of the cash-generating unit to which the asset belongs.
- Impairment of Assets - the recoverable amount of an asset will be determined on a discounted cash flow basis, with strict tests for determining whether the value of goodwill or cash-generating units have been impaired.
- Superannuation - surpluses and deficits in defined benefit superannuation plans sponsored by entities within the consolidated entity will be recognised in the Statement of Financial Performance and Statement of Financial Position.
- Share-Based Payments - equity-based compensation in the form of shares and options will be recognised as expenses in the periods during which the employee provides related services.
- Financial Instruments - derivative financial instruments will be carried at fair value in the Consolidated entity's Statement of Financial Position.

The above should not be regarded as a complete list of changes to accounting policies that will result from the transition to Australian equivalents to IFRS, as some decisions have not yet been made where choices of accounting policies are available. For this reason it is not possible at this time to quantify the potential impact of the transition to Australian equivalents to IFRS on the consolidated entity's financial performance and financial position.

ANSELL LIMITED

ABN 89 004 085 330

Directors' Declaration

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

(a) the Consolidated Financial Statements (including the notes to the Consolidated Financial Statements) of the economic entity in the form of ASX Appendix 4D for the half-year ended 31 December 2004 have been made out in compliance with Accounting Standard AASB 1029 *Interim Financial Reporting;*

(b) the Consolidated Financial Statements (including the notes to the Consolidated Financial Statements) of the economic entity give a true and fair view of the financial performance of the economic entity for the half-year ended 31 December 2004 and of the financial position of the economic entity as at 31 December 2004; and

(c) 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.

Dr E D Tweddell
Director

D D Tough
Director

Dated in Melbourne this 9th day of February 2005.