

Ansell

Ansell Limited

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14 August 2012

Manager Companies
Company Announcements Office
Australian Securities Exchange Limited

Dear Sir,

Ansell Limited - Preliminary Final Report 30 June 2012

As a result of problems experienced with ASX Online that required Ansell Limited to lodge our Preliminary Final Report (Appendix 4E) for the year ended 30 June 2012 as a fax document, a clean version in PDF format, which is considered to be more easily readable, is submitted for lodgement. This PDF document is unchanged from the same document submitted by fax.

Yours faithfully



Craig M. Cameron
Company Secretary

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For personal use only



Appendix 4E

**Preliminary Final Report
For the year ended 30 June 2012**

Ansell Limited and Subsidiaries

ACN 004 085 330



Appendix 4E

Preliminary Final Report For the year ended 30 June 2012 Ansell Limited and Subsidiaries

ACN 004 085 330

Results for Announcement to the Market

		%	\$m
Revenue from ordinary activities	up/(down)	(0.3)% to	1,225.1
Profit from ordinary activities after tax attributable to members	up/(down)	5.9% to	130.0
Net profit for the period attributable to members	up/(down)	5.9% to	130.0

Dividends (distributions)

	Amount per share	Franked amount per share
Dividend	20.5 ¢	Nil
Record date for determining entitlements to the dividend	31st August 2012	

Net Tangible Asset backing

	2012	2011
Net tangible asset backing per ordinary share	\$2.43	\$2.44

- Sales of \$1,218.3 million compared to last year's \$1,219.8 million.
- Net profit attributable to members \$130.0 million compared to last year's \$122.7 million.
- Earnings per share of 99.1¢ compared to last year's 92.4¢.
- A dividend of 20.5¢ per share unfranked has been declared payable on 21st September, 2012.
- Refer accompanying Press Release for additional commentary.

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 audited.
- 5 The entity has a formally constituted audit committee.



Signed: Date 14 August, 2012.
Company Secretary

Name: C M Cameron



FINANCIAL REPORT 2012

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Ansell Limited and Subsidiaries

Financial Statements - 30 June 2012

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Consolidated Income Statement

of Ansell Limited and Subsidiaries for the year ended 30 June 2012

	Note	2012 A\$m	2011 A\$m
Revenue			
Total revenue	3	1,225.1	1,228.2
Expenses			
Cost of goods sold		(718.1)	(745.2)
Distribution		(59.7)	(53.2)
Selling, general and administration		(291.1)	(282.6)
Other	3(b)	-	-
Total expenses, excluding financing costs		(1,068.9)	(1,081.0)
Financing costs	4	(11.7)	(12.5)
Profit before income tax		144.5	134.7
Income tax expense	7	(11.5)	(8.8)
Profit for the period		133.0	125.9
Profit for the period is attributable to:			
Ansell Limited shareholders		130.0	122.7
Non-controlling interests		3.0	3.2
Profit for the period		133.0	125.9

Earnings per share is based on profit attributable to Ansell Limited shareholders

		cents	cents
Basic earnings per share	31	99.1	92.4
Diluted earnings per share	31	98.9	92.3

Consolidated Statement of Comprehensive Income

of Ansell Limited and Subsidiaries for the year ended 30 June 2012

	2012 A\$m	2011 A\$m
Profit for the period	133.0	125.9
Other comprehensive income		
Actuarial (loss)/gain on defined benefit pension /post retirement health benefit plans	(8.1)	2.0
Net exchange difference on translation of financial statements of foreign operations	(2.6)	(62.7)
Change in fair value of available for sale financial assets	(0.9)	-
Net movement in effective hedges for year	(5.3)	(12.0)
Tax on other comprehensive income	5.6	(0.6)
Other comprehensive income for the period net of income tax	(11.3)	(73.3)
Total comprehensive income for the period	121.7	52.6
Attributable to:		
Ansell Limited shareholders	119.2	51.6
Non-controlling interests	2.5	1.0
Total comprehensive income for the period	121.7	52.6

The above consolidated income statement and consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

of Ansell Limited and Subsidiaries as at 30 June 2012

	Note	2012 A\$m	2011 A\$m
Current Assets			
Cash on hand	9	0.7	2.0
Cash at bank and on deposit	9	245.1	237.0
Cash assets - restricted deposits	9	3.5	3.5
Trade and other receivables	10	191.5	180.6
Inventories	11	212.5	185.4
Other	12	10.0	10.3
Total Current Assets		663.3	618.8
Non-Current Assets			
Trade and other receivables	10	2.1	1.5
Investments	13	4.0	0.1
Property, plant and equipment	14	150.6	140.9
Intangible assets	15	389.6	339.0
Deferred tax assets	16	119.5	98.1
Other		19.2	17.9
Total Non-Current Assets		685.0	597.5
Total Assets		1,348.3	1,216.3
Current Liabilities			
Trade and other payables	17	172.9	167.5
Interest bearing liabilities	18	16.7	185.2
Provisions	19	49.5	60.3
Current tax liabilities		14.3	11.8
Total Current Liabilities		253.4	424.8
Non-Current Liabilities			
Trade and other payables	17	5.0	0.5
Interest bearing liabilities	18	284.2	42.2
Provisions	19	20.0	17.6
Retirement benefit obligations	20	17.7	12.4
Deferred tax liabilities	21	29.6	25.7
Other		17.6	15.5
Total Non-Current Liabilities		374.1	113.9
Total Liabilities		627.5	538.7
Net Assets		720.8	677.6
Equity			
Issued capital	6(a)	862.2	893.9
Reserves	6(b)	(109.0)	(104.8)
Accumulated losses		(46.5)	(125.2)
Total equity attributable to Ansell Limited shareholders		706.7	663.9
Non-controlling interests		14.1	13.7
Total Equity		720.8	677.6

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

of Ansell Limited and Subsidiaries for the year ended 30 June 2012

	2012	2011
	A\$m	A\$m
Total Equity at the beginning of the financial year	677.6	664.6
Total comprehensive income for the period attributable to:		
Ansell Limited shareholders	119.2	51.6
Non-controlling interests	2.5	1.0
Transactions with owners as owners attributable to Ansell Limited shareholders:		
Conversion of Executive Share Plan shares to fully paid and exercise of options	0.9	4.0
Share buy-back	(32.6)	-
Share-based payments reserve	0.2	(0.5)
Dividends	(44.9)	(41.9)
Transactions with owners as owners attributable to non-controlling interests:		
Dividends	(2.1)	(1.2)
Total Equity at the end of the financial year	720.8	677.6

Share Capital

Balance at the beginning of the financial year	893.9	889.9
Transactions with owners as owners:		
Conversion of Executive Share Plan shares to fully paid and exercise of options	0.9	4.0
Share buy-back	(32.6)	-
Balance at the end of the financial year	862.2	893.9

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity (continued)

of Ansell Limited and Subsidiaries for the year ended 30 June 2012

	2012	2011
	A\$m	A\$m
Reserves		
Share-Based Payments Reserve		
Balance at the beginning of the financial year	36.4	36.9
Transactions with owners as owners:		
Charge/(credit) to the income statement	0.2	(0.5)
Balance at the end of the financial year	36.6	36.4
Hedging Reserve		
Balance at the beginning of the financial year	(8.3)	3.7
Comprehensive income for the period:		
Net movement in effective hedges	(2.3)	(12.0)
Balance at the end of the financial year	(10.6)	(8.3)
General Reserve		
Balance at the beginning of the financial year	8.9	8.6
Transfer from accumulated losses	0.6	0.3
Balance at the end of the financial year	9.5	8.9
Foreign Currency Translation Reserve		
Balance at the beginning of the financial year	(131.1)	(70.6)
Comprehensive income for the period:		
Net exchange differences on translation of financial statements of foreign operations	(2.1)	(60.5)
Balance at the end of the financial year	(133.2)	(131.1)
Transactions with Non-Controlling Interests		
Balance at the beginning of the financial year	(10.7)	(10.7)
Transactions with owners as owners:		
Acquisition of non-controlling interests	-	-
Balance at the end of the financial year	(10.7)	(10.7)
Fair Value Reserve		
Balance at the beginning of the financial year	-	-
Comprehensive income for the period:		
Change in fair value of available-for-sale financial assets	(0.6)	-
Balance at the end of the financial year	(0.6)	-
Total Reserves at the end of the financial year	(109.0)	(104.8)
Accumulated Losses		
Balance at the beginning of the financial year	(125.2)	(207.1)
Transfer to reserves	(0.6)	(0.3)
Comprehensive income for the period:		
Net profit attributable to Ansell Limited shareholders	130.0	122.7
Actuarial (loss)/gain on defined benefit pension /post retirement health benefit plans net of tax	(5.8)	1.4
Transactions with owners as owners:		
Dividends paid	(44.9)	(41.9)
Balance at the end of the financial year	(46.5)	(125.2)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

of Ansell Limited and Subsidiaries for the year ended 30 June 2012

	Note	2012 A\$m	2011 A\$m
Cash Flows Related to Operating Activities			
Receipts from customers		1,210.4	1,201.2
Payments to suppliers and employees		(1,097.9)	(1,057.7)
Net receipts from operations		112.5	143.5
Income taxes paid		(17.3)	(14.4)
Net Cash Provided by Operating Activities	26(a)	95.2	129.1
Cash Flows Related to Investing Activities			
Payments for businesses, net of cash acquired		(43.9)	-
Payments for property, plant, equipment and intangible assets		(36.6)	(44.6)
Payments for investments		(4.9)	-
Proceeds from sale of property, plant and equipment		9.3	1.5
Net Cash Used in Investing Activities		(76.1)	(43.1)
Cash Flows Related to Financing Activities			
Proceeds from borrowings		291.0	76.0
Repayments of borrowings		(221.0)	(95.1)
Net proceeds from/(repayments of) borrowings		70.0	(19.1)
Proceeds from issues of shares		0.9	4.0
Payments for share buy-back		(32.6)	-
Dividends paid - Ansell Limited Shareholders		(44.9)	(41.9)
Dividends paid - Non-controlling interests		(2.1)	(1.2)
Interest received		6.8	8.4
Interest and financing costs paid		(12.1)	(12.7)
Net Cash Used in Financing Activities		(14.0)	(62.5)
Net increase in cash and cash equivalents		5.1	23.5
Cash and cash equivalents at the beginning of the financial year		242.5	235.1
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies at the beginning of the financial year		1.7	(16.1)
Cash and Cash Equivalents at the End of the Financial Year	26(b)	249.3	242.5

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

General

Ansell Limited ("the Company") is a company domiciled in Australia. The Company and its subsidiaries (together referred to as the "Group") is a global leader in protection solutions. The Group is a for-profit entity and designs, develops and manufactures a wide range of hand and arm protection solutions, clothing and condoms and is organised around four Global Business Units:

- Industrial GBU : hand and upper arm and body protective solutions for the industrial market
- Medical GBU : surgical and examination gloves for healthcare professionals and patients
- Sexual Wellness GBU : condoms, lubricants and devices
- Specialty Markets GBU (previously New Verticals) : protective gloves and clothing for markets outside of traditional manufacturing environments

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial report of the Group also complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Board of Directors on 14 August 2012.

Basis of Accounting

The financial report is presented in Australian dollars and on the historical cost basis except that assets and liabilities in respect of derivative financial instruments and available-for-sale financial assets are stated at their fair value.

A number of new standards, amendments to standards and interpretations are effective for financial years beginning after 1 July 2011 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group except for AASB 9 Financial Instruments which could change the classification and measurement of financial assets. AASB 9 becomes mandatory for the Group's 2016 consolidated financial statements. The extent of the impact on the Group has not yet been determined.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated. A summary of the significant accounting policies of the Group are disclosed below. The accounting policies have been applied consistently by all entities in the Group.

Principles of Consolidation

The financial statements of the Group include the Company being the parent entity, and its subsidiaries.

The financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at balance date and the results of all subsidiaries for the year then ended. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Results of subsidiaries are included in the income statement from the date on which control commences and continue to be included until the date control ceases to exist.

The effects of all transactions between entities in the Group are eliminated in full. Non-controlling interests in the results and equity of subsidiaries are shown separately in the income statement and balance sheet respectively.

Foreign Currency

Transactions

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of each transaction. At balance date, amounts payable and receivable in foreign currencies are converted at the rates of exchange ruling at that date with any resultant gain or loss recognised in the income statement except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation

The financial statements of overseas subsidiaries are maintained in their functional currencies and are converted to the Group's presentation currency as follows:

- assets and liabilities are translated at the rate of exchange as at balance date
- income statements are translated at average exchange rates for the reporting period which approximate the rates ruling at the dates of the transactions
- all resultant exchange differences are recorded in the foreign currency translation reserve.

On consolidation, exchange differences arising from borrowings and any other currency instruments designated as hedges of investments in overseas subsidiaries, are transferred to the foreign currency translation reserve on a net of tax basis where applicable. When an overseas subsidiary is sold the cumulative amount recognised in the foreign currency translation reserve relating to the subsidiary is recognised in the income statement as part of the gain or loss on sale.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenues are recognised at fair value of the consideration received net of any goods and services tax (GST).

