



## PRESS RELEASE

### **18.8% PROFIT IMPROVEMENT AND DIVIDEND INCREASE FOR HILLS**

The Chairman, Mr. Bob Ling, today announced the following operating results for the 12 months ended 30 June 2000 for the Hills group.

	<b>12 MONTHS TO 30/6/00 \$'000</b>	<b>12 MONTHS TO 30/6/99 \$'000</b>	<b>% CHANGE</b>
Sales	435,399	377,783	+ 15.3
Operating profit after tax attributable to members (before Abnormal Tax Item)	21,278	17,904	+ 18.8
Earnings per share (before Abnormal Tax Item)	18.8 cents	16.3 cents	+ 15.3
Total dividend per share (including special dividend)	19.0 cents	17.0 cents	+ 11.8

Operating profit after tax attributable to members (after Abnormal Tax Item)	18,801	17,904	+ 5.0
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Mr Ling said that he was delighted to report a 19% increase in profit before the abnormal tax charge, which compared to a 15% increase at 31/12/99. Hills three main operating segments of Electronics, Home & Hardware Products and Building & Industrial Products all performed well with the strong performance by Electronics particularly pleasing. The main factors that influenced the results for the 12 months were as follows:

#### **ELECTRONICS**

- Strong demand in NSW for high end security products in the lead up to the Olympics.
- The Security market grew during the 12 months on the back of strong promotions by installation companies to encourage householders to install monitored alarm systems. Direct Alarm Supplies benefited from this increased activity.
- The market for high level security and access control systems supplied by Pacific Communications continued to grow as more organizations acknowledged the need for improved security and the replacement of expensive manpower solutions.
- Consistent demand in the PayTV market as Austar continued their very successful rollout in rural Australia and Foxtel commenced installing satellite based systems in mainland capital cities.

## **HOME & HARDWARE PRODUCTS**

- Strong results achieved by Triton Manufacturing & Design following the acquisition of that business on the 1<sup>st</sup> October 1999.
- Housing completions in Australia remained strong in the lead up to the introduction of GST.
- Following a somewhat patchy first 6 months the Consumer Products business had a very strong second 6 months.
- A large investment was made in new product development and brand reinforcement to underwrite the future sales and profitability of the Consumer Products business.
- Weather conditions in the United Kingdom resulted in a very poor Spring/Summer sales period, although sales into Europe improved significantly over last year.

## **BUILDING & INDUSTRIAL PRODUCTS**

- The venture between Woodroffe Metal Building Products and the privately owned Fielders Steel Roofing commenced on the 1<sup>st</sup> May 2000. The two months of trading activity that followed in May and June were the highest on record for both companies due to the extraordinary demand leading up to the introduction of the GST.
- The stronger than expected Australian economy assisted the Tubing Division who supply a broad range of industries with precision tubular components.
- Ongoing poor performance from Precision Metal Products resulted in further restructuring, including closure of the Western Australian operation and the downsizing of the Victorian operation.
- Korvest Ltd increased both sales and profits following a strong second half performance.

## **ABNORMAL ITEM**

The decision by the Federal Government to reduce the company tax rate from 36% to 34% and then to 30% has required us to reduce the future income tax benefits associated with costs previously provided for (such as Annual Leave and Long Service Leave) by \$2,477K.

This abnormal loss has arisen from something quite external to the Company and it is associated with something which is of long term benefit – that is we will pay income tax at lower rates for the new financial year and thereafter.

## **CURRENT YEAR**

Mr Ling said that the group should achieve further growth in sales and profitability in 2000/2001 based on present knowledge of the economic conditions likely to prevail in that period.

## **DIVIDEND ANNOUNCEMENT**

The Directors announced an increased fully franked dividend of 7.4 cents per share, payable on 22 September 2000. This dividend can be taken in cash, re-invested in Hills shares at a 5% discount or received as bonus shares at 5% discount or any combination of the above.

**R.D. HILL-LING AO**  
**CHAIRMAN**  
14 August 2000



## Appendix 4B (rule 4.13(a))

### Half yearly/preliminary final report

Introduced 1/12/97. Origin: Appendices 3, 4. Amended 1/7/98, 1/9/99, 1/7/2000.

