

Ansell

Appendix 4D

Condensed consolidated interim financial report For the six months ended 31 December 2006

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 2006 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 unaudited US dollar financial information which is supplementary to the Company's Appendix 4D Half Year Report.

Appendix 4D

Condensed consolidated interim financial report For the six months ended 31 December 2006

Ansell Limited and Subsidiaries

ACN 004 085 330

Results for Announcement to the Market

		%	\$M
Revenue from ordinary activities	up/(down)	13.6%	608.0
Profit from ordinary activities after tax attributable to members	up/(down)	(12.9)%	44.4
Net profit for the period attributable to members	up/(down)	(12.9)%	44.4

Dividends (distributions)

	Amount per security	Franked amount per security
Dividend	10¢	Nil
Record date for determining entitlements to the dividend	28 February, 2007	

- Revenue from the Healthcare business \$602.6 million compared to last year's \$528.3 million.
- Net profit attributable to members \$44.4 million compared to last year's \$51.0 million.
- Basic earnings per share of 29.6¢ compared to last year's 31.8¢.
- An interim dividend of 10¢ per share unfranked has been declared payable on 28 March 2007.



Commentary on Results

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

	Reported in Australian Dollars			Results in Operating Currency – US Dollars		
	F'06 H1 A\$M	F'07 H1 A\$M	%	F'06 H1 US\$M	F'07 H1 US\$M	%
	Sales	528.3	602.6	14.1	396.3	460.3
EBIT (Continuing Operations)	68.8	57.2	(16.9)	51.7	43.6	(15.7)
EBIT	63.3	57.2	(9.6)	47.6	43.6	(8.4)
Profit Attributable	51.0	44.4	(12.9)	38.3	33.9	(11.5)
Earnings Per Share	31.8¢	29.6¢	(6.9)	23.9¢	22.6¢	(5.4)
Dividend	9.0¢	10.0¢	11.1			

- Sales up 16.1% with broad-based strength across all three Businesses and Regions, against a flat prior period.
- EBIT from Continuing Business (excluding the SPT write down of \$4.1M in F'06) was down 15.7%, due to previously communicated growth investments and higher latex costs.
- Interim Dividend of A10¢ per share unfranked, up 11.1% on prior year.

Business Review

Profit Attributable to Shareholders of US\$33.9M was down on the previous half year's US\$38.3M (or \$42.4M excluding the South Pacific Tyres (SPT) final write down of \$4.1M).

Earnings per share were US22.6¢ or down 5.4% on the previous year's US23.9¢. Excluding the SPT write-down, F'06's first half EPS was US26.5¢ and F'07's first half EPS was down 14.7%.

An unfranked interim dividend of A10¢ a share, an 11.1% increase on the previous year's A9¢. This represents a payout ratio of 34%.

The first half was generally in line with expectations. Latex prices had a negative effect on the results and previously announced investment costs were incurred.

The Unimil tender finished strongly on 2 February and resulted in Ansell acquiring 83% of the Polish condom manufacturer and marketer.

Ansell now has the leading market share in Poland and a foothold in Germany in retail condoms. Unimil has two manufacturing plants (one in Poland and one in Germany), and strong management with Eastern European marketing expertise, which can be leveraged to assist in expanding regionally. The Unimil acquisition increases Ansell's world retail condom market share to approximately 13%.

Occupational Healthcare

	A\$M		US\$M	
	F'06 H1	F'07 H1	F'06 H1	F'07 H1
Sales	262.6	298.5	197.0	228.0
Segment EBIT	38.0	36.7	28.5	27.9
EBIT/Sales	14.5%	12.2%	14.5%	12.2%

Occupational saw a 15.7% increase in revenue for the half with double digit increases in all three Regions with EMEA leading the way. The Emerging Markets continue to outperform, especially China, Russia and Latin America, albeit from a lower base.

HyFlex[®] continued to grow strongly (up ~32% in both volume and revenue terms) and there are now 15 different glove styles in the range. Every product category, except lower margin knitted gloves, did well with continued emphasis on hand injury solutions. The GuardianSM (solution selling) program continued to be a powerful tool.

Gross margins declined slightly, impacted by higher costs from the Western Hemisphere plants and the closure of the Thomasville (US) plant. The movement of more commoditised gloves and clothing to Asian outsourcers continued, with pay-back expected from H2 onwards, as existing inventories are sold. The EBIT/Sales ratio reflected growth expenses and the one off closure costs noted above.