Sales Revenue

Sales revenue comprises revenue earned (net of returns, discounts and allowances which are accrued at expected levels as sales occur) from the provision of products to entities outside the Group. Sales revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Interest Income

Interest income is recognised as it accrues.

Financing Costs

Financing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and other related charges.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or current liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Income Tax

Income tax in the income statement for the periods presented comprises current and deferred tax adjusted for income tax over/under provided in previous years except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. The estimated liability for income tax outstanding in respect of the period's operations is included in the balance sheet as a current liability. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill and goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that are not part of a business combination and do not affect either accounting or taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

In jurisdictions where unbooked tax losses exist, regular reviews are undertaken of the past trading history and projected future trading performance of the operations in these jurisdictions as part of the determination of the value of any deferred tax asset that should be reflected in the accounts in respect of such losses. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or when the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Trade Debtors and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. The collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off to the income statement. An allowance for impairment is established when there is sufficient evidence to indicate that not all amounts due will be collected.

Inventories

Stock on Hand and Work in Progress

Stock on hand and work in progress are valued on the basis of the lower of cost and net realisable value. The methods generally adopted throughout the Group in determining costs are:

Raw Materials and Other Stock

Actual costs, determined on a first in, first out basis or standard costs approximating actual costs.

Finished Goods and Work in Progress

Finished goods and work in progress are valued at standard costs which approximate actual costs and include an appropriate allocation of manufacturing overheads where applicable.

Obsolete and slow moving stocks are written down to net realisable value where such value is below cost. Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

Investments

Subsidiaries

All investments are valued at the lower of cost and recoverable value. Dividends and distributions are brought to account in the income statement when they are paid by the subsidiary.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

Investments (continued)

Other

Includes quoted and unquoted equity instruments. Quoted investments are classified as available-for-sale financial assets and are initially recorded at cost. They are subsequently measured at fair value and any changes, apart from impairment losses, are recognised in other comprehensive income and reflected in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss. Unquoted equity investments are carried at cost.

Property, Plant and Equipment

Acquisition

Items of property, plant and equipment are initially recorded at cost and depreciated as set out below. The cost of property, plant and equipment constructed by the Group includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Depreciation and Amortisation

Depreciation and amortisation is generally calculated on a straight-line basis so as to write off the net cost of each item of property, plant and equipment, excluding land, over its estimated useful life.

The expected useful lives in the current and prior years are as follows:

Freehold buildings	20 - 40 years
Leasehold buildings	The lesser of 50 years or life of lease
Plant and equipment	3 - 20 years

Depreciation and amortisation rates and methods are reviewed annually for appropriateness.

Leases

Operating lease payments are expensed as incurred on a straight-line basis over the term of the lease.

Recoverable Amount of Non-Current Assets Valued on the Cost Basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. An impairment loss is recognised whenever the carrying amount of a non-current asset exceeds its recoverable amount. The impairment loss is recognised as an expense in the income statement in the reporting period in which it occurs.

The recoverable amount of a non-current asset is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Impairment losses, other than those in respect of goodwill, are reversed through the income statement when there is an indication that the impairment loss may no longer exist.

Intangible Assets

Goodwill and Brand Names

Goodwill on acquisition is measured at cost being the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is not amortised. Brand names are initially recorded at cost based on independent valuation at acquisition date (which equates to fair value). Based on the nature of the major brand names acquired by the Group, which are international brands that benefit from competitive advantages due to technology, innovation and product development, it is not possible to make an arbitrary assessment that these brand names have a finite useful life, quantifiable in terms of years. As such the Group believes that the lives of the brand names are indefinite at this point in time and no amortisation is provided against their carrying value.

Goodwill and brand names are reviewed annually, or more frequently if events or changes in circumstances indicate that their carrying values may be impaired, and are carried at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill and brand names are allocated to cash generating units (which equate to the Group's reportable business segments i.e. Industrial, Medical, Sexual Wellness and Specialty Markets) upon acquisition. Acquired businesses can readily be allocated to one of the business segments on the basis of products manufactured and/or marketed. Such manufacturing and marketing operations tend to cover more than one geographical region. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill and brand names relate. Where the recoverable amount of the cash generating unit is less than the carrying value, an impairment charge to goodwill and/or brand names is recognised in the income statement. An impairment loss in respect of goodwill is not reversed.

Development Costs

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

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

Intangible Assets (continued)

Software Costs

The Group is currently implementing a new global ERP system. Expenditure on software licences and costs directly attributable to the design, development and testing of the system are being capitalised as incurred. The implementation is being conducted on a regional basis. At the time the system is installed and ready for its intended use in each region, the capitalised costs allocated to that region will be amortised over seven years.

Payables

Trade and Other Creditors

Trade and other creditors are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

Interest Bearing Liabilities

Interest bearing liabilities are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition interest bearing liabilities are stated at amortised cost. Any difference between the cost and redemption value is recognised in the income statement over the period of the liability using the effective interest method.

Employee Entitlements

Wages, Salaries and Annual Leave

Liabilities for employee entitlements to wages, salaries and annual leave represent the amount which members of the Group have a present obligation to pay resulting from employees' services provided up to the balance date calculated at undiscounted amounts based on expected wage and salary rates that will be paid when the obligation is settled and include related on-costs.

Long Service Leave and Post-retirement Health Benefits

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the Group resulting from employees' services provided in the current and prior periods. Post retirement health benefits are subject to annual actuarial reviews.

The liability is calculated using estimated future increases in wage and salary rates including related on-costs, expected settlement dates based on turnover history and medical cost trends and is discounted using rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

Retirement Benefit Obligations

Certain members of the Group contribute to certain defined benefit and defined contribution superannuation plans maintained to provide superannuation benefits for employees. The defined benefit plans generally provide benefits based on salary in the period prior to retirement. The defined contribution plans receive contributions from members of the Group and the Group's legal or constructive obligation is limited to these contributions.

A liability or asset in respect of each defined benefit superannuation plan is recognised in the balance sheet and is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. This benefit is discounted to determine its present value and the fair value of plan assets is deducted. The present value of the defined benefit is based on expected future payments calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

Actuarial gains or losses are taken to other comprehensive income and all expenses related to defined benefits plans are recognised in employee related expense in the income statement. Contributions to defined contribution plans are recognised as an expense as they become payable.

Share-based Payments

CEO Special Long Term-Incentive Plan

The fair value of the Performance Rights granted to the Chief Executive Office on his appointment in March 2010 is recognised as an employee benefit expense with a corresponding increase in equity over the performance period.

Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

A provision is determined by discounting the expected future cash flows required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Rationalisation and restructuring

Provisions for rationalisation and restructuring are only recognised when a detailed plan has been approved and the restructuring has either commenced or been publicly announced, or firm contracts related to the restructuring have been entered into. Costs related to ongoing activities are not provided for.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

Provisions (continued)

Accufix pacing lead related expenses and insurance claims

The Group provides for certain specifically identified or obligated costs when these amounts are reasonably determinable.

Dividends

A provision for dividends payable is recognised in the reporting period in which the dividends are declared.

Derivatives

The Group uses derivative financial instruments, principally foreign exchange and interest rate related, to reduce the exposure to foreign exchange rate and interest rate movements.

The Group has adopted certain principles in relation to derivative financial instruments:

- derivatives may be used to hedge underlying business exposures of the Group. Trading in derivatives is not undertaken;
- derivatives acquired must be able to be recorded in the Group's treasury management systems, which contain extensive internal controls; and
- the Group predominantly does not deal with counter-parties rated lower than A- by Standard & Poor's or A3 by Moody's Investors Service.

The Group follows the same credit policies, legal processes, monitoring of market and operational risks in the area of derivative financial instruments, as it does in relation to other financial assets and liabilities on the balance sheet.

On a continuing basis, the Group monitors its future exposures and on some occasions hedges all or part of these exposures. The transactions which may be covered are future net cash flows of overseas subsidiaries, future foreign exchange requirements and interest rate positions.

These exposures are then monitored and may be modified from time to time. The foreign exchange hedge instruments rarely exceed 12 months' duration and are used to hedge operational transactions the Group expects to occur in this time frame. From time to time minor mismatches occur in the forward book, however these mismatches are managed under guidelines, limits and internal controls. Interest rate derivative instruments can be for periods up to seven years as the critical terms of the instruments are matched to the underlying borrowings.

Derivative financial instruments are recognised initially at fair value and subsequently remeasured to their fair value at each reporting date. The fair value of forward exchange contracts, foreign exchange options and interest rate swap contracts are determined by reference to current market rates for these instruments.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and continues to satisfy the conditions for hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Gains or losses that are recognised in the hedging reserve are transferred to the income statement in the periods when the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains or losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer meets the conditions for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the forecasted transaction is ultimately recognised in the income statement. When a hedged transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax where applicable, from the proceeds. When shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity.

Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to Ansell Limited shareholders for the reporting period, after excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue and share split.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary and dilutive potential ordinary shares adjusted for any bonus issue.

Accounting Estimates and Judgements

The preparation of consolidated financial statements in conformity with Australian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Actual results could differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions that may have a significant impact on the financial statements are as follows:

Current asset provisions

In the course of normal trading activities, management uses its judgement in establishing the net realisable value of various elements of working capital – principally inventory and accounts receivable. Provisions are established for obsolete or slow moving inventories, bad or doubtful expenses in future periods may be different from the provisions established and any such differences would affect future earnings of the Group.

Property, plant and equipment and definite life intangible assets

The Group's property, plant and equipment and intangible assets, other than indefinite life intangible assets, are depreciated/amortised on a straight line basis over their useful economic lives. Management reviews the appropriateness of useful economic lives of assets at least annually and any changes to useful economic lives may affect prospective depreciation rates and asset carrying values.

Impairment of goodwill and brand names

The Group tests whether goodwill and brand names are impaired at least annually, or more frequently if events or changes in circumstances indicate that their carrying values may be impaired, in accordance with the accounting policy on Intangible Assets. The policy requires the use of assumptions in assessing the carrying values of cash generating units.

These assumptions are detailed in Note 15.

Income Tax

The reviews undertaken to determine whether a deferred tax asset should be recognised in jurisdictions where unbooked tax losses exist and in assessing the recoverability of booked tax losses, involve the use of judgement and estimates in assessing the projected future trading performances of relevant operations.

These judgements and estimates are subject to risk and uncertainty hence there is a possibility that changes in circumstances will alter expectations which may impact on the amount of the deferred tax asset in respect of tax losses recognised on the balance sheet. In such circumstances the carrying amount of this asset may require adjustment resulting in a corresponding credit or charge to the income statement.

Defined Benefit Superannuation Plans

Various actuarial assumptions are utilised in the determination of the Group's defined benefit superannuation plan obligations.

These assumptions are detailed in Note 20.

Notes to the Financial Statements

2. Operating Segments

The Group comprises the following main operating segments:

Industrial GBU : hand and upper arm and body protective solutions for the industrial market

Medical GBU : surgical and examination gloves for healthcare professionals and patients

Sexual Wellness GBU : condoms, lubricants and devices

Specialty Markets GBU (previously New Verticals) : protective gloves and clothing for markets outside of traditional manufacturing environments

	Operating Revenue		Operating Result	
	2012	2011	2012	2011
	A\$m	A\$m	A\$m	A\$m
Operating Segments				
Industrial	489.0	477.5	81.3	83.2
Medical	346.0	362.7	38.6	39.8
Sexual Wellness	210.9	202.4	32.2	22.2
Specialty Markets	172.4	177.2	7.1	2.5
Total Operating Segments	1,218.3	1,219.8	159.2	147.7
Corporate costs			(9.8)	(8.9)
Earnings before Interest and Tax (EBIT)			149.4	138.8
Interest expense and other financing costs			(11.7)	(12.5)
Interest revenue	6.8	8.4	6.8	8.4
Profit before Income Tax			144.5	134.7
Income tax			(11.5)	(8.8)
Profit for the period			133.0	125.9
Non-controlling interests			(3.0)	(3.2)
Total Consolidated	1,225.1	1,228.2	130.0	122.7

Regional Information				
Asia Pacific	259.8	237.5	62.0	50.2
Europe, Middle East and Africa	463.7	473.7	61.0	47.6
Latin America & Caribbean	80.5	77.3	10.2	10.3
North America	414.3	431.3	26.0	39.6
Total Regional Information	1,218.3	1,219.8	159.2	147.7

	Assets Employed		Liabilities	
	2012	2011	2012	2011
	A\$m	A\$m	A\$m	A\$m
Operating Segments				
Industrial	335.3	310.1	100.7	96.0
Medical	284.2	261.6	81.5	78.9
Sexual Wellness	200.0	211.9	33.6	37.4
Specialty Markets	123.2	76.2	22.9	19.7
Total Operating Segments	942.7	859.8	238.7	232.0
Corporate assets/liabilities	156.3	114.0	388.8	306.7
Cash	249.3	242.5	-	-
Total Consolidated	1,348.3	1,216.3	627.5	538.7
Regional Information				
Asia Pacific	242.3	226.0	95.0	87.5
Europe, Middle East and Africa	143.1	149.2	52.6	61.4
Latin America & Caribbean	33.1	30.3	5.6	5.6
North America	191.9	162.6	85.5	77.5
Goodwill and brand names	332.3	291.7	-	-
Total Regional Information	942.7	859.8	238.7	232.0

Notes to the Financial Statements

2. Operating Segments (continued)

(a) Corporate Costs

Represents costs of the Statutory Head Office and part of the costs of the Corporate Head Office.