Name of entity

Hills Industries Limited

ACN, ARBN or ARSN

Half yearly  
(tick)

Preliminary  
final (tick)

Half year/financial year ended ('current  
period')

007 573 417



30 June 2000

### Equity accounted results for announcement to the market

*Extracts from this report for announcement to the market (see note 1).*

\$A'000

Sales (or equivalent operating) revenue ( <i>item 1.1</i> )	up	15.3%	to	435,399
Abnormal items after tax attributable to members ( <i>item 2.5</i> )	gain (loss) of	(loss)		(2,477)
+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members ( <i>item 1.26</i> )			to	
<i>excluding abnormal tax expense – change in tax rate</i>	up			
<i>including abnormal tax expense – change in tax rate</i>	up	24.7%		23,553
		11.6%		21,076
+Operating profit (loss) after tax attributable to members ( <i>item 1.10</i> )			to	
<i>excluding abnormal tax expense – change in tax rate</i>	up	18.8%		21,278
<i>including abnormal tax expense – change in tax rate</i>	up	5.0%		18,801
Extraordinary items after tax attributable to members ( <i>item 1.13</i> )	gain (loss) of			-
+Operating profit (loss) and extraordinary items after tax attributable to members ( <i>item 1.16</i> )			to	
<i>excluding abnormal tax expense – change in tax rate</i>	up	18.8%		21,278
<i>including abnormal tax expense – change in tax rate</i>	up	5.0%		18,801
<b>Dividends (distributions)</b>		Amount per security		Franked amount per security
Final dividend ( <i>Preliminary final report only - item 15.4</i> )				
Interim dividend ( <i>Half yearly report only - item 15.6</i> )- franked at 34%		7.4¢		7.4¢
Previous corresponding period ( <i>Preliminary final report - item 15.5; half yearly report - item 15.7</i> )- franked at 36%		6.4¢		6.4¢
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) ( <i>see item 15.2</i> )		8 September 2000		
Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

+ See chapter 19 for defined terms.

## Consolidated profit and loss account

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Sales (or equivalent operating) revenue	435,399	377,783
1.2 Share of associates' "net profit (loss) attributable to members" (equal to item 16.7)	-	-
1.3 Other revenue	2,944	4,229
<b>1.4 +Operating profit (loss) before abnormal items and tax</b>	<b>35,001</b>	<b>28,168</b>
1.5 Abnormal items before tax (detail in item 2.4)	-	-
1.6 +Operating profit (loss) before tax (items 1.4 + 1.5)	35,001	28,168
1.7 Less tax	12,390	9,597
Less abnormal tax – change in tax rate	2,577	-
1.8 +Operating profit (loss) after tax but before outside +equity interests	20,034	18,571
1.9 Less outside +equity interests	1,233	667
<b>1.10 +Operating profit (loss) after tax attributable to members</b>	<b>18,801</b>	<b>17,904</b>
1.11 Extraordinary items after tax (detail in item 2.6)	-	-
1.12 Less outside +equity interests	-	-
1.13 Extraordinary items after tax attributable to members	-	-
<b>1.14 Total +operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)</b>	<b>20,034</b>	<b>18,571</b>
1.15 +Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)	1,233	667
<b>1.16 +Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 + 1.13)</b>	<b>18,801</b>	<b>17,904</b>
1.17 Retained profits (accumulated losses) at beginning of financial period	62,093	60,911
1.18 If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description)	-	-
1.19 Aggregate of amounts transferred from reserves	-	-
<b>1.20 Total available for appropriation (carried forward)</b>	<b>80,894</b>	<b>78,815</b>

+ See chapter 19 for defined terms.

