



## **PRESS RELEASE**

### **PROFIT IMPROVEMENT FOR HILLS**

The Chairman, Mr. Bob Ling, today announced the following operating results for the 12 months ended 30 June 2002 for the Hills group.

	<b>12 MONTHS TO 30/6/02 \$'000</b>	<b>12 MONTHS TO 30/6/01 \$'000</b>	<b>% CHANGE</b>
Total Revenue from Ordinary Activities	585,308	506,151	+ 15.6
Profit from Ordinary Activities before Tax	39,208	33,980	+ 15.4
Profit from Ordinary Activities attributable to Owners	23,864	22,770	+ 4.8
Earnings per share	19.4 cents	19.2 cents	+ 1.0

Mr Ling said that the 4.8% improvement in operating profit after tax attributable to Hills Shareholders and the company's strong cash position were both pleasing given the mixed economic conditions during the period.

Mr Ling noted that the improvement in Operating Profit before Tax was higher than the Operating Profit attributable to Hills shareholders due to the strong improvement in the results from partly owned businesses.

The results for individual business units were as follows:

#### **ELECTRONICS**

	<b>12 MONTHS TO 30/6/02 \$'000</b>	<b>12 MONTHS TO 30/6/01 \$'000</b>	<b>% CHANGE</b>
Total Revenue	165,412	145,822	+ 13.4
Operating profit before interest and tax	15,269	14,983	+ 1.9

- ◆ Security revenues continued to grow as a result of product range and geographic expansion initiatives.
- ◆ The Allguard Distribution business was acquired in October 2001. This business provides fibre optic solutions for high end security installations.
- ◆ Antenna & TV Systems consolidated their position in the PayTV sector increasing sales in a static market.

- ◆ Start up losses were incurred in relation to the ePic Internet based video motion detection product range and the Home Integrated Systems (Home Automation) product range.
- ◆ A new range of Engineered for Digital free to air Antenna was released by Antenna & TV Systems.

## HOME & HARDWARE PRODUCTS

	12 MONTHS TO 30/6/02 \$'000	12 MONTHS TO 30/6/01 \$'000	% CHANGE
Total Revenue	151,812	146,896	+ 3.3
Operating profit before interest and tax	13,423	13,244	+ 1.4

- ◆ The Triton DIY woodworking business performed well releasing a number of innovative new products to the market place including a ½" high precision router which has received worldwide acclaim.
- ◆ Results in Europe were below expectation. Following a review of the business a Joint Venture has now been formed with Freudenberg Household Products (Vileda). The key objective of the Joint Venture is to grow the sales of rotary clothes drying products in Europe.
- ◆ Consumer and Trade Products in Australia performed well assisted by the strength of the new housing market and the exit of Oldfields from the ladder market.

## BUILDING & INDUSTRIAL PRODUCTS

	12 MONTHS TO 30/6/02 \$'000	12 MONTHS TO 30/6/01 \$'000	% CHANGE
Total Revenue	263,436	209,530	+ 25.7
Operating profit before interest and tax	13,332	8,067	+ 65.3

- ◆ The Orrcon Precision and Structural Tube business increased its sales in line with the business plan established when Hills and Welded Tube Mills merged their operations in October 2000.
- ◆ Sales and profitability in Fielders increased as a result of improved building activity.
- ◆ Korvest Ltd sales and profit were up in comparison to the previous corresponding period assisted by strong results from the Ezy-Strut cable support business and the Korvest Hot Dip Galvanising business.
- ◆ The strike at the BHP Westernport plant in June was disruptive to all steel based businesses within the group. Supply difficulties are still being experienced.

## **DIVIDEND POLICY**

The company will continue to pay all of its after tax profits to shareholders as interim and final dividends. This policy is subject to the same conditions as previously determined as follows:

- ◆ The debt to equity ratio remaining around 45% taking into account the funding required for growth.
- ◆ No change in the law in connection with the distribution of accumulated franking credits.
- ◆ Continuing profitability at an acceptable level.