Ansell's growing range of "grip" gloves continues to provide further growth potential.

Professional Healthcare

	A\$M		US\$M	
	F'06 H1	F'07 H1	F'06 H1	F'07 H1
Sales	183.3	197.2	137.5	150.6
Segment EBIT	20.7	8.5	15.5	6.5
EBIT/Sales	11.3%	4.3%	11.3%	4.3%

Professional revenues were up 9.5% year on year, predominantly driven by increased examination glove sales (up 15.9%). However, surgical glove sales also increased (up 6.8%) - all in the higher value added Branded Powder Free (PF) and Synthetic ranges.

This business has a high proportion (78%) of natural rubber latex (NRL) products and significantly higher NRL costs in H1 and planned "growth" expenses negatively impacted EBIT. In addition, an old examination line was scrapped at a cost of \$1.0M, to make way for a new PF surgical line and restructuring costs were \$0.3M in H1.

The positives for the half include improved surgical sales in the America's region and the strong acceptance of the hydrating surgical glove, Hydrasoft[®]. Emerging Markets grew strongly and all areas are poised for continued robust sales growth, with a capacity expansion program in place.

Consumer Healthcare

	A\$M		US\$M	
	F'06 H1	F'07 H1	F'06 H1	F'07 H1
Sales	82.4	106.9	61.8	81.7
Segment EBIT	12.5	15.5	9.4	11.9
EBIT/Sales	15.2%	14.6%	15.2%	14.6%

This business had a 32% sales increase (18% without Jissbon) with growth in all three areas, branded retail condoms, Tender & Private Label condoms and household gloves. The expanded geographic footprint, new products and packaging plus brand and line extensions, all contributed strongly.

Fierce advertising and promotion competition in the US branded retail segment and higher latex costs (for household gloves) negatively impacted EBIT. These were more than offset by the margins earned from strong sales volumes. F'06 H1 included approximately \$1M of Suratthani detention costs.

Although the tender business was constrained by capacity, it grew 33% on the previous year. EMEA Region results, in both the mature and emerging markets, were strong and Jissbon results were slightly ahead of plan.

Finance

A weaker U.S. dollar helped H1 sales but had little impact on EBIT, as the gains from Euro denominated revenues offset the negative of stronger Malaysian Ringgit and Thai Bhat costs.

Despite higher sales, Working Capital increased by only \$7M - with Inventories, Trade Receivables and Trade Creditors all higher. However, Working Capital Days steadily improved, from 81.6 in June 2006 to 78.8 days in December 2006.

The reduction in EBIT (\$8.1M), higher Capital Expenditure (\$4.0M) and higher Tax Paid (\$3.6M), contributed to Free Cash Flow falling from \$49.9M last year to \$26.2M. Planned expansions in HyFlex[®] and surgical glove capacity, conversions of existing exam and surgical production lines to higher value added products, investments in cost reduction (AlphaTEC[™]), and infrastructure upgrades all drove higher capital spending.

Share buy-back spend was \$41.9M vs. F'06 H1's \$7.4M. Gearing increased from 10.8% in June 2006 to 15.2%. Interest cover remains strong at 18.1X (June 2006 26.9X).

ANSELL LIMITED

ABN 89 004 085 330

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

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 2006 and is accompanied by the Consolidated Interim 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 Interim 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:

Peter L Barnes (Chairman)
Glenn L L Barnes
Ronald J S Bell
L. Dale Crandall
Marissa T Peterson (Appointed 22 August 2006)
Douglas D Tough (Managing Director)
Herbert J Elliott – AC, MBE (Resigned 18 October 2006)

2. Review and Results of Operations

A review of the operations of the economic entity during the half-year ended 31 December 2006 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 2006, is attached.

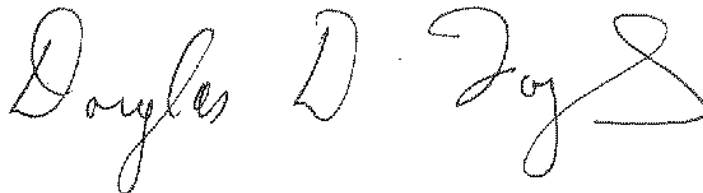
4. Rounding Off

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 Interim 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.