**Consolidated profit and loss account continued**

1.20	Total available for appropriation ( <i>brought forward</i> )	80,894	78,815
1.21	Dividends provided for or paid	17,827	16,722
1.22	Aggregate of amounts transferred to reserves		
1.23	<b>Retained profits (accumulated losses) at end of financial period</b>	<b>63,067</b>	<b>62,093</b>

**Profit restated to exclude amortisation of goodwill**

	Current period \$A'000	Previous corresponding period \$A'000
1.24	+Operating profit (loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill	19,559
1.25	Less (plus) outside +equity interests	667
1.26	+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members	18,892

**Intangible, abnormal and extraordinary items**

	<i>Consolidated - current period</i>			
	Before tax \$A'000	Related tax \$A'000	Related outside +equity interests \$A'000	Amount (after tax) attributable to members \$A'000
2.1	2,275	-	-	2,275
2.2	515	185	-	330
2.3	<b>2,790</b>	<b>185</b>	<b>-</b>	<b>2,605</b>
2.4	-	2,577	100	2,477
2.5	-	2,577	100	2,477
2.6	N/A	N/A	N/A	N/A
2.7	N/A	N/A	N/A	N/A

**Comparison of half year profits**

*(Preliminary final report only)*

	Current year - \$A'000	Previous year - \$A'000
3.1		
	10,948	9,489
	8,962	9,489
3.2		
	10,330	8,415
	9,839	8,415

+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(a))**  
**Half yearly/preliminary final report**

<b>Consolidated balance sheet</b> (See note 5)		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
<b>Current assets</b>				
4.1	Cash	7,315	2,533	6,322
4.2	Receivables	81,439	65,077	72,649
4.3	Investments	-	-	-
4.4	Inventories	56,876	45,397	42,908
4.5	Other (provide details if material)	-	-	-
4.6	<b>Total current assets</b>	<b>145,630</b>	<b>113,007</b>	<b>121,879</b>
<b>Non-current assets</b>				
4.7	Receivables	-	-	-
4.8	Investments in associates	-	-	-
4.9	Other investments	1,375	1,125	1,375
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised (see para .71 of <i>AASB 1022</i> )	-	-	-
4.12	Development properties (+mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	91,314	85,489	88,807
4.14	Intangibles (net)	6,560	2,250	8,263
4.15	Other (provide details if material)	14,632	13,518	12,953
4.16	<b>Total non-current assets</b>	<b>113,881</b>	<b>102,382</b>	<b>111,398</b>
4.17	<b>Total assets</b>	<b>259,511</b>	<b>215,389</b>	<b>233,277</b>
<b>Current liabilities</b>				
4.18	Accounts payable	60,660	45,481	45,697
4.19	Borrowings	4,725	2,568	9,095
4.20	Provisions	36,449	29,258	36,498
4.21	Other (provide details if material)	-	-	-
4.22	<b>Total current liabilities</b>	<b>101,834</b>	<b>77,307</b>	<b>91,290</b>
<b>Non-current liabilities</b>				
4.23	Accounts payable	-	-	-
4.24	Borrowings	32,313	23,563	27,544
4.25	Provisions	7,025	6,931	6,883
4.26	Other (provide details if material)	-	-	-
4.27	<b>Total non-current liabilities</b>	<b>39,338</b>	<b>30,494</b>	<b>34,427</b>
4.28	<b>Total liabilities</b>	<b>141,172</b>	<b>107,801</b>	<b>125,717</b>
4.29	<b>Net assets</b>	<b>118,339</b>	<b>107,588</b>	<b>107,560</b>

+ See chapter 19 for defined terms.



**Consolidated balance sheet continued**

<b>Equity</b>				
4.30	Capital	27,055	21,022	23,098
4.31	Reserves	23,484	20,884	21,238
4.32	Retained profits (accumulated losses)	63,067	62,093	59,314
4.33	Equity attributable to members of the parent entity	113,606	103,999	103,650
4.34	Outside +equity interests in controlled entities	4,733	3,589	3,910
4.35	<b>Total equity</b>	<b>118,339</b>	<b>107,588</b>	<b>107,560</b>
4.36	Preference capital included as part of 4.33	N/A	N/A	N/A

**Exploration and evaluation expenditure capitalised**

*To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.*

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	N/A	N/A
5.2	N/A	N/A
5.3	N/A	N/A
5.4	N/A	N/A
5.5	N/A	N/A
5.6	N/A	N/A
	<b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b>	<b>N/A</b>

**Development properties**

*(To be completed only by entities with mining interests if amounts are material)*

	Current period \$A'000	Previous corresponding period - \$A'000
6.1	N/A	N/A
6.2	N/A	N/A
6.3	N/A	N/A
6.4	N/A	N/A
6.5	N/A	N/A
6.6	N/A	N/A
6.7	N/A	N/A
	<b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	<b>N/A</b>

+ See chapter 19 for defined terms.