The Directors announced a fully franked final dividend of 10 cents per share. This dividend can be taken as cash, reinvested in Hills shares at a 10% discount or received as bonus shares at a 10% discount or any combination of the above. The dividend will be paid on 30<sup>th</sup> September, 2002. The Record Date is 16<sup>th</sup> September 2002.

The Directors also advised that the company will offer a share purchase plan of up to \$3,000 per shareholder to all current shareholders at a discount of 10%. The full details of this plan will be sent to shareholders shortly. The record date for the entitlement to participate is 16<sup>th</sup> September 2002.

## **CURRENT YEAR**

Mr Ling said that there was now a high degree of uncertainty in equity markets. The financial scandals in the US and elsewhere meant that confidence in global share markets was low, which in turn was impacting consumer confidence. It is essential that all Corporate Directors and Managers always act responsibly and honestly in the execution of their duties on behalf of shareholders, customers and employees to maintain their respect and to ensure the corporation's viability in the long term.

Notwithstanding high compliance costs and rising insurance costs, the business strategies in place across the Hills Group were aimed at achieving continuing improvements in profitability.

**R.D.H. LING AO**  
**CHAIRMAN**

13 August 2002

# Appendix 4B

## Half yearly/preliminary final report

Introduced 30/6/2002.

Name of entity

HILLS INDUSTRIES LIMITED

ABN or equivalent company reference

35 007 573 417

Half yearly (tick)

Preliminary final (tick)

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

30 JUNE 2002

### For announcement to the market

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

\$A'000

Revenues from ordinary activities ( <i>item 1.1</i> )	up	15.6 %	to	585,308
Profit (loss) from ordinary activities after tax attributable to members ( <i>item 1.22</i> )	up	4.8 %	to	23,864
Profit (loss) from extraordinary items after tax attributable to members ( <i>item 2.5(d)</i> )				Nil
Net profit (loss) for the period attributable to members ( <i>item 1.11</i> )	up	4.8 %	to	23,864
<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> )		10.0 ¢		10.0 ¢
Previous corresponding period ( <i>Preliminary final report - item 15.5; half yearly report - item 15.7</i> )		7.4 ¢		7.4 ¢
<p><sup>+</sup>Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto; margin-right: auto;">16 SEPTEMBER 2002</div> <p>Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:</p> <p style="text-align: center;">REFER ATTACHED</p>				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

**Condensed consolidated statement of financial performance**

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities ( <i>see items 1.23 -1.25</i> )	585,308	506,151
1.2 Expenses from ordinary activities ( <i>see items 1.26 &amp; 1.27</i> )	541,316	468,502
1.3 Borrowing costs	4,784	3,669
1.4 Share of net profits (losses) of associates and joint venture entities ( <i>see item 16.7</i> )	-	-
<b>1.5 Profit (loss) from ordinary activities before tax</b>	<b>39,208</b>	<b>33,980</b>
1.6 Income tax on ordinary activities ( <i>see note 4</i> )	12,775	10,967
<b>1.7 Profit (loss) from ordinary activities after tax</b>	<b>26,433</b>	<b>23,013</b>
1.8 Profit (loss) from extraordinary items after tax ( <i>see item 2.5</i> )	-	-
<b>1.9 Net profit (loss)</b>	<b>26,433</b>	<b>23,013</b>
1.10 Net profit (loss) attributable to outside <sup>+</sup> equity interests	2,569	243
<b>1.11 Net profit (loss) for the period attributable to members</b>	<b>23,864</b>	<b>22,770</b>
<b>Non-owner transaction changes in equity</b>		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	481	1,711
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	481	1,711
<b>1.17 Total changes in equity not resulting from transactions with owners as owners</b>	<b>24,345</b>	<b>24,481</b>

<b>Earnings per security (EPS)</b>	Current period	Previous corresponding period
1.18 Basic EPS	19.4	19.2
1.19 Diluted EPS	19.3	19.2

+ See chapter 19 for defined terms.