(b) Cash

Cash also includes Accufix Pacing Leads restricted deposits.

(c) Inter-Segment Transactions

There were no significant inter-operating segment sales. Inter-operating segment sales are predominantly made at the same prices as sales to major customers. Operating Revenue is shown net of inter-segment values. Accordingly, the Operating Revenues shown in each segment reflect only the external sales made by that segment.

(d) Regional Information

The allocation of Operating Revenue and Operating Results reflect the geographical regions in which the products are sold to external customers.

Assets Employed (excluding goodwill and brand names) 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.

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

Latin America and Caribbean - manufacturing facility in Brazil and sales activity.

North America - manufacturing facilities in USA and Mexico and sales activity.

(e) Country of Domicile

The Company's country of domicile is Australia. The Operating Revenue and Assets Employed for the Australian trading operations (reported within the Asia Pacific region) are as follows:

	2012	2011
	A\$m	A\$m
Operating Revenue	137.8	130.8
Assets Employed	60.6	43.0
	2012	2011
	A\$m	A\$m
(f) Operating Segments' Capital Expenditure		
Industrial	11.8	8.8
Medical	8.8	7.8
Sexual Wellness	2.4	5.7
Specialty Markets	2.6	1.1
(g) Operating Segments' Depreciation		
Industrial	5.2	5.0
Medical	8.4	9.0
Sexual Wellness	3.0	4.0
Specialty Markets	1.3	1.2

Notes to the Financial Statements

3. Total Revenue

	2012	2011
	A\$m	A\$m
Revenue from the Sale of Goods	1,218.3	1,219.8
Interest Received or Due and Receivable	6.8	8.4
Total Revenue	1,225.1	1,228.2

4. Profit Before Income Tax

	2012	2011
	A\$m	A\$m
Profit before income tax has been arrived at after charging/(crediting) the following items:		
Net Financing Costs		
Interest paid or due and payable to others	9.7	10.8
Other financing costs	2.0	1.7
Interest received or due and receivable from others	(6.8)	(8.4)
Total Net Financing Costs	4.9	4.1
Depreciation		
Buildings	1.5	1.5
Plant and equipment	15.8	16.6
Amortisation		
Leasehold land and buildings	1.2	1.2
Capitalised development costs	1.6	1.9
Capitalised software costs	1.8	-
Research and Development Costs		
Expensed as incurred	10.7	11.3
Previously capitalised development costs written off	-	0.8
Net Bad Debts Expense	(0.3)	0.3
Amounts Set Aside to/(Released from) Provision for:		
Impairment of trade debtors	(0.7)	(0.1)
Rationalisation and restructuring costs	(0.3)	(1.0)
Insurance claims	0.1	(1.2)
Employee Related Expenses		
Wages and salaries	165.6	187.5
Increase in provision for employee entitlements	10.6	8.4
Defined contribution superannuation plan expense	8.1	5.6
Defined benefit superannuation plan expense	1.5	1.7
Equity settled share-based payments expense	0.2	(0.5)
Net Foreign Exchange Gain	(4.8)	(5.5)
Gains Arising from Sale of Property, Plant and Equipment	(8.1)	(0.1)
Operating Lease Rentals	21.1	18.2
Write-down in Value of Inventories	2.3	(0.1)

5. Auditors' Remuneration

	2012	2011
	A\$'000	A\$'000
Audit and review of the financial reports:		
Auditors of Ansell Limited and Australian entities - KPMG	1,088	1,036
Other member firms of KPMG	1,606	1,541
	2,694	2,577
Other services:		
Other audit and assurance services		
Other member firms of KPMG	114	70
Taxation and other services		
Other member firms of KPMG	58	38
Total other services	172	108
Total auditors' remuneration	2,866	2,685

Notes to the Financial Statements

6. Issued Capital and Reserves

(a) Issued Capital

\$ in millions	2012 A\$m	2011 A\$m
Issued Capital		
130,656,668 (2011 - 133,011,550) ordinary shares, fully paid	862.2	893.9
67,900 (2011 - 67,900) Executive Share Plan shares, paid to 5 cents	-	-
Total Issued Capital	862.2	893.9

Movement in shares on issue	No. of Shares	
Ordinary Shares		
Balance at 1 July	133,011,550	131,577,652
Conversion of Performance Rights and exercise of options	97,812	1,430,898
Conversion of Executive Share Plan shares to fully paid	-	3,000
Buy-back/cancellation of shares	(2,452,694)	-
Balance at 30 June	<u>130,656,668</u>	<u>133,011,550</u>
Executive Share Plan Shares		
Balance at 1 July	67,900	70,900
Conversion of Executive Share Plan shares to fully paid	-	-3,000
Balance at 30 June	<u>67,900</u>	<u>67,900</u>

The Company does not have authorised capital or par value in respect of its issued shares.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Share Buy-back

On 15 August 2011 the Company announced an on-market buy-back program of up to 5 million shares to be completed within 12 months. Under this program, a total of 2,452,694 shares were bought back during the year.

Executive Share Plan

As previously reported, the Pacific Dunlop Executive Share Plan was closed to new members effective 12 September 1996, and no further issues of Executive Plan Shares will be made.

During the financial year, no amounts outstanding on existing Executive Plan shares were paid (2011 - 3,000). Shares allotted under the Pacific Dunlop Executive Share Plan have been paid to 5 cents per share. Refer to Note 23 Ownership-based Remuneration Schemes for details of the price payable for shares issued under this plan.

Options

As at the date of this report 249,086 (2011 - 346,898) unissued shares in the Company remain under option.

(b) Reserves

Nature and purpose of reserves

Share-based payments

This reserve is used to record the value of equity benefits provided to employees as part of their remuneration under the Ansell Limited Stock Incentive Plan and the CEO Special Long-Term Incentive Plan. Refer to Note 23 Ownership-based Remuneration Schemes for further details of these plans.

Hedging

This reserve records the portion of the unrealised gains or losses on cash flow hedges that are deemed to be effective.

General

In certain jurisdictions regulatory requirements result in appropriations being made to a general reserve. The amount in the general reserve is available for release to accumulated losses.

Foreign currency translation

The foreign currency translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the Group, as well as the translation of borrowings or any other currency instruments that hedge the Company's net investment in a foreign operation. Refer to Note 1 Summary of Significant Accounting Policies.

Transactions with non-controlling interests

Represents the excess paid over the fair value of assets acquired as a result of the purchase of additional equity in non-wholly-owned subsidiaries.

Fair value reserve

This reserve records the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised.

Notes to the Financial Statements

7. Income Tax

	2012 A\$m	2011 A\$m
Prima facie income tax calculated at 30% (2011: 30%) on profit before income tax	43.4	40.4
Reduced taxation arising from:		
Investment and export incentive allowances	(2.5)	(2.1)
Net (lower)/higher overseas tax rates	(2.4)	1.7
Utilisation/recognition of previously unbooked tax losses*	(20.6)	(32.5)
Reversal of valuation allowance against deferred tax asset	(5.4)	-
Other permanent differences	(1.0)	1.3
Income tax expense attributable to profit before income tax	11.5	8.8
Income tax expense attributable to profit before income tax is made up of:		
Current year income tax	26.5	21.9
Deferred income tax attributable to:		
Increase/(Decrease) in deferred tax liability	2.7	(4.4)
Increase in deferred tax asset	(17.7)	(8.7)
	11.5	8.8

* Includes additional net booked tax losses of \$4.3 million (2011 \$14.9 million).

	2012 A\$m	2011 A\$m
Income tax benefit/(expense) recognised in other comprehensive income		
Actuarial gain/loss on defined benefit pension /post retirement health benefit plans	2.3	(0.6)
Change in fair value of available for sale financial assets	0.3	-
Movement in effective hedges for year	3.0	-
	5.6	(0.6)

8. Dividends Paid or Declared

	2012 A\$m	2011 A\$m
Dividends Paid		
A final dividend of 19.0 cents per share unfranked for the year ended 30 June 2011 (June 2010 - 17.5 cents unfranked) was paid on 21 September 2011 (2010 - 29 September 2010)	25.3	23.3
An interim dividend of 15.0 cents per share unfranked for the year ended 30 June 2012 (June 2011 - 14.0 cents unfranked) was paid on 14 March 2012 (2011 - 16 March 2011)	19.6	18.6
	44.9	41.9

Dividends Declared

Since the end of the financial year the Directors have declared a final dividend of 20.5 cents per share unfranked, for the year ended 30 June 2012.

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2012 and will be recognised in subsequent financial reports.

Dividend Franking Account

The balance of the dividend franking account as at 30 June 2012 was nil (2011 - nil).

Notes to the Financial Statements

9. Cash and Cash Equivalents

	2012	2011
	A\$m	A\$m
Cash on hand	0.7	2.0
Cash at bank	60.8	60.1
Short-term deposits	184.3	176.9
	245.8	239.0
Restricted deposits	3.5	3.5
Total Cash and Cash Equivalents	249.3	242.5

Restricted deposits represent cash set aside (under Court orders) to cover the provisions established to address any remaining liability of members of the Group for claims arising with respect to the Accufix Pacing Lead (refer Note 19 Provisions - Provision for Accufix Pacing Lead related expenses).

10. Trade and Other Receivables

	2012	2011
	A\$m	A\$m
Current		
Trade debtors	209.8	198.4
Allowance for impairment	(7.1)	(10.5)
Provision for rebates and allowances	(27.5)	(22.4)
	175.2	165.5
Other amounts receivable	9.5	8.8
Derivative financial instruments	6.8	6.3
Total Current	191.5	180.6
Non-Current		
Other amounts receivable	2.1	1.5
Total Non-Current	2.1	1.5
Total Trade and Other Receivables	193.6	182.1

The reconciliation of allowance for impairment - trade debtors is presented below:

	2012	2011
	A\$m	A\$m
Balance at the beginning of the financial year	10.5	12.6
Amounts credited to the income statement	(0.7)	(0.1)
Amounts utilised for intended purposes	(2.8)	(0.3)
Net exchange differences on translation of foreign operations	0.1	(1.7)
Balance at the end of the financial year	7.1	10.5

11. Inventories

	2012	2011
	A\$m	A\$m
Raw materials	23.7	24.5
Work in progress	13.8	16.5
Finished goods	174.9	143.8
Other stock	0.1	0.6
Total Inventories	212.5	185.4
Inventories recognised as an expense	716.9	737.3

Notes to the Financial Statements

12. Current Assets - Other

	2012	2011
	A\$m	A\$m
Prepayments	7.2	7.3
Engineering spares	2.8	3.0
Total Current Assets - Other	10.0	10.3

13. Investments

	2012	2011
	A\$m	A\$m
Investments		
<i>Other investments</i>		
Quoted on a prescribed stock exchange:		
At fair value	3.6	-
Not quoted on a prescribed stock exchange:		
At cost	0.4	0.1
Total Investments	4.0	0.1

14. Property, Plant and Equipment

	2012	2011
	A\$m	A\$m
(a) Freehold Land		
At cost	12.6	12.8
(b) Freehold Buildings		
At cost	45.0	46.1
Provision for depreciation	(21.2)	(21.1)
	23.8	25.0
(c) Leasehold Land and Buildings		
At cost	43.9	41.1
Provision for amortisation	(17.1)	(15.6)
	26.8	25.5
(d) Plant and Equipment		
At cost	339.1	340.2
Provision for depreciation	(263.2)	(268.1)
	75.9	72.1
(e) Buildings and Plant under construction		
At cost	11.5	5.5
Total Property, Plant and Equipment	150.6	140.9

Notes to the Financial Statements

14. Property, Plant and Equipment (continued)

Reconciliations

Reconciliations of the balances for each class of property, plant and equipment are set out below:

	2012	2011
	A\$m	A\$m
Freehold Land		
Balance at the beginning of the financial year	12.8	14.5
Net exchange differences on translation of foreign operations	(0.2)	(1.7)
Balance at the end of the financial year	12.6	12.8
Freehold Buildings		
Balance at the beginning of the financial year	25.0	30.0
Disposals/Write-downs	-	(0.6)
Transfer from buildings and plant under construction	1.1	1.1
Depreciation	(1.5)	(1.5)
Net exchange differences on translation of foreign operations	(0.8)	(4.0)
Balance at the end of the financial year	23.8	25.0
Leasehold Land and Buildings		
Balance at the beginning of the financial year	25.5	31.3
Additions	0.4	-
Disposals/Write-downs	(0.8)	-
Transfer from buildings and plant under construction	2.2	0.8
Amortisation	(1.2)	(1.2)
Net exchange differences on translation of foreign operations	0.7	(5.4)
Balance at the end of the financial year	26.8	25.5
Plant and Equipment		
Balance at the beginning of the financial year	72.1	84.1
Additions	5.6	5.9
Additions through entities/businesses acquired	1.1	-
Disposals/Write-downs	(1.0)	(0.8)
Transfer from buildings and plant under construction	12.4	13.5
Depreciation	(15.8)	(16.6)
Net exchange differences on translation of foreign operations	1.5	(14.0)
Balance at the end of the financial year	75.9	72.1
Buildings and Plant under construction		
Balance at the beginning of the financial year	5.5	4.3
Additions	21.6	17.5
Transfers to property, plant and equipment	(15.7)	(15.4)
Net exchange differences on translation of foreign operations	0.1	(0.9)
Balance at the end of the financial year	11.5	5.5