P L Barnes
Director



D D Tough
Director

Dated in Melbourne this 15th day of February 2007.



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 2006 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.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Peter Jovic'.

Peter Jovic
Partner

Melbourne

15 February 2007

Condensed Interim Income Statement

of Ansell Limited and Subsidiaries for the six months ended 31 December 2006

	Note	2006 A\$m	2005 A\$m
Revenue			
Total revenue	3	608.0	535.1
Expenses			
Cost of goods sold		388.3	325.8
Selling, distribution and administration		157.1	133.7
Other	4	-	5.5
Total expenses, excluding financing costs		545.4	465.0
Financing costs		9.3	9.9
Profit before income tax		53.3	60.2
Income tax		6.6	8.5
Net profit		46.7	51.7
Minority interests in net profit		2.3	0.7
Net profit attributable to Ansell Limited shareholders		44.4	51.0
		cents	cents
Earnings per share is based on net profit attributable to Ansell Limited shareholders			
Basic earnings per share	8	29.6	31.8
Diluted earnings per share	8	29.2	31.5

The Company reports in Australian dollars. The United States dollar (US dollar) is the predominant global currency of our business transactions. 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.

The income statement is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 14 to 20.

Condensed Interim Statement of Recognised Income and Expense

of Ansell Limited and Subsidiaries for the six months ended 31 December 2006

	2006 A\$m	2005 A\$m
Net exchange difference on translation of financial statements of foreign operations	(18.3)	14.6
Net movement in effective hedges for period	1.0	(0.9)
Net income/(loss) recognised directly in equity	(17.3)	13.7
Net profit for the period	46.7	51.7
Total recognised income and expense for the period	29.4	65.4
Attributable to:		
Members of Ansell Limited	27.1	64.7
Minority interests	2.3	0.7
Total recognised income and expense for the period	29.4	65.4

The statement of recognised income and expense is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 14 to 20.

Condensed Interim Balance Sheet

of Ansell Limited and Subsidiaries as at 31 December 2006

	Note	31 December 2006 A\$m	30 June 2006 A\$m
Current Assets			
Cash on hand		0.5	0.3
Cash at bank and on deposit		167.5	311.1
Cash - restricted deposits		5.7	6.6
Trade and other receivables		205.8	221.5
Inventories		204.0	186.0
Other		16.1	12.6
Total Current Assets		599.6	738.1
Non-Current Assets			
Trade and other receivables		18.1	19.8
Property, plant and equipment		187.5	195.6
Intangible assets		286.9	299.8
Deferred tax assets		54.7	54.7
Total Non-Current Assets		547.2	569.9
Total Assets		1,146.8	1,308.0
Current Liabilities			
Trade and other payables		148.7	142.1
Interest-bearing liabilities		19.1	114.3
Provisions		41.1	50.6
Current tax liabilities		8.1	10.9
Total Current Liabilities		217.0	317.9
Non-Current Liabilities			
Trade and other payables		0.5	0.7
Interest-bearing liabilities		258.2	275.9
Provisions		21.3	20.8
Retirement benefit obligations		13.3	13.5
Deferred tax liabilities		23.9	25.5
Total Non-Current Liabilities		317.2	336.4
Total Liabilities		534.2	654.3
Net Assets		612.6	653.7
Equity			
Issued capital	5	1,085.6	1,136.8
Reserves		(22.7)	(5.2)
Accumulated losses		(465.9)	(491.9)
Total Equity Attributable to Ansell Limited Shareholders		597.0	639.7
Minority interests		15.6	14.0
Total Equity	7	612.6	653.7

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The balance sheet is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 14 to 20.