## Consolidated statement of cash flows

(See note 6)

	Current period \$A'000	Previous corresponding period - \$A'000
<b>Cash flows related to operating activities</b>		
7.1 Receipts from customers	414,356	372,404
7.2 Payments to suppliers and employees	(372,710)	(335,031)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	-	-
7.5 Interest and other items of similar nature received	142	110
7.6 Interest and other costs of finance paid	(1,796)	(1,832)
7.7 Income taxes paid	(13,662)	(9,289)
7.8 Other (provide details if material)	-	-
<b>7.9 Net operating cash flows</b>	<b>26,330</b>	<b>26,352</b>
<b>Cash flows related to investing activities</b>		
7.10 Payment for purchases of property, plant and equipment	(11,344)	(9,580)
7.11 Proceeds from sale of property, plant and equipment	497	886
7.12 Payment for purchases of equity investments	(251)	-
7.13 Proceeds from sale of equity investments	86	1,521
7.14 Loans to other entities	(75)	299
7.15 Loans repaid by other entities	-	-
7.16 Payments for intangible assets	(7,100)	-
Payments for purchase of business	(4,261)	-
Other	316	689
<b>7.17 Net investing cash flows</b>	<b>(22,132)</b>	<b>(6,185)</b>
<b>Cash flows related to financing activities</b>		
7.18 Proceeds from issues of +securities (shares, options, etc.)	6,214	3,257
7.19 Proceeds from borrowings	11,044	591
7.20 Repayment of borrowings	-	(3,848)
7.21 Dividends paid	(16,809)	(14,253)
7.22 Other (provide details if material)	-	(3,180)
<b>7.23 Net financing cash flows</b>	<b>449</b>	<b>(17,433)</b>
<b>7.24 Net increase (decrease) in cash held</b>	<b>4,647</b>	<b>2,734</b>
7.25 Cash at beginning of period (see Reconciliation of cash)	2,533	(176)
7.26 Exchange rate adjustments to item 7.25	135	(25)
<b>7.27 Cash at end of period</b> (see Reconciliation of cash)	<b>7,315</b>	<b>2,533</b>

+ See chapter 19 for defined terms.

## Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

N/A
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## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	7,315	2,533
8.2 Deposits at call	-	-
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
<b>8.5 Total cash at end of period (item 7.26)</b>	<b>7,315</b>	<b>2,533</b>

<b>Ratios</b>	Current period	Previous corresponding period
<b>9.1 Profit before abnormals and tax / sales</b> Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	8.0%	7.5%
<b>9.2 Profit after tax / +equity interests</b> Consolidated +operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)		
<i>Excluding abnormal tax expense</i>	18.8%	17.2%
<i>Including abnormal tax expense</i>	16.6%	17.2%

<b>Earnings per security (EPS)</b>	Current period	Previous corresponding period
<b>10.1</b> Calculation of the following in accordance with <i>AASB 1027: Earnings per Share</i>		
(a) Basic EPS – before abnormal tax expense	18.8 cents	16.3 cents
- after abnormal tax expense	16.5 cents	16.3 cents
(b) Diluted EPS (if materially different from (a))	N/A	N/A
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	113,662,282	110,071,905

+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(a))**  
Half yearly/preliminary final report

<b>NTA backing</b> <i>(see note 7)</i>	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	92.0 cents	91.5 cents

**Details of specific receipts/outlays, revenues/ expenses**

	Current period \$A'000	Previous corresponding period - \$A'000
12.1 Interest revenue included in determining item 1.4	142	110
12.2 Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	1,796	1,832
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-
12.5 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6 Depreciation and amortisation (excluding amortisation of intangibles)	8,789	8,166

**Control gained over entities having material effect**

*(See note 8)*

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	\$
13.3 Date from which such profit has been calculated	
13.4 +Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	\$

**Loss of control of entities having material effect**

*(See note 8)*

14.1 Name of entity (or group of entities)	N/A
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+ See chapter 19 for defined terms.