Notes to the Financial Statements

15. Intangible Assets

	2012 A\$m	2011 A\$m
Brand Names		
At cost		
Balance at the beginning of the financial year	104.1	115.8
Additions through entities acquired	1.0	-
Amounts written off to the income statement	-	(0.2)
Net exchange differences on translation of foreign operations	(0.8)	(11.5)
Balance at the end of the financial year	104.3	104.1
Goodwill		
At cost		
Balance at the beginning of the financial year	315.8	377.4
Additions through entities acquired	39.7	-
Net exchange differences on translation of foreign operations	4.8	(61.6)
Balance at the end of the financial year	360.3	315.8
Provision for amortisation and impairment		
Balance at the beginning of the financial year	128.2	161.8
Net exchange differences on translation of foreign operations	4.1	(33.6)
Balance at the end of the financial year	132.3	128.2
Written down value of goodwill at the end of the financial year	228.0	187.6
Development costs		
At cost		
Balance at the beginning of the financial year	13.5	13.6
Expenditure capitalised in the current period	4.3	2.1
Previously capitalised costs charged to the income statement	-	(0.8)
Net exchange differences on translation of foreign operations	0.1	(1.4)
Balance at the end of the financial year	17.9	13.5
Provision for amortisation and impairment		
Balance at the beginning of the financial year	6.1	5.0
Amortisation	1.6	1.9
Net exchange differences on translation of foreign operations	-	(0.8)
Balance at the end of the financial year	7.7	6.1
Written down value of development costs at the end of the financial year	10.2	7.4
Software costs		
At cost		
Balance at the beginning of the financial year	39.9	18.7
Additions	9.0	21.2
Balance at the end of the financial year	48.9	39.9
Provision for amortisation and impairment		
Balance at the beginning of the financial year	-	-
Amortisation	1.8	-
Balance at the end of the financial year	1.8	-
Written down value of software costs at the end of the financial year	47.1	39.9
Total Intangible Assets	389.6	339.0

Amortisation charge

The amortisation of development and software costs is recognised in selling, general and administration costs in the income statement.

Notes to the Financial Statements

15. Intangible Assets (continued)

Impairment testing of Goodwill and Brand Names

Goodwill and brand names are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

For the purposes of impairment testing, goodwill and brand names are allocated to cash generating units (CGUs), which equate to the Group's reportable business segments, i.e. Industrial, Medical, Sexual Wellness and Specialty Markets upon acquisition.

Carrying amount of goodwill and brand names allocated to each of the CGUs:

	2012	2011
	A\$m	A\$m
Industrial	130.4	126.6
Medical	89.3	70.6
Sexual Wellness	82.3	87.8
Specialty Markets	30.3	6.7
	332.3	291.7

The recoverable amount of the CGUs has been determined based on a value in use calculation utilising five-year cash flow projections based on budgets for the next financial year as approved by the Board and internal forecasts for the 2014/2015 and 2015/2016 financial years. A zero growth rate has been assumed for the subsequent two years. The terminal value is based on the cash flows for year five and a zero growth rate. The pre-tax discount rate applied is 10% (2011 - 10%) which equates to the Group's pre-tax weighted average cost of capital.

The results of the impairment testing indicated that the value in use of each of the CGUs was in excess of the carrying value of its net operating assets (inclusive of goodwill and brand names) and no impairment charge was necessary.

16. Deferred Tax Assets

	2012	2011
	A\$m	A\$m
Deferred tax assets arising from:		
Deductible temporary differences	52.5	36.3
Accumulated tax losses	67.0	61.8
	119.5	98.1

Deferred tax assets are attributable to the following:

	2012	2011
	A\$m	A\$m
Trading stock tax adjustments	8.2	5.1
Provisions	25.8	17.7
Accruals	7.4	1.7
Plant and equipment and capital allowances	0.8	0.8
Capitalised development costs	10.3	11.0
Accumulated tax losses	67.0	61.8
Total Deferred Tax Assets	119.5	98.1

The Group has not recognised the tax value of deferred tax assets in respect of trading tax losses of \$86.4 million (2011 - \$109.9 million) and \$153.2 million of capital losses (2011 - \$153.5 million). Deferred tax assets in respect of these losses have not been recognised as it is not probable that future taxable profits will be available against which these losses can be utilised.

Details of the movement in the balance of deferred tax assets are as follows:

	2012	2011
	A\$m	A\$m
Balance at the beginning of the financial year	98.1	105.0
Over provision of prior year balance	0.3	-
Amount credited to the income statement	17.7	8.7
Net exchange differences on translation of foreign operations	3.4	(15.6)
Balance at the end of the financial year	119.5	98.1

An increase in deferred tax assets of \$5.6 million was recognised in comprehensive income during the year (2011 - decrease of \$0.6 million).

Notes to the Financial Statements

18. Interest Bearing Liabilities (continued)

The following table sets out details in respect of Interest Bearing Liabilities at 30 June.

Nature and Currency of Borrowing		Interest Rate % p.a.	Financial Year of Maturity	2012 A\$m
Bank Loans	Canadian dollars	2.45	2013	9.6
	Euros	2.28	2015	6.2
	Euros	4.71	2015	34.1
	Euros	4.81	2015	3.1
	Indian rupees	13.20	2013	1.3
	US dollars	1.74	2014	10.0
	US dollars	1.75	2014	6.0
	US dollars	1.99	2014	4.9
	US dollars	3.76	2014	18.5
	US dollars	3.85	2014	4.9
	US dollars	3.88	2014	1.5
	US dollars	4.15	2014	20.0
	US dollars	4.20	2014	15.0
	US dollars	4.62	2014	10.0
	US dollars	4.87	2014	4.9
	US dollars	5.82	2014	4.9
	US dollars	2.04	2014	4.9
	US dollars	1.62	2015	31.4
	US dollars	4.25	2015	24.8
	US dollars	2.15	2016	2.0
	US dollars	3.85	2016	10.0
	US dollars	4.78	2016	10.0
Other Loans	Euros	3.37	2020	37.1
	US dollars	0.20	2013	5.8
	US dollars	3.75	2020	20.0
Total Interest Bearing Liabilities				300.9

Nature and Currency of Borrowing		Interest Rate % p.a.	Financial Year of Maturity	2011 A\$m
Bank Loans	Canadian dollars	2.45	2012	7.7
	Euros	2.14	2012	67.6
	Indian rupees	12.81	2012	1.4
	Thai baht	4.00	2012	1.7
	US dollars	0.84	2012	9.4
	US dollars	0.92	2012	37.5
	US dollars	0.93	2012	18.7
	US dollars	2.05	2012	9.4
	US dollars	5.13	2012	18.7
	US dollars	2.02	2014	23.5
	US dollars	2.32	2014	18.7
Other Loans	US dollars	0.18	2012	13.1
Total Interest Bearing Liabilities				227.4

	2012 A\$m	2011 A\$m
Net Interest Bearing Debt		
Current interest bearing liabilities	16.7	185.2
Non-current interest bearing liabilities	284.2	42.2
Cash at bank and short-term deposits	(245.1)	(237.0)
Net interest bearing debt	55.8	(9.6)

Notes to the Financial Statements

17. Trade and Other Payables

	2012	2011
	A\$m	A\$m
Current		
Trade creditors	136.1	138.1
Other creditors	18.7	15.8
Derivative financial instruments	18.1	13.6
Total Current	172.9	167.5
Non-Current		
Other creditors	5.0	0.5
Total Non-Current	5.0	0.5
Total Trade and Other Payables	177.9	168.0

18. Interest Bearing Liabilities

	2012	2011
	A\$m	A\$m
Current		
Loans repayable in:		
Canadian dollars	9.6	7.7
Euros	-	67.6
Thai baht	-	1.7
Indian rupees	1.3	1.4
US dollars	5.8	106.8
Total Current	16.7	185.2
Non-Current		
Loans repayable in:		
Euros	80.5	-
US dollars	203.7	42.2
Total Non-Current	284.2	42.2
Total Interest Bearing Liabilities	300.9	227.4

The Group has US\$325 million and Euro 65 million revolving credit bank facilities. The US\$325 million (US\$184.5 drawn down) matures on various dates between 20 December 2013 and 31 January 2016. Of the Euro 65 million, Euro 15 million matures on 2 July 2012 (nil drawn down), Euro 27.5 million (fully drawn down) matures on 24 November 2014 and Euro 22.5 million (Euro 7.5 million drawn down) matures on 25 May 2015. The Group has also issued Senior Notes for US\$20 million and Euro 30 million maturing on 6 June 2020. These facilities can be accessed by certain Australian, US and European subsidiaries.

There are a number of financial covenants attaching to the bank and note facilities including restrictions on the level of borrowings of non-guarantor subsidiaries and ensuring certain financial ratios are maintained. If any breaches of these covenants occur all monies outstanding under the facility become immediately due and payable. The Company is in compliance with all covenants. The interest rates for these facilities are determined based on market rates at the time amounts are drawn down.

Notes to the Financial Statements

19. Provisions

	2012	2011
	A\$m	A\$m
Current		
Provision for employee entitlements	41.4	52.1
Provision for rationalisation and restructuring costs	1.9	2.2
Provision for Accufix Pacing Lead related expenses	3.4	3.3
Provision for insurance claims	2.8	2.7
Total Current	49.5	60.3
Non-Current		
Provision for employee entitlements	20.0	17.6
Total Non-Current	20.0	17.6
Total Provisions	69.5	77.9

Reconciliations of the carrying amount of each class of provision, except for employee entitlements, are set out below:

	2012	2011
	A\$m	A\$m
Provision for rationalisation and restructuring		
Balance at the beginning of the financial year	2.2	3.2
Amounts credited to the income statement	(0.3)	(1.0)
Balance at the end of the financial year	1.9	2.2
Provision for Accufix Pacing Lead related expenses		
Balance at the beginning of the financial year	3.3	3.5
Net exchange differences on translation of foreign operations	0.1	(0.2)
Balance at the end of the financial year	3.4	3.3
Provision for insurance claims		
Balance at the beginning of the financial year	2.7	4.3
Amounts charged/(credited) to the income statement	0.1	(1.2)
Amounts utilised for intended purposes	-	(0.1)
Net exchange differences on translation of foreign operations	-	(0.3)
Balance at the end of the financial year	2.8	2.7

Provision for rationalisation and restructuring costs

This provision covers a variety of matters predominantly relating to the sale of businesses and former subsidiaries and is regularly reviewed in light of issues that have been settled or new events that have arisen during the reporting period.

Provision for Accufix Pacing Lead related expenses

This provision is to meet the costs of patients associated with the monitoring and (where appropriate) explanation of Accufix Pacing Leads and for legal costs in defence of claims made in respect of the Accufix Pacing Leads. This provision is covered by cash required to be set aside by the Courts (refer to Note 9 - Cash and Cash Equivalents - Restricted deposits).

Provision for insurance claims

Corrvas Insurance Pty. Ltd. and Corrvas Insurance (Singapore) Pte. Ltd. are entities authorised by their respective jurisdiction's regulatory authority to operate as captive insurance companies for Ansell Limited and its subsidiaries. This provision comprises current open claims where the reserves are set for the total estimated costs of individual claims that have not been fully paid out and 'Incurred but not reported' (IBNR) claims.

In Australia, the provision is required to be supported by a "Liability Valuation Report" prepared by an actuary approved by the Australian Prudential Regulatory Authority. In Singapore, captives are exempted from undertaking an actuarial assessment of their insurance liabilities and are not required to lodge such a report with the Monetary Authority of Singapore (MAS). In line with MAS regulations, the IBNR estimates are in accordance with a policy approved by the Board of Corrvas Insurance (Singapore) Pte. Ltd.

Notes to the Financial Statements

20. Retirement Benefit Obligations

Certain members of the Group contribute to defined benefit and defined contribution superannuation plans maintained to provide superannuation benefits for employees.

The following sets out details in respect of defined benefit plans.

(a) Balance sheet amounts

	2012	2011
	A\$m	A\$m
Present value of defined benefit obligations	65.7	62.8
Fair value of defined benefit plan assets	(48.0)	(50.4)
Net liability in the balance sheet	17.7	12.4

Certain members of the Group are obliged to contribute to the various superannuation plans as a consequence of legislation or Trust Deeds; legal enforceability is dependent on the terms of the legislation or the Trust Deeds.