Condensed Interim Cash Flow Statement

of Ansell Limited and Subsidiaries for the six months ended 31 December 2006

	2006 A\$m	2005 A\$m
Cash Flows Related to Operating Activities		
Receipts from customers	618.1	540.0
Payments to suppliers and employees	(556.9)	(477.4)
Net receipts from customers	61.2	62.6
Income taxes paid	(10.4)	(5.7)
Net Cash Provided by Operating Activities	50.8	56.9
Cash Flows Related to Investing Activities		
Payments for property, plant and equipment	(12.7)	(7.6)
Proceeds from sale of plant and equipment	1.1	0.1
Net Cash Used in Investing Activities	(11.6)	(7.5)
Cash Flows Related to Financing Activities		
Proceeds from borrowings	-	27.4
Repayments of borrowings	(80.7)	(28.5)
Net repayments of borrowings	(80.7)	(1.1)
Proceeds from issues of shares	0.1	3.3
Payments for share buy-back	(55.0)	(9.9)
Dividends paid	(18.2)	(16.0)
Interest received	5.3	4.7
Interest and financing costs paid	(10.1)	(9.7)
Net Cash Used in Financing Activities	(158.6)	(28.7)
Net increase/(decrease) in cash and cash equivalents	(119.4)	20.7
Cash and cash equivalents at the beginning of the period	303.0	225.9
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies at the beginning of the period	(10.9)	4.7
Cash and Cash Equivalents at the end of the period	172.7	251.3

The Company reports in Australian dollars. The United States dollar (US dollar) is the predominant global currency of our business transactions. 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.

The cash flow statement is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 14 to 20.

Notes to the condensed financial statements

1. Industry and Regional Segments

of Ansell Limited and Subsidiaries for the six months ended 31 December 2006

	Operating Revenue				Operating Result			
	December		December		December		December	
	2006	2005	2006	2005	2006	2005	2006	2005
	A\$m	A\$m	US\$m (a)	US\$m (a)	A\$m	A\$m	US\$m (a)	US\$m (a)
INDUSTRY								
Ansell Healthcare								
Occupational Healthcare	298.5	262.6	228.0	197.0	36.7	38.0	27.9	28.5
Professional Healthcare	197.2	183.3	150.6	137.5	8.5	20.7	6.5	15.5
Consumer Healthcare	106.9	82.4	81.7	61.8	15.5	12.5	11.9	9.4
Total Ansell Healthcare	602.6	528.3	460.3	396.3	60.7	71.2	46.3	53.4
Corporate revenue/costs	5.4	6.8	4.1	5.3	(3.5)	(2.4)	(2.7)	(1.7)
Operating EBIT					57.2	68.8	43.6	51.7
Impairment loss on investment in South Pacific Tyres and sale costs					-	(5.5)	-	(4.1)
Earnings before Net Interest and Tax (EBIT)					57.2	63.3	43.6	47.6
Financing costs net of interest revenue					(3.9)	(3.1)	(3.0)	(2.4)
Operating Profit before Tax					53.3	60.2	40.6	45.2
Tax					(6.6)	(8.5)	(4.9)	(6.4)
Minority interests					(2.3)	(0.7)	(1.8)	(0.5)
Total Consolidated	608.0	535.1	464.4	401.6	44.4	51.0	33.9	38.3

REGION								
Asia Pacific	102.8	82.4	78.6	61.8	16.3	18.8	12.4	14.1
Americas	278.0	259.2	212.3	194.4	20.7	30.8	15.8	23.1
Europe, Middle East and Africa	221.8	186.7	169.4	140.1	23.7	21.6	18.1	16.2
Total Ansell Healthcare	602.6	528.3	460.3	396.3	60.7	71.2	46.3	53.4

	Assets Employed				Liabilities			
	December		June		December		June	
	2006	2006	2006	2006	2006	2006	2006	2006
	A\$m	A\$m	US\$m (a)	US\$m (a)	A\$m	A\$m	US\$m (a)	US\$m (a)
INDUSTRY								
Ansell Healthcare								
Occupational Healthcare	434.0	441.6	342.9	326.6	107.4	101.4	84.8	75.0
Professional Healthcare	340.3	346.1	268.9	255.9	73.2	66.2	57.8	49.0
Consumer Healthcare	139.6	144.3	110.3	106.7	22.1	24.4	17.5	18.0
Total Ansell Healthcare	913.9	932.0	722.1	689.2	202.7	192.0	160.1	142.0
Corporate assets/liabilities	59.2	58.0	46.8	43.0	331.5	462.3	261.9	341.9
Cash	173.7	318.0	137.2	235.1	-	-	-	-
Total Consolidated	1,146.8	1,308.0	906.1	967.3	534.2	654.3	422.0	483.9

REGION								
Asia Pacific	253.5	251.1	200.3	185.7	72.3	69.3	57.1	51.2
Americas	224.5	216.6	177.4	160.2	84.1	75.7	66.4	56.0
Europe, Middle East and Africa	156.7	170.2	123.8	125.8	46.3	47.0	36.6	34.8
Goodwill and brand names	279.2	294.1	220.6	217.5	-	-	-	-
Total Ansell Healthcare	913.9	932.0	722.1	689.2	202.7	192.0	160.1	142.0

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

Notes to the condensed financial statements

1. Industry and Regional Segments (continued)

Notes to the Industry 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 2006 to December 2006. 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 29 December 2006, at US\$ 0.79005 = A\$1 (June 2006 US\$0.73945 = 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) Cash

Cash also includes Accufix Pacing Leads restricted deposits of A\$5.7 million (US\$4.5 million) (2005 - A\$6.6 million; US\$4.9 million).