14.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	\$
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$

### Reports for industry and geographical segments

Segment	Total Assets		Total Revenue		Consolidated Profit Before Interest & Tax	
	30.06.00	30.06.99	30.06.00	30.06.99	30.06.00	30.06.99
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Home & Hardware Products	56,907	41,223	132,843	118,931	9,846	8,707
Building & Industrial Products	70,259	51,276	175,110	152,517	11,905	10,899
Electronics	46,623	43,287	128,173	108,074	14,483	10,087
Other	85,722	79,603	2,217	2,490	421	197
<b>Total segment assets</b>	<b>259,511</b>	<b>215,389</b>				
<b>Total revenue</b>			<b>438,343</b>	<b>382,012</b>		
<b>Consolidated profit before interest and tax</b>					<b>36,655</b>	<b>29,890</b>
Interest					1,654	1,722
Earnings before tax					35,001	28,168
Income tax attributable to operating profit					14,967	9,597
<b>Operating profit after tax</b>					<b>20,034</b>	<b>18,571</b>

  

Geographic Segment	Total Assets		Total Revenue		Consolidated Profit After Tax	
	30.06.00	30.06.99	30.06.00	30.06.99	30.06.00	30.06.99
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	219,493	178,580	394,076	341,748	19,705	17,741
Overseas	40,018	36,809	44,267	40,264	329	830
<b>Total</b>	<b>259,511</b>	<b>215,389</b>	<b>438,343</b>	<b>382,012</b>	<b>20,034</b>	<b>18,571</b>

### Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	22 September 2000
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHES approved)	8 September 2000
15.3	If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	Yes

+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(a))**  
Half yearly/preliminary final report

**Amount per security**

		Amount per security	Franked amount per security at 36% tax	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	7.4¢	7.4¢	-¢
15.5	Previous year	6.4¢	6.4¢	-¢
15.6	<i>(Half yearly and preliminary final reports)</i> <b>Interim dividend:</b> Current year <b>Special dividend:</b> Current year	6.6¢ 5.0¢	6.6¢ 5.0¢	-¢ -¢
15.7	<b>Interim dividend:</b> Previous year <b>Special dividend:</b> Previous year	5.6¢ 5.0¢	5.6¢ 5.0¢	-¢ -¢

**Total dividend (distribution) per security (interim plus final)**

*(Preliminary final report only)*

	Current year	Previous year
15.8 +Ordinary securities	19.0¢	17.0¢
15.9 Preference +securities	N/A	N/A

**Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities – final dividend	8,606	7,136
15.11 Preference +securities	N/A	N/A
15.12 <b>Total</b>	8,606	7,136

The +dividend or distribution plans shown below are in operation.

The Dividend Investment Plan and Share Investment Plan will operate. A discount of 5% will apply under the Rules of the Plans.

The last date(s) for receipt of election notices for the +dividend or distribution plans

8 September 2000

Any other disclosures in relation to dividends (distributions)

+ See chapter 19 for defined terms.

**Details of aggregate share of profits (losses) of associates**

Entity's share of associates'	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Operating profit (loss) before income tax	N/A	N/A
16.2 Income tax expense	N/A	N/A
16.3 Operating profit (loss) after income tax	N/A	N/A
16.4 Extraordinary items net of tax	N/A	N/A
16.5 Net profit (loss)	N/A	N/A
16.6 Outside equity interests	N/A	N/A
16.7 Net profit (loss) attributable to members	N/A	N/A

**Material interests in entities which are not controlled entities**

*The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").*

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to +operating profit (loss) and extraordinary items after tax (item 1.14)	
	Current period	Previous corresponding period	Current period - \$A'000	Previous corresponding period- \$A'000
17.1 <b>Equity accounted associates</b>	N/A	N/A	N/A	N/A
17.2 Total				
17.3 <b>Other material interests</b>				
17.4 Total				

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current period**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

Category of +securities	Total number	Number quoted	Issue price per security (see note 15) (cents)	Amount paid up per security (see note 15) (cents)
18.1 <b>Preference +securities</b> <i>(description)</i>	N/A	N/A		
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3 <b>+Ordinary securities</b>	116,303,873	116,303,873		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	5,077,557 -	5,077,557 -		
18.5 <b>+Convertible debt securities</b> <i>(description and conversion factor)</i>	N/A	N/A		
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date (if any)</i>
1 December 2000	175,000	175,000	\$2.13	31/12/00
18.8 Issued during current period				
18.9 Exercised during current period				
18.10 Expired during current period				
18.11 <b>Debentures</b> <i>(totals only)</i>				
18.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.