(b) Reconciliations of benefit obligations and plan assets

	2012	2011
	A\$m	A\$m
<i>Present value of defined benefit obligations</i>		
Balance at the beginning of the financial year	62.8	72.0
Current service cost	1.8	2.0
Interest cost	2.5	2.4
Contributions by plan participants	0.1	0.2
Actuarial losses/(gains)	5.7	(0.4)
Taxes and expenses paid	(0.2)	(0.3)
Settlements	(4.2)	(0.6)
Benefits paid	(3.3)	(2.5)
Exchange rate changes/other movements	0.5	(10.0)
Balance at the end of the financial year	65.7	62.8
<i>Fair value of plan assets</i>		
Balance at the beginning of the financial year	50.4	51.6
Expected return on plan assets	3.0	2.7
Actuarial (losses)/gains	(2.4)	1.6
Contributions by employer	3.5	4.8
Contributions by plan participants	0.1	0.2
Taxes and expenses paid	(0.2)	(0.3)
Settlements	(4.4)	(0.6)
Benefits paid	(3.3)	(2.5)
Exchange rate changes/other movements	1.3	(7.1)
Balance at the end of the financial year	48.0	50.4

(c) Categories of plan assets

The major categories of plan assets are as follows:

	2012	2011
Equity securities	58%	59%
Fixed interest securities	32%	34%
Property	3%	3%
Other	7%	4%

Notes to the Financial Statements

20. Retirement Benefit Obligations (continued)

(d) Amounts recognised in the income statement

	2012	2011
	A\$m	A\$m
Current service cost	1.8	2.0
Interest cost	2.5	2.4
Settlements	0.2	-
Expected return on plan assets	(3.0)	(2.7)
Total expense recognised in the income statement	1.5	1.7

The expense is recognised in the following line within the income statement:

	2012	2011
	A\$m	A\$m
Selling, general and administration	1.5	1.7
	1.5	1.7
Actual return on plan assets	0.6	4.3

(e) Amounts recognised directly in accumulated losses

	2012	2011
	A\$m	A\$m
Actuarial (loss)/gain recognised for the year in other comprehensive income	(8.1)	2.0
Cumulative actuarial loss in other comprehensive income	(18.3)	(10.2)

(f) Principal actuarial assumptions

The principal actuarial assumptions used (expressed as a weighted average) were as follows:

	2012	2011
Discount rate	3.9%	5.1%
Expected return on plan assets	6.1%	6.1%
Future salary increases	3.9%	3.8%

Expected return on plan assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each asset class are net of any investment expenses.

(g) Historic summary

	2012	2011	2010	2009	2008
	A\$m	A\$m	A\$m	A\$m	A\$m
Defined benefit plan obligation	65.7	62.8	72.0	69.0	65.5
Plan assets	(48.0)	(50.4)	(51.6)	(43.0)	(55.7)
Deficit	17.7	12.4	20.4	26.0	9.8
Experience adjustments (gain)/loss - plan liabilities	(0.3)	0.6	0.1	0.3	(0.7)
Experience adjustments loss/(gain) - plan assets	2.5	(1.9)	(6.7)	17.4	4.4

The Group expects \$3.7 million in contributions to be paid to its defined benefit plans during the year ending 30 June 2013.

(h) Defined contribution superannuation plans

	2012	2011
	A\$m	A\$m
Contributions to defined contribution plans during the year	8.1	5.6

Notes to the Financial Statements

21. Deferred Tax Liabilities

The tax effect of temporary differences that give rise to significant portions of the provision for deferred income tax are presented below:

	2012	2011
	A\$m	A\$m
Depreciation on plant and equipment adjustments	4.6	4.3
Amortisation of intangible assets	22.4	19.5
Other	2.6	1.9
Total Deferred Tax Liabilities	29.6	25.7

Details of the movement in the balance of deferred tax liabilities are as follows:

	2012	2011
	A\$m	A\$m
Balance at the beginning of the financial year	25.7	37.3
Over provision of prior year balance	-	(0.1)
Amount charged/(credited) to the income statement	2.7	(4.4)
Net exchange differences on translation of foreign operations	1.2	(7.1)
Balance at the end of the financial year	29.6	25.7

22. Expenditure Commitments

	2012	2011
	A\$m	A\$m
(a) Capital expenditure commitments		
Contracted but not provided for in the financial statements:		
Plant and equipment	4.1	1.8
	4.1	1.8
Payable within one year	4.1	1.8
(b) Operating Lease commitments		
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	3.3	4.3
One year or later and no later than five years	11.4	8.9
Later than five years	11.0	2.1
	25.7	15.3

The Group leases property under operating leases expiring from one to fifteen years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated.

Notes to the Financial Statements

23. Ownership-based Remuneration Schemes

Ansell Limited Stock Incentive Plan

The Company had previously operated the Ansell Limited Stock Incentive Plan under which options, Performance Share Rights (PSRs) and Performance Rights (PRs) were granted to employees. The final grant of PRs and options under this plan (granted in 2008) were subject to a three-year performance period that was tested at the end of the 2010 financial year.

CEO Special Long-Term Incentive Plan

At the time of his appointment the Managing Director and Chief Executive Officer was allocated 129,730 Performance Rights pursuant to the CEO Special Long-Term Incentive Plan. The number of rights granted was determined by dividing the target remuneration value of US\$1,000,000 by the value of the rights, which was determined based on Ansell's average share price over the 5 days preceding the announcement of Mr. Nicolin's formal appointment to the role.

In accordance with the disclosure requirements of Australian Accounting Standards, remuneration includes a proportion of the fair value of options and PRs outstanding during the year. The fair value of the rights is progressively allocated over the vesting period for these securities.

The amount included as remuneration for the above plans is disclosed in the Remuneration Report and Note 25 Key Management Personnel Disclosures.

Options - Generally

As at the date of this report 249,086 unissued ordinary shares in the Company remain under option.

Discontinued Executive Share Plan

The Company (when it was Pacific Dunlop Limited) historically operated the Pacific Dunlop Executive Share Plan ("Executive Plan") which was discontinued in 1996.

Shares issued under the Executive Plan to selected employees ("Executives") were paid up to five cents and were subject to restrictions for a period. While partly paid, the shares are not transferable, carry no voting rights and no entitlement to dividends (but are entitled to participate in bonus or rights issues as if fully paid). The price payable for shares issued under the Executive Plan varies according to the event giving rise to a call being made. Once restrictions ceased the price payable upon a call being made is the lesser of \$10.00 (\$2.50 for issues prior to 13 September 1991) and the last sale price of the Company's ordinary shares on ASX Limited.

The number of Executive Plan Shares (ordinary plan shares paid to five cents) as at balance date are shown in Note 6 Issued Capital and Reserves.

The market price of the Company's shares as at 30 June 2012 was \$13.20.

24. Financial Risk Management

Ansell has a range of financial policies designed to enable management to ensure financial risk (including foreign exchange and interest rate exposure) does not negatively affect the Group's results and in particular any financial forecasts the Company may make. This is achieved as follows:

(a) Foreign Exchange Risk

The Group is exposed to a number of foreign currencies however the predominant operating currency is the US dollar (US\$). As such the Group has determined it appropriate to manage its foreign currency exposure against the US\$. On this basis the Company manages its two types of exposures as follows:

(i) Translation

At 30 June and 31 December each year, the Group translates its accounts from US\$ to Australian dollars (A\$) for statutory reporting purposes in Australia. No foreign exchange contracts are taken out as these are non-cash journal entries.

(ii) Transaction

Major revenue and cost currency net cash flow exposures are predominantly hedged back to US\$ on a 12 to 18-month rolling basis.

The Group undertakes a range of derivative financial instruments, which can be defined in the following broad categories:

(i) Forward/Future Contracts

These transactions enable the Group to buy or sell specific amounts of foreign exchange or financial instruments at an agreed rate/price at a specified future date. Maturities of these contracts are predominantly up to one year.

(ii) Foreign Exchange Options

This is a contract between two parties, which gives the buyer of the put or call option the right, but not the obligation, to transact at a specified exchange rate. The Group typically uses a combination of bought and sold options, generally for zero cost, to hedge foreign currency receivable and payable cash flows predominantly out to one year. Some options include knock out barrier levels, however under all option structures the Group's minimum foreign exchange rate is known.

(b) Interest Rate Risk

The Group has the broad aim of managing interest rate risk on its debt by setting a minimum level of interest rate risk days (the weighted average term of all interest rates in the portfolio) and a minimum fixed/floating interest rate ratio. The Group enters into interest rate swaps that enable parties to swap interest rates (from or to a fixed or floating basis) for a defined period of time. Maturities of the contracts are principally between one and five years.

Notes to the Financial Statements

24. Financial Risk Management (continued)

(b) Interest Rate Risk (continued)

Prior to the beginning of each year, the Group calculates its Financial Budget for the upcoming year using an updated set of financial assumptions and management's view of the marketplace in the coming financial year. The Group forecasts interest rates for all debt repricing and new financing.

In this context interest rate risk is the risk that the Group will, as a result of adverse movements in interest rates, experience:

- Unacceptable variations to the cost of debt in the review period for which the Financial Budget has been finalised; and
- Unacceptable variations in interest expense from year to year.

It is recognised that movements in interest rates may be beneficial to the Group.

Within the context of the Group's operations, interest rate exposure occurs from the amount of debt repricing that occurs in any one year.

The exposure to interest rate risk and the effective weighted average interest rate for interest bearing financial liabilities are set out below:

	Weighted Average Effective Interest Rate %	Floating	Fixed Interest repricing in:				Total A\$m
			1 year or less A\$m	1 to 2 years A\$m	2 to 5 years A\$m	> 5 years A\$m	
2012							
Bank and other loans	2.3%	236.7	7.2	-	-	57.0	300.9
Effect of interest rate swaps*	1.2%	(161.7)	-	92.0	69.7	-	-
		75.0	7.2	92.0	69.7	57.0	300.9
2011							
Bank and other loans	2.0%	192.5	34.9	-	-	-	227.4
Effect of interest rate swaps*	1.6%	(166.0)	8.3	-	157.7	-	-
		26.5	43.2	-	157.7	-	227.4

* Represents notional amount of interest rate swaps.

A separate analysis of debt by currency can be found at Note 18 - Interest Bearing Liabilities.

The table below shows the effect on profit for the period and equity, if interest rates had been 10 per cent higher or lower with all other variables held constant, taking into account all underlying exposures and related hedges. A sensitivity of 10 per cent has been selected as this is considered reasonable given the current level of both short-term and long-term US\$ interest rates.

	Profit for the period		Equity	
	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m
If interest rates were 10% higher with all other variables held constant	-	-	0.3	0.6
If interest rates were 10% lower with all other variables held constant	-	-	(0.3)	(0.6)

(c) Credit Risk

The credit risk on financial assets (excluding investments) of the Group, is the carrying amount, net of any provision for impairment, which has been recognised on the balance sheet.

The Group minimises concentrations of credit risk by undertaking transactions with a large number of customers and counter-parties in various countries.

The Group is not materially exposed to any individual customer.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group does not hold any collateral.

The Group's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2012 A\$m	2011 A\$m
Trade and other receivables	193.6	182.1

Notes to the Financial Statements

24. Financial Risk Management (continued)

(c) Credit Risk (continued)

The ageing of the Group's trade receivables is detailed below:

	Gross Trade Receivables		Provision for Impairment	
	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m
Within agreed terms	180.3	172.1	-	-
Past due 0-60 days	17.5	16.3	0.5	1.3
Past due 61-90 days	2.9	1.7	0.2	1.1
Past due 91 days or more	9.1	8.3	6.4	8.1
Total	209.8	198.4	7.1	10.5

(i) Credit Risk by Maturity

The following table indicates the value of amounts owing by counter-parties by maturity. Based on the policy of not having material overnight exposures to an entity rated lower than A- by Standard & Poor's or A3 by Moody's Investors Service, the risk to the Group of counter-party default loss is not considered material.

Term:	Foreign Exchange Related Contracts		Interest Rate Contracts		Foreign Exchange Options		Total	
	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m
0-6 mths	-	1.8	-	-	4.6	2.1	4.6	3.9
6-12 mths	0.3	0.4	-	0.3	0.4	1.7	0.7	2.4
1-2 yrs	-	-	1.5	-	-	-	1.5	-
Total	0.3	2.2	1.5	0.3	5.0	3.8	6.8	6.3

(ii) Historical Rate Rollovers

It is the Group's policy not to engage in historical rate rollovers of forward exchange contracts except in circumstances where the maturity date falls on a bank holiday. In these instances, settlement occurs on the next trading day.

(iii) Hedges and Anticipated Future Transactions

The following table shows the Group's deferred (gains) and losses that are currently held on the balance sheet and the expected timing of recognition as revenue or expense:

Unrealised Swaps	Interest Rate		Foreign Exchange	
	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m
Deferred				
Less than 1 year	-	0.1	4.6	(1.2)
1-2 years	3.5	-	-	-
2-5 years	5.1	7.3	-	-

(d) Fair Value

The Directors consider that the carrying amount of recognised financial assets and financial liabilities approximates their net fair value with the exception of the derivative financial instruments detailed in the table below.