(d) Inter-Segment Transactions

Significant inter-segment sales were made by Asia Pacific - A\$120.1 million (US\$91.7 million) (2005 - \$101.6 million; US\$76.3 million) and America - A\$114.7 million (US\$87.6 million) (2005 - A\$103.5 million; US\$77.7 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.

(e) Industry Segments

The consolidated entity comprises the following main business segments which are based on the consolidated entity's internal reporting structure:

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.

(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, Middle East and Africa - principally a sales region with one manufacturing facility in the UK.

	2006 December A\$m	2005 December A\$m	2006 December US\$m	2005 December US\$m
(g) Segment Capital Expenditure				
Occupational Healthcare	6.0	2.9	4.6	2.1
Professional Healthcare	5.2	3.4	4.0	2.6
Consumer Healthcare	1.5	1.3	1.1	1.0
(h) Region Capital Expenditure				
Asia Pacific	9.2	4.8	7.1	3.6
Americas	2.8	2.4	2.1	1.8
Europe, Middle East and Africa	0.7	0.4	0.5	0.3
(i) Segment Depreciation				
Occupational Healthcare	5.2	4.6	4.0	3.4
Professional Healthcare	5.1	5.7	3.9	4.3
Consumer Healthcare	2.3	2.1	1.7	1.6
(j) Segment Other Non Cash Expenses				
Occupational Healthcare	7.0	4.8	5.3	3.6
Professional Healthcare	2.4	2.0	1.8	1.5
Consumer Healthcare	0.7	0.7	0.5	0.5

Notes to the condensed 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 2006 A\$m	December 2005 A\$m	December 2006 US\$m (1)	December 2005 US\$m (1)
Operating EBIT	57.2	68.8	43.6	51.7
Depreciation/amortisation/asset write-downs	14.0	12.4	10.7	9.3
Working Capital Reduction/(Increase)	7.8	(5.7)	(7.0)	2.7
Tax Paid	(10.4)	(5.7)	(7.9)	(4.3)
Capital Expenditure	(12.7)	(7.6)	(9.7)	(5.7)
Net Interest Paid	(4.8)	(5.0)	(3.5)	(3.8)
Free Cash Flow	51.1	57.2	26.2	49.9
Dividends Paid - Ansell Limited shareholders	(18.2)	(16.0)	(13.7)	(12.1)
Share Buy-Back	(55.0)	(9.9)	(41.9)	(7.4)
Other	(8.6)	(17.6)	1.0	(15.7)
(Increase)/Decrease in NIBD	(30.7)	13.7	(28.4)	14.7

(b) Abridged Balance Sheet

	December 2006 A\$m	June 2006 A\$m	December 2006 US\$m (2)	June 2006 US\$m (2)
Property, Plant & Equipment	187.5	195.6	148.3	144.6
Intangible Assets	286.9	299.8	226.7	221.7
Other Assets/Liabilities	(0.7)	(19.1)	(0.7)	(14.1)
Trade Debtors	177.9	196.6	140.6	145.3
Inventories	204.0	186.0	161.3	137.6
Trade Creditors	(133.2)	(126.1)	(105.3)	(93.3)
Net Operating Assets	722.4	732.8	570.9	541.8
NIBD (Interest Bearing Liabilities less Cash at Bank and on Deposit)	(109.8)	(79.1)	(86.8)	(58.4)
Shareholders' Equity	612.6	653.7	484.1	483.4