### Comments by directors

*Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.*

### Basis of accounts preparation

*If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last + annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]*

Material factors affecting the revenues and expenses of the economic entity for the current period

Refer attached

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Refer attached

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

The directors expect that dividends will be fully franked for the foreseeable future.

Franking credits available:	30 June 2000
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Franked at 34%	57,580,107
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Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly report in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)*

There were no changes in accounting policy.

Certain comparative information has been reclassified to achieve consistency in disclosure with current financial period amounts.

### Additional disclosure for trusts

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+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(a))**  
Half yearly/preliminary final report

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19.1 Number of units held by the management company or responsible entity or their related parties. N/A

19.2 A statement of the fees and commissions payable to the management company or responsible entity. N/A

Identify:

- initial service charges
- management fees
- other fees

## Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

Australian Mineral Foundation 63 Conyngham Street GLENSIDE SA 5065
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Date

10 November 2000
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Time

2.30 pm
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Approximate date the +annual report will be available

12 October 2000
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## Compliance statement

1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 13).

Identify other standards used

N/A
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2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

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+ See chapter 19 for defined terms.

4 This report is based on +accounts to which one of the following applies.

(Tick one)

The +accounts have been audited.

The +accounts have been subject to review.



The +accounts are in the process of being audited or subject to review.

The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Law.*)

6 The entity has a formally constituted audit committee.

Sign here: ..... Date: 14 August 2000  
(Director/Company secretary)

Print name: Graham Twartz

## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated profit and loss account**
  - Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *AASB 1004: Disclosure of Operating Revenue*.
  - Item 1.2 'Share of associates' "net profit (loss) attributable to members" would form part of "other revenue" in *AASB 1004* to the extent that a profit is to be reported. ASX has elected to require disclosure of a share of a loss in the same location for consistency of presentation.
  - Item 1.4 "+operating profit (loss) before abnormal items and tax" is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.

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+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(a))**  
**Half yearly/preliminary final report**

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- Item 1.7            This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg, fringe benefits tax).
4.            **Income tax**    If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.
5.            **Consolidated balance sheet**  
**Format**    The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029* and *AASB 1034*. Banking institutions, trusts and financial institutions identified in an ASIC Class Order dated 2 September 1997 may substitute a clear liquidity ranking for the Current/Non-Current classification.
- Basis of revaluation**    If there has been a material revaluation of non-current assets (including investments) since the last +annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030: Application of Accounting Standards etc*.
6.            **Statement of cash flows**    For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7.            **Net tangible asset backing**    Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a net tangible asset backing per +ordinary security.
8.            **Gain and loss of control over entities**    The gain or loss must be disclosed if it has a material effect on the +accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9.            **Rounding of figures**    This report anticipates that the information required is given to the nearest \$1,000. However, an entity may report exact figures, if the \$A’000 headings are amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A’000 headings are amended.

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+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(a))**  
**Half yearly/preliminary final report**

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10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.
11. **Comparative figures when equity accounted information first included in the accounts** There will be a lack of comparability in the figures for the previous corresponding period when equity accounted information is first included if this information has a material effect on the consolidated accounts. If it does have a material effect, attach a note providing a better comparison by restating “Operating profit (loss) after tax attributable to members” (item 1.10) and “Investments in associates” (item 4.8) for the previous corresponding period to incorporate equity accounted information. In addition, as required by Note 1, no directional or percentage changes in profit are to be reported in the “For announcement to the market” section. Where the disclosures were not previously required in Appendix 4B, no comparatives need be shown.
12. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +ASIC under the Corporations Law must also be given to ASX. For example, a directors’ report and statement, if lodged with the +ASIC, must be given to ASX.
13. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
14. **Corporations Law financial statements** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Law as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
15. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.

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+ See chapter 19 for defined terms.