Refer to Note 1 Summary of Significant Accounting Policies for accounting policies in respect of the carrying values of financial assets and financial liabilities.

Notes to the Financial Statements

24. Financial Risk Management (continued)

(d) Fair Value (continued)

The following table displays:

(i) Face Value

This is the contract's value upon which a market rate is applied to produce a gain or loss which becomes the settlement value of the derivative financial instrument.

(ii) Credit Risk (derivative financial instruments)

This is the maximum exposure to the Group in the event that all counter-parties who have amounts outstanding to the Group under derivative financial instruments, fail to honour their side of the contracts. The Group's exposure is almost entirely to banks. Amounts owed by the Group under derivative financial instruments are not included.

(iii) Net Fair Value

This is the amount at which the instrument could be realised between willing parties in a normal market in other than a liquidation or forced sale environment. The net amount owing to financial institutions under all derivative financial instruments would have been \$11.3 million (2011 - \$7.3 million owing to financial institutions) if all contracts were closed out on 30 June 2012.

	Face Value		Credit Risk		Net Fair Value	
	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m
Foreign Exchange Contracts						
<i>Purchase/Sale Contracts:</i>						
- US dollars	10.9	6.4	0.3	-	0.3	(0.1)
- Australian dollars	9.8	1.1	-	0.1	(0.1)	0.1
- Malaysian ringgits	12.6	78.0	-	1.1	(0.6)	1.0
- Thai baht	12.8	48.2	-	0.2	(0.4)	(0.5)
- Sri Lankan rupees	18.7	26.3	-	0.7	(3.6)	0.7
- Other currencies	16.3	18.7	-	0.1	(0.2)	-
Foreign Exchange Options						
- Euro/US dollars	62.3	141.7	2.6	1.6	2.4	(2.2)
- Australian dollars/US dollars	11.1	11.5	0.1	-	0.1	(0.1)
- Canadian dollars/US dollars	14.9	46.3	0.4	0.3	0.3	(0.4)
- Pounds sterling/US dollars	2.8	2.1	0.1	-	-	-
- US dollars/Mexican peso	21.0	14.5	0.4	0.9	(0.7)	0.7
- US dollars/Malaysian ringgits	34.5	-	0.8	-	(0.1)	-
- US dollars/Thai baht	13.9	-	0.2	-	(0.1)	-
- Other currencies	14.0	12.5	0.4	1.0	-	0.9
Interest Rate Contracts						
<i>Interest Rate Swaps:</i>						
- Euro	37.2	67.6	-	-	(1.7)	(1.1)
- US dollars	164.3	135.9	1.5	0.3	(6.9)	(6.3)
Total	457.1	610.8	6.8	6.3	(11.3)	(7.3)

(iv) Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different methods have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1		Level 2		Level 3		Total	
	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m	2012 A\$m	2011 A\$m
Derivative financial assets	-	-	6.8	6.3	-	-	6.8	6.3
Available for sale financial assets	3.6	-	-	-	0.4	0.1	4.0	0.1
Derivative financial liabilities	-	-	18.1	13.6	-	-	18.1	13.6

In order to determine the fair value of the financial instruments, management used valuation techniques in which all significant inputs were based on observable market data.

Notes to the Financial Statements

24. Financial Risk Management (continued)

(e) Liquidity Risk

Liquidity risk is the risk of an unforeseen event or miscalculation in the required liquidity level that may result in the Group foregoing investment opportunities or not being able to meet its obligations in an orderly manner, and therefore give rise to poor investment income or to excessive borrowing costs.

The Group seeks to reduce the risk of:

- (a) being forced to exit derivative financial instrument positions at below their real worth, or
- (b) finding it cannot exit the position at all, due to lack of liquidity in the market

by:

- (a) dealing only in liquid contracts dealt by many counter-parties,
- (b) dealing only in large, highly liquid and stable international markets, and
- (c) ensuring maturity risk days (the weighted average term of all maturity dates in the portfolio) remain within a specified range.

The following table sets out the contractual maturities of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows comprising principal and interest repayments.

	Carrying Amount	Total Contractual Cash Flows	Contractual Maturity (Years)			
			0-1	1-2	2-5	> 5
	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
2012						
Trade and other creditors	177.9	177.9	172.9	1.3	3.7	-
Bank loans	295.1	321.9	17.6	111.5	129.8	63.0
Other loans	5.8	5.8	5.8	-	-	-
Total	478.8	505.6	196.3	112.8	133.5	63.0
2011						
Trade and other creditors	168.0	168.0	167.5	0.5	-	-
Bank loans	214.3	219.8	175.9	0.9	43.0	-
Other loans	13.1	13.1	13.1	-	-	-
Total	395.4	400.9	356.5	1.4	43.0	-

(f) Foreign Currency Risk

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures.

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities in a currency that is not the operating currency of the Group. The Group's operating currency is the US\$.

The Group mitigates this risk by using foreign currency contracts, natural hedges and/or foreign currency options.

As at 30 June the exposure to foreign currency risk from the Group's primary trading currency (US\$) is:

	Net Payable	
	2012	2011
	A\$m	A\$m
Net payable in non-US\$ reporting entities	35.8	44.3

The following table demonstrates the estimated sensitivity to a 10 per cent increase/decrease in the US\$ exchange rate, with all other variables held constant, on profit for the period and equity.

	Profit for the period		Equity	
	2012	2011	2012	2011
	A\$m	A\$m	A\$m	A\$m
10% increase in US\$ exchange rate with all other variables held constant:	4.7	4.2	(4.2)	(7.7)
10% decrease in US\$ exchange rate with all other variables held constant:	(1.9)	(1.9)	2.5	7.5

(g) Commodity Price Risk

Ansell is a significant buyer of natural rubber latex and a range of synthetic latex products. It purchases these products in a number of countries in Asia, predominately Malaysia, Thailand and Sri Lanka. The Group is not active in hedging its purchases on rubber exchanges but can, from time to time, buy from suppliers or brokers at a fixed price for up to several months into the future.

Notes to the Financial Statements

25. Key Management Personnel Disclosures

Key Management Personnel

The following were Key Management Personnel of the Group during the financial year:

Non-Executive Directors

Peter L Barnes	Chairman
Glenn L L Barnes	
Ronald J S Bell	
L Dale Crandall	
W Peter Day	
Marissa T Peterson	

Executive Director

Magnus R Nicolin	Managing Director and Chief Executive Officer
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Other Key Management Personnel

Peter B Carroll	President & General Manager, Sexual Wellness GBU
Scott Corriveau	President & General Manager, Industrial GBU (appointed 1 November 2011)
Tom Draskovics	President & General Manager, Specialty Markets GBU (appointed 1 November 2011)
Steve Genzer	Senior Vice President, Operations & Supply
Werner J Heintz	President & General Manager, Industrial GBU (ceased employment 31 October 2011)
Rustom F Jilla	Senior Vice President and Chief Financial Officer
Anthony Lopez	President & General Manager, Medical GBU (appointed 3 October 2011)

Key Management Personnel Remuneration

	2012	2011
	A\$	A\$
Short-term benefits	6,146,983	8,192,365
Post-employment benefits	820,936	977,303
Share-based payments	232,477	242,449
Long-term cash based incentives	3,846,003	6,382,976
Termination payment	2,890,176	303,061
	13,936,575	16,098,154

Notes to the Financial Statements

25. Key Management Personnel Disclosures (continued)

Details of Remuneration

Directors of Ansell Limited

Details of the remuneration of all Directors of Ansell Limited is set out in the following tables:

2012	Short-term Benefits			Post-employment Benefits	Share-based Payments	Long-term Incentive	Total
	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation Contributions	Options and Performance Rights	Cash based	
	A\$	A\$	A\$	A\$	A\$	A\$	
<i>Non-executive</i>							
P L Barnes	270,023	-	-	15,775	-	-	285,798
G L L Barnes	148,349	-	-	-	-	-	148,349
R J S Bell	129,946	-	-	3,503	-	-	133,449
L D Crandall	136,319	-	-	3,645	-	-	139,964
W P Day	126,400	-	-	11,376	-	-	137,776
M T Peterson	141,396	-	-	3,739	-	-	145,135
<i>Executive</i>							
M R Nicolin (CEO and Managing Director)	829,875	561,955	99,701	296,205	232,477	1,498,947	3,519,160
Total	1,782,308	561,955	99,701	334,243	232,477	1,498,947	4,509,631

2011	Short-term Benefits			Post-employment Benefits	Share-based Payments	Long-term Incentive	Total
	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation Contributions	Options and Performance Rights	Cash based	
	A\$	A\$	A\$	A\$	A\$	A\$	
<i>Non-executive</i>							
P L Barnes	251,650	-	-	19,919	-	-	271,569
G L L Barnes	142,900	-	-	-	-	-	142,900
R J S Bell	137,800	-	-	3,766	-	-	141,566
L D Crandall	124,572	-	-	3,054	-	-	127,626
W P Day	121,400	-	-	10,926	-	-	132,326
M T Peterson	129,390	-	-	3,433	-	-	132,823
<i>Executive</i>							
M R Nicolin (CEO and Managing Director)	819,818	1,186,787	110,424	166,270	242,449	1,010,203	3,535,951
Total	1,727,530	1,186,787	110,424	207,368	242,449	1,010,203	4,484,761

Notes to the Financial Statements

25. Key Management Personnel Disclosures (continued)

Details of Remuneration (continued)

Other Key Management Personnel

Details of the remuneration of each of the other Key Management Personnel of the Group are set out in the following tables:

2012	Short-term Benefits			Post-employment Benefits	Long-term Incentive	Other Benefits	Total
	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation Contributions	Cash based	Termination Payment	
	A\$	A\$	A\$	A\$	A\$	A\$	
P B Carroll	406,850	253,671	35,360	91,434	340,730	-	1,128,045
S Corriveau	334,185	193,731	125,216	72,510	482,584	-	1,208,226
T Draskovics	158,337	92,234	2,572	26,934	119,722	-	399,799
S Genzer	326,921	145,798	138,366	81,547	314,812	-	1,007,444
W J Heintz	281,498	-	58,128	61,666	201,649	2,890,176	3,493,117
R F Jilla	448,510	217,417	28,686	130,601	781,007	-	1,606,221
T Lopez	239,742	69,705	146,092	22,001	106,552	-	584,092
Total	2,196,043	972,556	534,420	486,693	2,347,056	2,890,176	9,426,944

2011	Short-term Benefits			Post-employment Benefits	Long-term Incentive	Other Benefits	Total
	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation Contributions	Cash based	Termination Payment	
	A\$	A\$	A\$	A\$	A\$	A\$	
P B Carroll	400,925	269,640	35,360	80,185	486,810	-	1,272,920
S Corriveau	299,323	221,234	1,437	76,276	842,052	-	1,440,322
S Genzer	277,806	207,810	50,510	28,252	109,438	-	673,816
W J Heintz	481,073	386,668	65,518	153,203	572,709	-	1,659,171
R F Jilla	444,508	437,811	29,870	146,451	1,432,990	-	2,491,630
S Papier	268,178	-	33,709	76,484	-	303,061	681,432
W J Reed	312,689	214,626	38,245	106,351	913,865	-	1,585,776
W G Reilly	350,497	308,991	31,196	102,733	1,014,909	-	1,808,326
Total	2,834,999	2,046,780	285,845	769,935	5,372,773	303,061	11,613,393

Notes to the Financial Statements

25. Key Management Personnel Disclosures (continued)

Equity Instruments

Options and Performance Rights (PRs) granted as compensation

In previous years the Company operated the Ansell Limited Stock Incentive plan under which options and Performance Rights (PRs) were issued to employees.