## Notes to the condensed consolidated statement of financial performance

### Profit (loss) from ordinary activities attributable to members

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax ( <i>item 1.7</i> )	26,433	23,013
1.21 Less (plus) outside <sup>+</sup> equity interests	2,569	243
<b>1.22 Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>23,864</b>	<b>22,770</b>

### Revenue and expenses from ordinary activities

(*see note 15*)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Revenue from sales or services	580,253	500,283
1.24 Interest revenue	493	354
1.25 Other relevant revenue		
- Dividends received	551	499
- Property rentals	851	1,525
- Proceeds from sale of property, plant & equipment	1,405	817
- Proceeds for sale of investments	13	601
- Other income	1,742	2,072
1.26 Details of relevant expenses		
- Cost of goods sold	388,075	336,847
- Sales and marketing expenses	77,370	68,445
- Distribution expenses	43,338	33,824
- Administration expenses	25,339	22,452
- Occupancy expenses	5,019	4,779
- Other expenses	2,175	2,155
Expenses from ordinary activities, excluding borrowing costs.	541,316	468,502
- Borrowing Costs	4,784	3,669
Expenses from ordinary activities	546,100	472,171
1.27 Depreciation and amortisation excluding amortisation of intangibles ( <i>see item 2.3</i> )	12,601	9,732
<b>Capitalised outlays</b>		
1.28 Interest costs capitalised in asset values	Nil	Nil
1.29 Outlays capitalised in intangibles (unless arising from an <sup>+</sup> acquisition of a business)	Nil	Nil

+ See chapter 19 for defined terms.

### Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	67,480	63,066
1.31 Net profit (loss) attributable to members ( <i>item 1.11</i> )	23,864	22,770
1.32 Net transfers from (to) reserves ( <i>details if material</i> )	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	20,648	18,356
<b>1.35 Retained profits (accumulated losses) at end of financial period</b>	<b>70,696</b>	<b>67,480</b>

### Intangible and extraordinary items

<i>Consolidated - current period</i>				
	Before tax \$A'000  (a)	Related tax \$A'000  (b)	Related outside +equity interests \$A'000 (c)	Amount (after tax) attributable to members \$A'000 (d)
2.1 Amortisation of goodwill	218	-	-	218
2.2 Amortisation of other intangibles	908	272	-	636
<b>2.3 Total amortisation of intangibles</b>	<b>1,126</b>	<b>272</b>	<b>-</b>	<b>854</b>
2.4 Extraordinary items (details)	-	-	-	-
<b>2.5 Total extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

+ See chapter 19 for defined terms.

**Comparison of half year profits**

*(Preliminary final report only)*

- 3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year (item 1.22 in the half yearly report)
- 3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year

	Current year - \$A'000	Previous year - \$A'000
3.1	12,166	11,370
3.2	11,698	11,400

**Condensed consolidated statement of financial position**

	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	6,500	2,301	7,084
4.2	105,808	89,542	104,617
4.3	-	-	-
4.4	75,308	74,146	70,079
4.5	-	-	-
4.6	-	-	-
<b>4.7</b>	<b>187,616</b>	<b>165,989</b>	<b>181,780</b>
<b>Non-current assets</b>			
4.8	2,000	-	-
4.9	-	-	-
4.10	1,163	1,163	1,163
4.11	-	-	-
4.12	-	-	-
4.13	-	-	-
4.14	130,323	116,067	125,477
4.15	6,511	6,647	7,107
4.16	14,954	13,512	14,336
4.17	-	-	-
<b>4.18</b>	<b>154,951</b>	<b>137,389</b>	<b>148,083</b>
<b>4.19</b>	<b>342,567</b>	<b>303,378</b>	<b>329,863</b>

+ See chapter 19 for defined terms.