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

	December 2006 A\$m	December 2005 A\$m	December 2006 US\$m	December 2005 US\$m
Operating EBIT	57.2	68.8	43.6	51.7
Depreciation/amortisation/asset write-downs	14.0	12.4	10.7	9.3
Working Capital Reduction/(Increase)	7.8	(5.7)	(7.0)	2.7
Tax Paid	(10.4)	(5.7)	(7.9)	(4.3)
Other	(17.8)	(12.9)	(0.6)	(16.7)
Net Cash Provided by Operating Activities	50.8	56.9	38.8	42.7
Capital Expenditure	(12.7)	(7.6)	(9.7)	(5.7)
Net Interest Paid	(4.8)	(5.0)	(3.5)	(3.8)
Dividends Paid - Ansell Limited shareholders	(18.2)	(16.0)	(13.7)	(12.1)
Share Buy-Back	(55.0)	(9.9)	(41.9)	(7.4)
Effect of exchange rate changes on the balances of cash and interest bearing liabilities held in foreign currencies	7.2	(8.8)	0.2	(2.4)
Other	2.0	4.1	1.4	3.4
(Increase)/Decrease in NIBD	(30.7)	13.7	(28.4)	14.7

Notes to the condensed 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 2006 to December 2006 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 Friday, 29 December 2006 at US\$ 0.79005 = A\$1 (June 2006 US\$0.73945 = A\$1).

3. Total Revenue

	31 December 2006 A\$m	31 December 2005 A\$m
Revenue from the sale of goods	602.6	528.3
Revenue From Other Operating Activities		
Interest Received or Due and Receivable		
From related parties	-	2.1
From others	5.4	4.7
Total revenue from other operating activities	5.4	6.8
Total Revenue	608.0	535.1

4. Exceptional Items

	31 December 2006 A\$m	31 December 2005 A\$m
Exceptional items included in profit before income tax expense		
Impairment loss on investment in South Pacific Tyres and sale costs	-	(5.5)

5. Issued Capital

	31 December 2006 A\$m	30 June 2006 A\$m
Ordinary Shares		
Issued and fully paid	1,085.6	1,136.8
	No. of Shares	A\$m
Movements in ordinary shares on issue		
At 1 July 2006	151,782,512	1,136.8
Conversion of Performance Share Rights under the Ansell Limited Stock Incentive Plan	466,010	3.7
Conversion to fully paid of Executive Share Plan shares	24,800	0.1
Buy-back of shares	(5,274,458)	(55.0)
At 31 December 2006	146,998,864	1,085.6

Notes to the condensed financial statements

6. Dividends Paid and Declared

	31 December 2006 A\$m	31 December 2005 A\$m
Dividends Paid		
A final dividend of 12 cents per share unfranked for the year ended 30 June 2006 (June 2005 - 10 cents unfranked) was paid on 5 October 2006 (2005 - 18 October 2005)	18.2	16.0

Dividends Declared

An interim dividend for the year ended 30 June 2007 of 10¢ per share unfranked, has been declared and is payable on 28 March 2007.

The balance of available franking credits in the franking account as at 31 December 2006 was Nil (2005 - Nil).

7. Total Equity Reconciliation

	31 December 2006 A\$m	31 December 2005 A\$m
Total equity at the beginning of the financial year	653.7	623.4
Total recognised income and expense for the period	29.4	65.4
Adjustment on adoption of AASB 139	-	3.2
Transactions with owners as owners:		
Contributions of equity	0.1	3.3
Share buy-back	(55.0)	(9.9)
Share-based payments reserve	3.3	1.5
Dividends:		
Ansell Limited shareholders	(18.2)	(16.0)
Movement in minority interest (excluding profit for period and dividends)	(0.7)	0.8
Total equity at 31 December	612.6	671.7

8. Earnings per Share (EPS)

	31 December 2006 A\$m	31 December 2005 A\$m
Earnings Reconciliation		
Net profit	46.7	51.7
Net profit attributable to minority interests	2.3	0.7
Earnings used in calculation of Basic and Diluted EPS	44.4	51.0

Weighted average number of ordinary shares used as the denominator	No. Shares	No. Shares
Number of ordinary shares for basic earnings per share	149,981,392	160,117,414
Effect of partly paid Executive Plan shares, Options and Performance Share Rights	2,023,789	1,555,023
Number of ordinary shares for diluted earnings per share	152,005,181	161,672,437

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.