Movement in Options and PRs on issue

The movement in the number of options and PRs over ordinary shares of Ansell Limited held, directly, indirectly or beneficially, by each of the Key Management Personnel, including their related parties, is as follows:

2012

	Held at 1 July 2011	Granted during the year	Options exercised/PRs vested during the year	Options/PRs lapsed/ forfeited	Held at 30 June 2012	Options not yet exercisable
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Options

Key Management Personnel

P B Carroll	12,500	-	-	-	12,500	-
S Corriveau	22,222	-	-	-	22,222	-
T Draskovics	-	-	-	-	-	-
S Genzer	-	-	-	-	-	-
W J Heintz	22,667	-	-	-	22,667	-
R F Jilla	102,444	-	(54,222)	-	48,222	-
A Lopez	-	-	-	-	-	-

PRs

Director

M R Nicolin	129,730	-	-	-	129,730	-
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2011

	Held at 1 July 2010	Granted during the year	Options exercised/PRs vested during the year	Options/PRs lapsed/ forfeited	Held at 30 June 2011	Options not yet exercisable
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Options

Key Management Personnel

P B Carroll	25,000	-	-	(12,500)	12,500	-
S Corriveau	44,444	-	-	(22,222)	22,222	-
S Genzer	-	-	-	-	-	-
W Heintz	45,333	-	-	(22,666)	22,667	-
R F Jilla	290,167	-	(139,501)	(48,222)	102,444	-
S Papier	44,444	-	-	(22,222)	22,222	-
W Reed	50,085	-	-	(25,042)	25,043	-
W G Reilly	54,701	-	-	(27,351)	27,350	-

PRs

Director

M R Nicolin	-	129,730	-	-	129,730	-
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Other Key Management Personnel

P B Carroll	25,000	-	(25,000)	-	-	-
S Corriveau	44,444	-	(44,444)	-	-	-
S Genzer	-	-	-	-	-	-
W Heintz	45,333	-	(45,333)	-	-	-
R F Jilla	96,444	-	(96,444)	-	-	-
S Papier	44,444	-	(44,444)	-	-	-
W Reed	50,085	-	(50,085)	-	-	-
W G Reilly	54,701	-	(54,701)	-	-	-

Notes to the Financial Statements

25. Key Management Personnel Disclosures (continued)

Equity Instruments (continued)

Movements in shares

The movement in the number of ordinary shares of Ansell Limited held directly, indirectly or beneficially, by each of the Key Management Personnel, including their personally related entities during the 2012 financial year is as follows:

	Held at 1 July 2011	Purchases ^(a)	Received on vesting of PRs	Sales/Other	Held at 30 June 2012
Directors					
P L Barnes	24,755	2,018	-	-	26,773
G L L Barnes	15,260	961	-	-	16,221
R J S Bell	5,556	893	-	-	6,449
L D Crandall	14,922	927	-	-	15,849
W P Day	5,656	893	-	-	6,549
M T Peterson	9,495	964	-	-	10,459
M R Nicolin	10,000	-	-	-	10,000
Other Key Management Personnel					
P B Carroll	28,000	2,607	-	(15,000)	15,607
S Corriveau	21,489	3,932	-	(6,000)	19,421
T Draskovics	-	-	-	-	-
S Genzer	-	-	-	-	-
W J Heintz	40,507	-	-	(22,164)	18,343
R F Jilla	268,249	6,708	-	(50,000)	224,957
A Lopez	-	-	-	-	-

The movement in the number of ordinary shares of Ansell Limited held directly, indirectly or beneficially, by each of the Key Management Personnel, including their personally related entities during the 2011 financial year is as follows:

	Held at 1 July 2010	Purchases ^(a)	Received on vesting of PRs	Sales/Other	Held at 30 June 2011
Directors					
P L Barnes	23,017	1,738	-	-	24,755
G L L Barnes	14,271	989	-	-	15,260
R J S Bell	4,641	915	-	-	5,556
L D Crandall	13,971	951	-	-	14,922
W P Day	4,742	914	-	-	5,656
M T Peterson	8,507	988	-	-	9,495
M R Nicolin	10,000	-	-	-	10,000
Other Key Management Personnel					
P B Carroll	3,000	-	25,000	-	28,000
S Corriveau	21,345	-	44,444	(44,300)	21,489
S Genzer	-	-	-	-	-
W Heintz	27,507	-	45,333	(32,333)	40,507
R F Jilla	182,476	-	96,444	(10,671)	268,249
S Papier	37,463	-	44,444	(33,152)	48,755
W Reed	21,774	-	50,085	(22,719)	49,140
W G Reilly	10,000	-	54,701	(18,243)	46,458

^(a) Includes shares purchased on market pursuant to the Non-executive Directors' Share Plan.

Service Agreements

The Company has no service agreements with the Non-executive Directors.

Other Transactions with specified directors and specified executives

From time to time, Key Management Personnel of the Company or its subsidiaries, or their personally related entities, may purchase goods from the Group. These purchases are on terms and conditions no more favourable than those entered into by unrelated customers and are trivial or domestic in nature.

Notes to the Financial Statements

26. Notes to the Statement of Cash Flows

(a) Reconciliation of Net Cash Provided by Operating Activities to Profit for the period

	2012	2011
	A\$m	A\$m
Profit for the period	133.0	125.9
Add/(less) non-cash items:		
Depreciation	17.3	18.1
Amortisation	4.6	3.1
Impairment - trade debtors	(0.7)	(0.1)
Share-based payments expense	0.2	(0.5)
Add/(less) items classified as investing/financing activities:		
Interest received	(6.8)	(8.4)
Interest and financing costs paid	12.1	12.7
Gain on sale of investments, property, plant and equipment	(8.1)	(0.1)
Net cash provided by operating activities before change in assets and liabilities	151.6	150.7
Change in assets and liabilities net of effect from acquisitions and disposals of subsidiaries and businesses:		
(Increase)/Decrease in trade and other receivables	(5.0)	7.7
(Increase)/Decrease in inventories	(19.5)	24.6
Increase in other assets	(5.1)	(0.1)
Decrease in trade and other payables	(2.6)	(20.5)
Decrease in provisions/other liabilities	(7.9)	(0.1)
Decrease in retirement benefit obligations	(2.9)	(6.0)
Increase/(Decrease) in provision for deferred income tax	3.9	(11.6)
(Increase)/Decrease in future income tax benefit	(15.8)	6.9
Increase in provision for income tax	2.5	5.4
Other non-cash items (including foreign currency impact)	(4.0)	(27.9)
Net cash provided by operating activities	95.2	129.1

(b) Components of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents, at the end of the financial year, as shown in the Statement of Cash Flows, comprise:

	Note	2012	2011
		A\$m	A\$m
Cash on hand	9	0.7	2.0
Cash at bank	9	60.8	60.1
Short-term deposits	9	184.3	176.9
Restricted deposits	9	3.5	3.5
		249.3	242.5

Notes to the Financial Statements

27. Acquisition of Business and Subsidiaries

The material acquisitions made during the year are as follows:

Sandel Medical Solutions

On 4 July 2011, Ansell Limited announced the acquisition of the assets of Sandel Medical Industries, LLC, a recognised leader in the development of staff and patient safety disposable products in the USA. The cost of the acquisition was \$12.9 million and the business contributed \$10.6 million to consolidated revenue and \$0.5 million to consolidated net profit for the year.

The fair value of the identifiable assets and liabilities of Sandel Medical Solutions as at acquisition were:

	Acquiree's carrying value A\$m	Fair Value Adjustments A\$m	Acquired Values A\$m
Property, plant and equipment	0.1	-	0.1
Brand names	-	1.0	1.0
Trade and other receivables	1.2	-	1.2
Inventories	1.9	-	1.9
Trade and other payables	(1.1)	-	(1.1)
Net identifiable assets acquired	2.1	1.0	3.1
Goodwill on acquisition			15.7
Total consideration paid/payable			18.8
Consideration paid in cash			12.9
Contingent consideration payable*			5.9

*The contingent consideration is payable quarterly based on the maintenance of and growth in sales of specified products for a five year period.

Trelleborg Protective Products

On 11 April 2012, Ansell Limited announced it had entered into an agreement to purchase the Trelleborg Protective Products (TPP) business from The Trelleborg Group of Sweden. The TPP business is a recognised global leader in high-end chemical protective suits, professional dry diving suits and escape hoods. The acquisition was completed on 2 May 2012. The cost of the acquisition was \$37.0 million and the business contributed \$3.8 million to consolidated revenue and \$0.1 million to consolidated net profit for the year. If the acquisition had occurred on 1 July 2011, estimated consolidated revenue for the year would have been \$1,244.9 million and estimated consolidated net profit for the year (inclusive of acquisition related expenses) would have been \$134.6 million.

The following fair values of the identifiable assets and liabilities of the TPP business as at acquisition have been determined on a provisional basis:

	Acquiree's carrying value A\$m	Fair Value Adjustments A\$m	Acquired Values A\$m
Property, plant and equipment	1.0	-	1.0
Intangibles	0.8	(0.8)	-
Cash and cash equivalents	6.5	-	6.5
Trade and other receivables	3.7	-	3.7
Inventories	5.4	(0.1)	5.3
Trade and other payables	(2.9)	-	(2.9)
Net identifiable assets acquired	14.5	(0.9)	13.6
Goodwill on acquisition			23.4
Consideration paid in cash*			37.0

*Consideration paid net of cash acquired

30.5

28. Related Party Disclosures

(a) Subsidiaries

Ansell Limited is the parent entity of all entities detailed in Note 29 Particulars Relating to Subsidiaries and from time to time has dealings on normal commercial terms and conditions with those entities, the effects of which are eliminated in these consolidated financial statements.

(b) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in Note 25 Key Management Personnel Disclosures.

Notes to the Financial Statements

29. Particulars Relating to Subsidiaries

	Country of Incorporation	Beneficial Interest	
		2012 %	2011 %
Ansell Limited	Australia		
Ansell Healthcare Japan Co. Ltd.	Japan*	100	100
Ativ Pac Pty. Ltd.	Australia	100	100
BNG Battery Technologies Pty. Ltd.	Australia	100	100
Cliburn Investments Pty. Ltd.	Australia	100	100
Corrvas Insurance Pty. Ltd.	Australia	100	100
Dexboy International Pty. Ltd.	Australia	100	100
Dunlop Olympic Manufacturing Pty. Ltd.	Australia	100	100
FGDP Pty. Ltd.	Australia	100	100
PSL Industries Pty. Ltd.	Australia	100	100
Nucleus Ltd.	Australia	100	100
Lifetec Project Pty. Ltd.	Australia	100	100
Medical TPLC Pty. Ltd.	Australia	100	100
N&T Pty. Ltd.	Australia	100	100
Nucleus Trading Pte. Ltd.	Singapore*	100	100
THLD Ltd.	Australia	100	100
TNC Holdings Pte. Ltd.	Singapore*	100	100
TPLC Pty. Ltd.	Australia	100	100
Societe de Management Financier S.A.	France*	100	100
Olympic General Products Pty. Ltd.	Australia	100	100
Pacific Dunlop Finance Pty. Ltd.	Australia	100	100
Pacific Dunlop Holdings (China) Co. Ltd.	China*	100	100
Ansell (Shanghai) Commercial and Trading Co., Ltd.	China*	100	100
Pacific Dunlop Linings Pty. Ltd.	Australia	100	100
P.D. Holdings Pty. Ltd.	Australia	100	100
P.D. International Pty. Ltd.	Australia	100	100
Ansell Canada Inc.	Canada*	100	100
Ansell Commercial Mexico S.A. de C.V.	Mexico*	100	100
Ansell Korea Co., Ltd.	Korea*	100	100
Ansell Lanka (Pvt.) Ltd.	Sri Lanka*	100	100
Ansell (Middle East) JLT	UAE*	100	100
Ansell Perry de Mexico S.A. de C.V.	Mexico*	100	100
Ansell Services (Asia) Sdn. Bhd.	Malaysia*	100	100
Ansell Ambi Sdn. Bhd.	Malaysia*	100	100
Ansell (Kedah) Sdn. Bhd.	Malaysia*	100	100
Ansell (Kulim) Sdn. Bhd.	Malaysia*	100	100
Ansell Medical Sdn. Bhd.	Malaysia*	75	75
Ansell N.P. Sdn. Bhd.	Malaysia*	75	75
Ansell Malaysia Sdn. Bhd.	Malaysia*	75	75
Ansell Shah Alam Sdn. Bhd.	Malaysia*	100	100
Ansell Protective Solutions Singapore Pte Ltd	Singapore*	100	-
Ansell (Thailand) Ltd.	Thailand*	100	100
CE Gloves (India) Limited	India*	(a) 100	(a) 100
Corrvas Insurance (Singapore) Pte. Ltd.	Singapore*	100	100
Fabrica de Artefatos de Latex Blowtex Ltda.	Brazil*	100	100
Medical Telectronics N.V.	Netherlands Ant.*	100	100
Pacific Dunlop Holdings (Europe) Ltd.	U.K.*	100	100
Ansell GBU Services (Europe) N.V.	Belgium*	100	100
Ansell Healthcare Europe N.V.	Belgium*	100	100
Ansell GmbH	Germany*	100	100
Condomi Erfurt Produktions GmbH	Germany*	100	100