**Condensed consolidated statement of financial position continued**

	<b>Current liabilities</b>			
4.20	Payables	71,169	66,929	74,362
4.21	Interest bearing liabilities	15,034	12,868	20,012
4.22	Tax liabilities	5,648	2,639	2,543
4.23	Provisions exc. tax liabilities	31,101	25,611	29,700
4.24	Other (provide details if material)	-	-	-
<b>4.25</b>	<b>Total current liabilities</b>	<b>122,952</b>	<b>108,047</b>	<b>126,617</b>
	<b>Non-current liabilities</b>			
4.26	Payables	-	-	-
4.27	Interest bearing liabilities	58,196	49,972	51,227
4.28	Tax liabilities	1,570	1,290	1,293
4.29	Provisions exc. tax liabilities	4,293	5,912	6,063
4.30	Other (provide details if material)	-	-	-
<b>4.31</b>	<b>Total non-current liabilities</b>	<b>64,059</b>	<b>57,174</b>	<b>58,583</b>
<b>4.32</b>	<b>Total liabilities</b>	<b>187,011</b>	<b>165,221</b>	<b>185,200</b>
<b>4.33</b>	<b>Net assets</b>	<b>155,556</b>	<b>138,157</b>	<b>144,663</b>
	<b>Equity</b>			
4.34	Capital/contributed equity	39,728	30,751	33,102
4.35	Reserves	25,676	25,195	25,875
4.36	Retained profits (accumulated losses)	70,696	67,480	69,298
<b>4.37</b>	<b>Equity attributable to members of the parent entity</b>	<b>136,100</b>	<b>123,426</b>	<b>128,275</b>
4.38	Outside <sup>+</sup> equity interests in controlled entities	19,456	14,731	16,388
<b>4.39</b>	<b>Total equity</b>	<b>155,556</b>	<b>138,157</b>	<b>144,663</b>
4.40	Preference capital included as part of 4.37	-	-	-

+ See chapter 19 for defined terms.

## Notes to the condensed consolidated statement of financial position

### Exploration and evaluation expenditure capitalised

*(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)*

	Current period \$A'000	Previous corresponding period - \$A'000
5.1 Opening balance		
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period		
5.4 Acquisitions, disposals, revaluation increments, etc.	N/A	N/A
5.5 Expenditure transferred to Development Properties		
<b>5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)</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 Opening balance		
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period	N/A	N/A
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
<b>6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)</b>		

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+ See chapter 19 for defined terms.

**Condensed consolidated statement of cash flows**

		Current period \$A'000	Previous corresponding period - \$A'000
<b>Cash flows related to operating activities</b>			
7.1	Receipts from customers (inc GST)	638,896	563,595
7.2	Payments to suppliers and employees (inc GST)	(593,512)	(523,796)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	551	499
7.5	Interest and other items of similar nature received	491	351
7.6	Interest and other costs of finance paid	(4,740)	(3,660)
7.7	Income taxes paid	(10,855)	(17,461)
7.8	Other (provide details if material)	-	-
<b>7.9</b>	<b>Net operating cash flows</b>	<b>30,831</b>	<b>19,528</b>
<b>Cash flows related to investing activities</b>			
7.10	Payment for purchases of property, plant and equipment	(27,585)	(18,561)
7.11	Proceeds from sale of property, plant and equipment	1,405	817
7.12	Payment for purchases of equity investments	(30)	(378)
7.13	Proceeds from sale of equity investments	13	601
7.14	Loans to other entities	(3,611)	-
7.15	Loans repaid by other entities	-	-
7.16	Other (provide details if material)		
	- Payments for acquisition of businesses	(617)	(1,661)
	- Payments for purchase of intangible assets	(982)	(1,090)
	- Rent received	851	1,525
<b>7.17</b>	<b>Net investing cash flows</b>	<b>(30,556)</b>	<b>(18,747)</b>
<b>Cash flows related to financing activities</b>			
7.18	Proceeds from issues of +securities (shares, options, etc.)	12,007	5,268
7.19	Proceeds from borrowings	10,732	15,704
7.20	Repayment of borrowings	(4,000)	(10,832)
7.21	Dividends paid	(17,973)	(19,910)
7.22	Other (provide details if material)		
	- Finance lease payments	(654)	(73)
<b>7.23</b>	<b>Net financing cash flows</b>	<b>112</b>	<b>(9,843)</b>
7.24	<b>Net increase (decrease) in cash held</b>	<b>387</b>	<b>(9,062)</b>
7.25	Cash at beginning of period (see Reconciliation of cash)	(1,696)	7,315
7.26	Exchange rate adjustments to item 7.25.	30	51
<b>7.27</b>	<b>Cash at end of period</b> (see Reconciliation of cash)	<b>(1,279)</b>	<b>(1,696)</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	6,500	2,301
8.2 Deposits at call	-	-
8.3 Bank overdraft	(7,779)	(3,997)
8.4 Other (provide details)	-	-
<b>8.5 Total cash at end of period (item 7.27)</b>	<b>(1,279)</b>	<b>(1,696)</b>