Notes to the condensed financial statements

9. NTA backing

	2006 A\$m	2005 A\$m
Shareholders' Equity attributable to Ansell Limited shareholders	597.0	661.3
Less Intangible Assets	286.9	280.1
Net Tangible Assets	310.1	381.2

	No. Shares	No. Shares
Total fully paid ordinary shares on issue (millions)	147.0	160.1
Net tangible asset backing per ordinary share	\$2.11	\$2.38

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 subsidiaries, in relation to liabilities that they may incur (other than to the Company and subsidiaries) as Directors of the Company and Directors of certain subsidiaries respectively, to the extent permitted by law and the Company's Constitution.

The Company has also guaranteed the performance of certain wholly-owned subsidiaries 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 subsidiaries remain on foot, the majority of which have been brought in France.

As at 31 December 2006, the balance of the provisions made for settlements in relation to claims is considered adequate to address any remaining liability of members of the consolidated entity.

Latex Allergy Litigation

As at 31 December 2006, there is one active product liability case pending against one or more subsidiaries 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 subsidiaries of the Company, in an effort to recover their costs related to the latex litigation. In some cases, judgment has been entered against a subsidiary. The relevant subsidiaries are appealing these decisions. It is not possible at this time to quantify the potential financial impact of the remaining cases on the consolidated entity however they are not considered to have a material potential impact on the results either individually or on an aggregate basis.

Business and Asset Sales

The Company and various subsidiaries do, from time to time, in the course of undertaking transactions involving the acquisition and disposal of assets and businesses, provide warranties, indemnities and other undertakings and, in some instances, the Company guarantees the warranties, indemnities and other obligations of various subsidiaries, in respect to such transactions. From time to time, the Company has received notices from purchasers of its businesses and assets pursuant to the relevant sale agreements. No formal proceedings are currently on foot and, accordingly, it is not possible at this time to quantify the potential financial impact of those warranties, indemnities, undertakings or guarantees on the consolidated entity.

Notes to the condensed financial statements

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 consolidated entity's claims against the Non-bankrupt Entities may only be asserted against Exide Technologies, Inc., a company which has emerged from bankruptcy. The consolidated entity has requested that the Court reconsider its decision and the Court has denied that request. The consolidated entity has filed an appeal to the United States District Court ("the Appeal Court"). The parties fully briefed the issues on appeal, and oral argument on the appeal was heard by the Appeal Court on 18 December 2006. No decision has yet been issued by the Appeal Court. If the consolidated entity prevails in the appeal, it will be permitted to pursue its claims directly against the Non-bankrupt Entities. The consolidated entity continues to pursue recovery of the amounts owed by the Exide Group, but as to the reorganised company, Exide Technologies, Inc, the consolidated entity expects to recover only stock in that company. The ultimate amount of the consolidated entity'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.

12. 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.

13. Subsequent Event

On 5th February 2007 the Company announced that its subsidiary, Ansell Healthcare Europe NV, had achieved the minimum 75% threshold of acceptances for its tender offer for all the shares of the Polish listed Company, Unimil S.A. The acquisition price for all shares of Unimil S.A., at a tender offer price of PLN5.90 per share, would be PLN121.6 million (approximately A\$52.4 million/US\$40.5 million).

ANSELL LIMITED
ABN 89 004 085 330

Directors' Declaration


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

- (a) the Consolidated Interim Financial Statements (including the notes to the Consolidated Interim Financial Statements) of the economic entity in the form of ASX Appendix 4D for the half-year ended 31 December 2006 have been made out in compliance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;
- (b) the Consolidated Interim Financial Statements (including the notes to the Consolidated Interim 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 2006 and of the financial position of the economic entity as at 31 December 2006; 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.



P L Barnes
Director



D D Tough
Director

Dated in Melbourne this 15th day of February 2007.



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 balance sheet as at 31 December 2006, and the condensed consolidated interim income statement, statement of changes in recognised income and expense and cash flow statement for the half-year period ended on that date, a description of accounting policies, other explanatory notes 1 to 13 and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the 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 Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing 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 an opinion 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 an Interim Financial Report 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 consolidated entity's financial position as at 31 December 2006 and its performance for the half-year 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.

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 consolidated entity's financial position as at 31 December 2006 and of their performance for the half-year ended on that date; and
- (b) complying with Australian Accounting AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Peter Jovic
Partner

Melbourne

15 February 2007

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 an audit review.
- 5 The entity has a formally constituted audit committee.



Signed: Date 15 February 2007
Company Secretary

Name: R J Bartlett