Notes to the Financial Statements

29. Particulars Relating to Subsidiaries (continued)	Country of Incorporation	Beneficial Interest	
		2012 %	2011 %
Ansell Italy Srl	Italy*	100	100
Ansell Medikal Urunler Ithalat Ihracat Uretim ve Ticaret A.S.	Turkey*	100	-
Ansell Norway AS	Norway*	100	-
Ansell Protective Solutions AB	Sweden*	100	-
Ansell Protective Solutions Lithuania UAB	Lithuania*	100	-
Ansell Rus LLC	Russia*	100	-
Ansell S.A.	France*	100	100
Ansell Spain SL (Sociedad de Responsabilidad Limitada)	Spain*	100	100
Medical Telectronics Holding & Finance (Holland) B.V.	Netherlands*	100	100
Unimil Sp. z o.o.	Poland*	100	100
Ansell UK Limited	U.K.*	100	100
Pacific Dunlop Holdings (Singapore) Pte. Ltd.	Singapore*	100	100
JK Ansell Ltd.	India*	50	50
Ansell (Hong Kong) Limited.	Hong Kong*	100	100
Pacific Dunlop Investments (USA) Inc.	USA*	100	100
Ansell Brazil LTDA	Brazil*	100	100
Ansell Edmont Industrial de Mexico S.A. de C.V.	Mexico*	100	100
Pacific Dunlop Holdings (USA) LLC.	USA*	100	100
Ansell Healthcare Products LLC.	USA*	100	100
Ansell Sandel Medical Solutions LLC.	USA*	100	-
Ansell Protective Products Inc.	USA*	100	100
Ansell Hawkeye Inc.	USA*	100	100
Ansell Protective Solutions Inc.	USA*	100	-
Pacific Chloride Inc.	USA*	100	100
Pacific Dunlop Holdings Inc.	USA*	100	100
Pacific Dunlop USA Inc.	USA*	100	100
TPLC Holdings Inc.	USA*	100	100
Accufix Research Institute Inc.	USA*	100	100
Cotac Corporation	USA*	100	100
Pacific Dunlop Finance Company Inc.	USA*	100	100
PDOCB Pty. Ltd.	Australia	100	100
Ansell Medical Products Pvt. Ltd.	India*	100	100
Suretex Ltd.	Thailand*	100	100
Latex Investments Ltd.	Mauritius*	100	100
Suretex Prophylactics (India) Ltd.	India*	100	100
STX Prophylactics S.A. (Pty.) Ltd.	Sth Africa*	100	100
Wuhan Jissbon Sanitary Products Company Ltd.	China*	(b) 90	(b) 90
Shanghai Feidun Trading Company Ltd.	China*	100	-
Shenyang Yipeng Trading Company Ltd.	China*	100	100
Wuhan AnJie LuPu Trading Company Ltd.	China*	100	-
PD Licensing Pty. Ltd.	Australia	100	100
PD Shared Services Pty. Ltd.	Australia	100	100
PD Shared Services Holdings Pty. Ltd.	Australia	100	100
Siteprints Pty. Ltd.	Australia	100	100
S.T.P. (Hong Kong) Ltd.	Hong Kong*	100	100
Pacific Dunlop Holdings N.V.	Netherlands Ant.*	100	100
Pacific Dunlop (Netherlands) B.V.	Netherlands*	100	100
The Distribution Group Holdings Pty. Ltd.	Australia	100	100
The Distribution Group Pty. Ltd.	Australia	(c) 100	(c) 100
The Distribution Trust	Australia	100	100
Union Knitting Mills Pty. Ltd.	Australia	100	100
Xelo Pty. Ltd.	Australia	100	100
Xelo Sacof Pty. Ltd.	Australia	100	100

* Subsidiaries incorporated outside Australia carry on business in those countries.

(a) Owned 74.9 per cent by P.D. International Pty. Ltd. and 25.1 per cent by Suretex Prophylactics (India) Ltd.

(b) Owned 49.2 per cent by P.D. International Pty. Ltd. and 40.8 per cent by Pacific Dunlop Holdings (China) Co. Ltd.

(c) The trustee of The Distribution Trust is The Distribution Group Pty. Ltd. The beneficiary of the trust is Ansell Limited.

Notes to the Financial Statements

30. Parent Entity Disclosures

As at the end of and throughout the financial year ending 30 June 2012, the parent company of the Group was Ansell Limited.

	2012	2011
	A\$m	A\$m
Result of the parent entity		
Profit for the period	103.0	91.8
Other comprehensive income	0.8	(9.7)
Total comprehensive income for the period	103.8	82.1
Financial position of the parent entity at year end		
Current assets	503.7	435.5
Total assets	2,246.0	2,162.0
Current liabilities	1,171.8	1,114.4
Total liabilities	1,173.6	1,115.6
Total equity of the parent entity comprising:		
Issued capital	862.2	893.9
Reserves	37.5	36.5
Retained profits	172.7	116.0
Total Equity	1,072.4	1,046.4

The consolidated Group has a net current asset position of \$409.9 million (2011 \$194.0 million) which the parent company controls. As at 30 June 2012, the parent company has a net current liability position of \$668.1 million (2011 \$678.9 million). The Directors will ensure that the parent company has, at all times, sufficient funds available from the Group to meet its commitments.

Parent entity guarantee

The parent entity has entered into a Deed of Cross Guarantee whereby it guarantees the debts of certain subsidiaries that are guarantors under the Group's revolving credit bank facility.

31. Earnings per Share

	2012	2011
	A\$m	A\$m
Earnings reconciliation		
Net profit	133.0	125.9
Net profit attributable to non-controlling interests	3.0	3.2
Basic earnings	130.0	122.7
Diluted earnings	130.0	122.7
	No. of Shares (millions)	
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic earnings per share	131.2	132.8
Effect of partly paid Executive Plan shares, options and PRs	0.2	0.2
Number of ordinary shares for diluted earnings per share	131.4	133.0

Partly paid Executive Plan shares, options and PRs have been included in diluted earnings per share in accordance with Accounting Standards.

32. Subsequent Event

On 7 August 2012, Ansell Limited announced an agreement to acquire Comasec SAS and its subsidiaries. Comasec specialises in gloves for chemical protection, food handling, cut protection, mechanical protection, dry box and thermal protection. It is a significant participant in the European Personal Protective Equipment Glove Market and has a presence in North America.

Settlement of the acquisition is expected by October, subject to regulatory approvals. The (cash-free, debt-free) purchase price is EUR101.5 million (A\$118 million) and is being funded out of Ansell's available cash and credit facilities.

Notes to the Financial Statements

33. US Dollar Financial Information

The following US dollar financial information is provided as additional information for the Company's shareholders. This information is a convenience translation only and has been prepared using the Accounting Policies described in Note 1.

Translation of amounts from Australian dollars to US dollars in the Income Statement, Statement of Cash Flows and Operating Revenue and Operating Result within the Operating Segments have been made at the average of the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters on the last working day of each month for the 13-month period June 2011 to June 2012.

Translation of amounts from Australian dollars to US dollars in the Balance Sheet and Assets Employed and Liabilities within the Operating Segments have been made at the 10.00 am mid buy/sell rate for Australian dollars as quoted by Reuters, on Friday 29 June 2012, at US\$1.00415 = A\$1 (30 June 2011 US\$1.06725 = A\$1).

Consolidated Income Statement of Ansell Limited and Subsidiaries for the year ended 30 June 2012

	2012 US\$m	2011 US\$m
Revenue		
Sales	1,255.3	1,206.9
Other revenue	7.1	8.3
Total revenue	1,262.4	1,215.2
Expenses		
Cost of goods sold	(735.9)	(734.4)
Distribution	(61.5)	(52.7)
Selling, general and administration	(304.7)	(282.9)
Total expenses, excluding financing costs	(1,102.1)	(1,070.0)
Financing costs	(12.1)	(12.3)
Profit before income tax	148.2	132.9
Income tax	(12.1)	(8.1)
Profit for the period	136.1	124.8
Non-controlling interests	(3.1)	(3.1)
Profit attributable to Ansell Limited shareholders	133.0	121.7

	2012 US cents	2011 US cents
Earnings per share is based on profit attributable to Ansell Limited shareholders		
Basic earnings per share	101.4	91.6
Diluted earnings per share	101.2	91.5

Notes to the Financial Statements

33. US Dollar Financial Information (continued)

Consolidated Balance Sheet

of Ansell Limited and Subsidiaries as at 30 June 2012

	2012 US\$m	2011 US\$m
Current Assets		
Cash on hand	0.7	2.1
Cash at bank and on deposit	246.1	252.9
Cash assets - restricted deposits	3.5	3.7
Trade and other receivables	192.4	192.7
Inventories	213.4	197.9
Other	10.0	11.1
Total Current Assets	666.1	660.4
Non-Current Assets		
Trade and other receivables	2.1	1.6
Investments	4.0	0.1
Property, plant and equipment	151.2	150.4
Intangible assets	391.2	361.8
Deferred tax assets	120.0	104.7
Other	19.3	19.1
Total Non-Current Assets	687.8	637.7
Total Assets	1,353.9	1,298.1
Current Liabilities		
Trade and other payables	173.7	178.6
Interest bearing liabilities	16.8	197.7
Provisions	49.7	64.4
Current tax liabilities	14.4	12.6
Total Current Liabilities	254.6	453.3
Non-Current Liabilities		
Trade and other payables	5.0	0.5
Interest bearing liabilities	285.4	45.0
Provisions	20.1	18.8
Retirement benefit obligations	17.8	13.2
Deferred tax liabilities	29.7	27.4
Other	17.7	16.7
Total Non-Current Liabilities	375.7	121.6
Total Liabilities	630.3	574.9
Net Assets	723.6	723.2
Equity		
Issued capital	865.8	954.0
Reserves	(109.6)	(111.8)
Accumulated losses	(46.7)	(133.6)
Total Equity Attributable to Ansell Limited Shareholders	709.5	708.6
Non-controlling interests	14.1	14.6
Total Equity	723.6	723.2

Notes to the Financial Statements

33. US Dollar Financial Information (continued)

Consolidated Statement of Cash Flows

of Ansell Limited and Subsidiaries for the year ended 30 June 2012

	2012 US\$m	2011 US\$m
Cash flows Related to Operating Activities		
Receipts from customers	1,249.6	1,189.0
Payments to suppliers and employees	(1,133.4)	(1,046.7)
Net receipts from operations	116.2	142.3
Income taxes paid	(17.8)	(14.3)
Net Cash Provided by Operating Activities	98.4	128.0
Cash Flows Related to Investing Activities		
Payments for businesses, net of cash acquired	(44.8)	-
Payments for property, plant, equipment and intangible assets	(37.6)	(44.5)
Payments for investments	(5.1)	-
Proceeds from sale of property, plant and equipment	9.6	1.5
Net Cash Used in Investing Activities	(77.9)	(43.0)
Cash Flows Related to Financing Activities		
Proceeds from borrowings	296.9	75.2
Repayments of borrowings	(224.5)	(94.1)
Net repayments of borrowings	72.4	(18.9)
Proceeds from issues of shares	0.9	3.8
Payments for share buy-back	(33.4)	-
Dividends paid - Ansell Limited shareholders	(46.6)	(40.6)
Dividends paid - Non-controlling interests	(2.2)	(1.2)
Interest received	7.0	8.4
Interest and borrowing costs paid	(12.4)	(12.2)
Net Cash Used in Financing Activities	(14.3)	(60.7)
Net increase in cash and cash equivalents	6.2	24.3
Cash and cash equivalents at the beginning of the financial year	258.7	199.8
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies at the beginning of the financial year	(14.6)	34.6
Cash and Cash Equivalents at the End of the Financial Year	250.3	258.7

Notes to the Financial Statements

33. US Dollar Financial Information (continued)

Operating Segments

of Ansell Limited and Subsidiaries for the year ended 30 June 2012

	Operating Revenue		Operating Result	
	2012	2011	2012	2011
	US\$m	US\$m	US\$m	US\$m
Business Segments				
Industrial	504.1	471.6	83.7	81.9
Medical	356.4	359.2	39.5	39.2
Sexual Wellness	217.3	200.6	33.2	21.9
Specialty Markets	177.5	175.5	7.2	2.5
Total Business Segments	1,255.3	1,206.9	163.6	145.5
Corporate costs			(10.4)	(8.6)
Earnings before Interest and Tax (EBIT)			153.2	136.9
Interest expense and other financing costs			(12.1)	(12.3)
Interest revenue	7.1	8.3	7.1	8.3
Profit before Income Tax			148.2	132.9
Income tax			(12.1)	(8.1)
Profit for the period			136.1	124.8
Non-controlling interests			(3.1)	(3.1)
Total Consolidated	1,262.4	1,215.2	133.0	121.7

Regional Segments

Asia Pacific	267.9	235.6	64.0	49.7
Europe, Middle East and Africa	478.4	468.2	62.6	46.7
Latin America & Caribbean	82.8	76.5	10.4	10.1
North America	426.2	426.6	26.6	39.0
Total Regional Segments	1,255.3	1,206.9	163.6	145.5

	Assets Employed		Liabilities	
	2012	2011	2012	2011
	US\$m	US\$m	US\$m	US\$m
Business Segments				
Industrial	336.7	331.0	101.2	102.5
Medical	285.4	279.1	81.8	84.2
Sexual Wellness	200.8	226.2	33.7	39.9
Specialty Markets	123.7	81.3	23.0	21.0
Total Business Segments	946.6	917.6	239.7	247.6
Corporate assets/liabilities	157.0	121.7	390.6	327.3
Cash	250.3	258.8	-	-
Total Consolidated	1,353.9	1,298.1	630.3	574.9

Regional Segments

Asia Pacific	243.3	241.3	95.4	93.4
Europe, Middle East and Africa	143.7	159.2	52.8	65.5
Latin America & Caribbean	33.2	32.3	5.6	6.0
North America	192.7	173.5	85.9	82.7
Goodwill and brand names	333.7	311.3	-	-
Total Regional Segments	946.6	917.6	239.7	247.6



Independent auditor's report to the members of Ansell Limited

Report on the financial report

We have audited the accompanying financial report of Ansell Limited (the Company), which comprises the consolidated balance sheet as at 30 June 2012, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 33 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the remuneration report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2012. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Ansell Limited for the year ended 30 June 2012, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Gordon Sangster
Partner

Melbourne

14 August 2012

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