### Other notes to the condensed financial statements

<b>Ratios</b>	Current period	Previous corresponding period
<b>9.1 Profit before tax / revenue</b> Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	6.7 %	6.7 %
<b>9.2 Profit after tax / +equity interests</b> Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	17.5 %	18.4 %

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+ See chapter 19 for defined terms.

## Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

<u>Corresponding</u>	<u>Current Period</u>	<u>Previous</u> <u>Period</u>
<b>Classification of securities as ordinary shares</b>		
The following securities have been classified as ordinary shares and included in basic earnings per share:		
(a) ordinary shares.		
<b>Classification of securities as potential ordinary shares</b>		
The following securities have been classified as potential ordinary shares and included in diluted earnings per share only:		
(a) options outstanding under the Executive Share Option Plan.		
<b>Earnings reconciliation</b>		
Net profit	26,433	23,013
Net profit attributable to outside equity interests	<u>(2,569)</u>	<u>(243)</u>
Basic earnings	23,864	22,770
After tax effect of interest on options	<u>42</u>	<u>31</u>
Diluted earnings	<u>23,906</u>	<u>22,801</u>
<b>Weighted average number of shares used as the denominator</b>		
<b>number for basic earnings per share</b>		
Ordinary shares	123,217,896	118,367,674
Effect of executive share plan options on issue	<u>440,000</u>	<u>367,500</u>
Number for diluted earnings per share	<u>123,657,896</u>	<u>118,735,174</u>

### NTA backing (see note 7)

	Current period	Previous corresponding period
11.1 Net tangible asset backing per <sup>+</sup> ordinary security	103.0 cents	96.7 cents

### Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: *Interim Financial Reporting*, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: *Discontinuing Operations* (see note 17).)

#### 12.1 Discontinuing Operations

N/A
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+ See chapter 19 for defined terms.

**Control gained over entities having material effect**

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

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

14.1 Name of entity (or group of entities)	N/A
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled 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 profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

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

15.1 Date the dividend (distribution) is payable	30 SEPTEMBER 2002
15.2 <sup>+</sup> Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if <sup>+</sup> securities are not <sup>+</sup> CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if <sup>+</sup> securities are <sup>+</sup> CHESS approved)	16 SEPTEMBER 2002
15.3 If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	YES

<sup>+</sup> See chapter 19 for defined terms.

**Amount per security**

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
<b>15.4</b>	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	10.0 ¢	10.0 ¢	- ¢
15.5	Previous year	7.4 ¢	7.4 ¢	- ¢
<b>15.6</b>	<i>(Half yearly and preliminary final reports)</i> <b>Interim dividend:</b> Current year	10.0 ¢	10.0 ¢	- ¢
15.7	Previous year interim dividend special dividend	7.0 ¢ 5.0 ¢	7.0 ¢ 5.0 ¢	- ¢ - ¢

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

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	20.0 ¢	19.4 ¢
15.9 Preference +securities	- ¢	- ¢

**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 <i>(each class separately)</i>	12,586	8,920
15.11 Preference +securities <i>(each class separately)</i>	-	-
15.12 Other equity instruments <i>(each class separately)</i>	-	-
<b>15.13 Total</b>	<b>12,586</b>	<b>8,920</b>

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

The Dividend Investment Plan and Share Investment Plan will operate. A discount of 10% will apply under the rules of the Plan.

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

16 SEPTEMBER 2002

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

N/A

+ See chapter 19 for defined terms.

**Details of aggregate share of profits (losses) of associates and joint venture entities**

Group's share of associates' and joint venture entities':	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before tax	N/A	N/A
16.2 Income tax on ordinary activities		
<b>16.3 Profit (loss) from ordinary activities after tax</b>		
16.4 Extraordinary items net of tax		
<b>16.5 Net profit (loss)</b>		
16.6 Adjustments		
<b>16.7 Share of net profit (loss) of associates and joint venture entities</b>		

**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 dd/mm/yy") or disposal ("to dd/mm/yy").)*

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) ( <i>item 1.9</i> )	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
<b>17.1 Equity accounted associates and joint venture entities</b>	N/A	N/A	N/A	N/A
<b>17.2 Total</b>				
17.3 Other material interests	N/A	N/A	N/A	N/A
<b>17.4 Total</b>				

+ See chapter 19 for defined terms.



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

(Description must include 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 14) (cents)	Amount paid up per security (see note 14) (cents)
<b>18.1 Preference +securities</b> (description)	N/A			
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
<b>18.3 +Ordinary securities</b>	125,861,262	125,861,262		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	5,315,212 -	5,315,212 -		
<b>18.5 +Convertible debt securities</b> (description and conversion factor)	N/A			
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
<b>18.7 Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date (if any)</i>
	195,000	-	\$2.50	31/12/02
	245,000	-	\$2.90	31/12/03
18.8 Issued during current period	245,000	-	\$2.90	31/12/03
18.9 Exercised during current period				
18.10 Expired during current period	172,500	-	\$2.35	31/12/01
<b>18.11 Debentures</b> (description)				
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	N/A			

+ See chapter 19 for defined terms.

<b>18.13 Unsecured notes</b> <i>(description)</i>		
18.14 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	N/A	

### Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's <sup>+</sup>accounts should be reported separately and attached to this report.)

### Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) 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 financial report preparation

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

REFER ATTACHED

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

REFER ATTACHED

19.4 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. The consolidated balance in the franking account at 30 June 2002 is \$68,349,953

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<sup>+</sup> See chapter 19 for defined terms.

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

**Earnings Per Share**

The consolidated entity has applied the revised AASB1027 Earnings Per Share for the first time from 1 July 2001. The revised requirements have been applied for the comparative period ended 30 June 2001 and resulted in no adjustment, other than to disclose the diluted earnings per share which was no different to the basic earnings per share.

**Segment Reporting**

The consolidated entity has applied the revised AASB 1005 Segment Reporting for the first time from 1 July 2001. Individual business segments have been identified on the basis of grouping individual products or services subject to similar risks or returns. The business segments reported are Home & Hardware, Electronics and Building & Industrial and are the same as those reported under the old standard and, accordingly, the segment note for the comparative period ended 30 June 2001 has not been adjusted. Comparative information has been restated for segment revenue and segment assets as a result of changes in the definition of these items.

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/A

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

NIL

**Additional disclosure for trusts**

20.1 Number of units held by the management company or responsible entity or their related parties.

N/A

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

N/A

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+ See chapter 19 for defined terms.

## Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

AUSTRALIAN MINERAL FOUNDATION

Date

1<sup>ST</sup> NOVEMBER 2002

Time

2.30 P.M.

Approximate date the <sup>+</sup>annual report will be available

4<sup>TH</sup> OCTOBER 2002

## 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 (see note 12).

Identify other standards used

N/A

- 2 This report, and the <sup>+</sup>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).
- 4 This report is based on <sup>+</sup>accounts to which one of the following applies.  
*(Tick one)*
- |                                     |   |                          |   |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/>            | The <sup>+</sup> accounts have been audited.  | <input type="checkbox"/> | The <sup>+</sup> accounts have been subject to review.                  |
| <input checked="" type="checkbox"/> | The <sup>+</sup> accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The <sup>+</sup> accounts have <i>not</i> yet been audited or reviewed. |
- 5 If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available. *(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 Act.)*
- 6 The entity has a formally constituted audit committee.

Sign here: GRAHAM TWARTZ  
(Director/Company Secretary)

Date: 13 AUGUST 2002

Print name: GRAHAM TWARTZ

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+ See chapter 19 for defined terms.

## 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. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
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. **Condensed consolidated statement of financial performance**
  - Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
  - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (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. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

**Format** The format of the consolidated statement of financial position 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: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions 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.

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+ See chapter 19 for defined terms.

6. **Condensed consolidated 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. If an entity reports exact figures, the \$A’000 headings must be 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, and the \$A’000 headings must be amended.
10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
11. **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 Act must also be given to ASX. For example, a director’s report and declaration, if lodged with the +ASIC, must be given to ASX.

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+ See chapter 19 for defined terms.

12. **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 exists) must be complied with.
13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **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.
15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their <sup>+</sup>accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

**Relevant Items** *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term “relevance” is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.

17. **Discontinuing operations**

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their <sup>+</sup>accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. **Format**

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

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<sup>+</sup> See chapter 19 for defined terms.

## Segment reporting

### Segment Note

#### Primary reporting by business segments

	Home & Hardware		Electronics		Building & Industrial		Eliminations		Consolidated	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
<b>Revenue</b>										
External segment revenue	151,812	146,896	165,412	145,822	263,436	209,530	0	0	580,660	502,248
Inter-segment revenue	0	0	0	0	9,675	6,952	-9,675	-6,952	0	0
<b>Total segment revenue</b>	<b>151,812</b>	<b>146,896</b>	<b>165,412</b>	<b>145,822</b>	<b>273,111</b>	<b>216,482</b>	<b>-9,675</b>	<b>-6,952</b>	<b>580,660</b>	<b>502,248</b>
Unallocated / corporate revenue									4,648	3,903
<b>Total revenue</b>									<b>585,308</b>	<b>506,151</b>
<b>Result</b>										
Segment result (before interest and tax)	13,423	13,244	15,269	14,983	13,332	8,067	0	0	42,024	36,294
Unallocated / corporate result									1,475	1,001
									43,499	37,295
Net interest									-4,291	-3,315
Profit from ordinary activities before income tax									39,208	33,980
Income tax expense									-12,775	-10,967
<b>Net profit</b>									<b>26,433</b>	<b>23,013</b>
Depreciation and amortisation	5,254	N/A	2,077	N/A	4,608	N/A	0	N/A	11,939	N/A
Unallocated / corporate depreciation and amortisation									1,788	N/A
									13,727	N/A
Other non-cash expenses	3,307	N/A	185	N/A	2,881	N/A	0	N/A	6,373	N/A
Unallocated / corporate other non-cash expenses									788	N/A
									7,161	N/A
<b>Assets</b>										
Segment assets	93,882	85,902	73,211	65,684	133,752	117,575	0	0	300,845	269,161
Unallocated / corporate assets									41,722	34,217
<b>Consolidated total assets</b>									<b>342,567</b>	<b>303,378</b>
<b>Liabilities</b>										
Segment liabilities	17,718	N/A	17,543	N/A	31,487	N/A	0	N/A	66,748	N/A
Unallocated / corporate liabilities									120,263	N/A
<b>Consolidated total liabilities</b>									<b>187,011</b>	<b>N/A</b>
Acquisitions of non-current assets	5,344	N/A	4,461	N/A	16,681	N/A	0	N/A	26,486	N/A
Unallocated / corporate assets									3,301	N/A
									29,787	N/A

#### Secondary reporting by geographical segments

	Australia		Overseas		Eliminations		Consolidated	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
External segment revenue by location of customers	528,578	453,932	56,730	52,219	0	0	585,308	506,151
Segment assets by location of assets	299,999	265,903	42,568	37,475	0	0	342,567	303,378
Acquisitions of non-current assets	27,725	N/A	2,062	N/A	0	N/A	29,787	N/A

+ See chapter 19 for defined terms.