

Rib Loc Group Limited

ABN 59 008 100 365

Financial Report for the Half Year Ended
30 September 2003

Rib Loc Group Limited

Financial Report for the Half Year Ended 30 September 2003

	<i>Page Number</i>
<i>Results for Announcement to the Market</i>	1
<i>Directors' Report</i>	2
<i>Independent Audit Report or Review Report</i>	3
<i>Directors' Declaration</i>	4
<i>Statement of Financial Performance</i>	5
<i>Statement of Financial Position</i>	6
<i>Statement of Cash Flows</i>	7
<i>Notes to the Financial Statements</i>	8

Rib Loc Group Limited

Results for Announcement to the Market

Revenues from ordinary activities	up	42%	to	S'000 14,679
Net profit from ordinary activities after tax attributable to members	up	N/A	to	265
Net profit from extraordinary items after tax attributable to members	gain (loss) of	-		-
Net profit for the period attributable to members	up	N/A	to	265
<i>The ratios above represent a comparison of the results between the six months ended 30 September 2002 and the six months ended 30 September 2003.</i>				
Dividends (distributions)	Amount per security		Franked amount per security	
Interim dividend	NIL		NIL	
Previous corresponding period	NIL		NIL	
NTA backing	Half Year Ended 30 Sep 2003		Half Year Ended 30 Sep 2002	
Net tangible asset backing per ordinary security	24 cps		18 cps	

Rib Loc Group Limited

Directors' Report

The directors of Rib Loc Group Limited submit herewith the financial report for the half year ended 30 September 2003. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half year are:

P.O. BATTERY	Non-Executive Chairman appointed 29 March 2001, previously Non-Executive Director since 1999 and Acting Chairman from January 2001.
B.L. TAYLOR	Chief Executive appointed 26 March 2002.
E.L. LUKSCH	Non-Executive Director since 1996.
N. SARAH	Non-Executive Director appointed 8 July 1999.
O.V.T. CHOW	Non-Executive Director appointed 26 July 2001.

Review of Operations

A review of operations of the consolidated entity during the year and the results of those operations is disclosed in the 'Directors' Review of Operations' attached to this report.

Rounding Off Of Amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars.

Signed in accordance with a resolution of directors.

On behalf of the Directors



B.L. Taylor
Director
Adelaide, 6 November 2003



P.O. Battery
Director
Adelaide, 6 November 2003

Rib Loc Group Limited

Independent Review Report to the Members of Rib Loc Group Limited

Scope

We have reviewed the financial report of Rib Loc Group Limited for the half-year ended 30 September 2003 as set out on pages 4 to 8. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rib Loc Group Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 September 2003 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.



DELOITTE TOUCHE TOHMATSU



Timothy Biggs
Partner
Chartered Accountants

Adelaide, 06 November 2003

The liability of Deloitte Touche Tohmatsu is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW).

Rib Loc Group Limited

Directors' Declaration

The directors declare that:

- (a) the attached financial statements and notes thereto comply with Accounting Standards;
- (b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- (d) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the Directors



B.L. Taylor
Director
Adelaide, 6 November 2003



P.O. Buttery
Director
Adelaide, 6 November 2003

Rib Loc Group Limited

Consolidated Statement of Financial Performance for the Half Year Ended 30 September 2003

	Half Year Ended 30 Sep 2003 \$'000	Half Year Ended 30 Sep 2002 \$'000
Sales revenue	14,066	9,810
Cost of sales	(8,874)	(5,828)
GROSS PROFIT	5,192	3,982
Other revenue from ordinary activities	613	550
Distribution expenses	(455)	(638)
Licensing expenses	(180)	(177)
Marketing expenses	(2,139)	(1,986)
Research and development expenses	(925)	(620)
Administration expenses	(1,319)	(1,028)
Borrowing costs	(99)	(140)
Other expenses from ordinary activities	(420)	(13)
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	268	(70)
Income tax expense relating to ordinary activities	(3)	(3)
NET PROFIT/(LOSS)	265	(73)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	265	(73)
EARNINGS PER SHARE		
- Basic (cents per share)	0.97cps	(.26)cps
- Diluted (cents per share)	0.96cps	(.26)cps

Notes to and forming part of the financial statements are included on pages 8

Rib Loc Group Limited

Consolidated Statement of Financial Position as at 30 September 2003

	Half Year Ended 30 Sep 2003 \$'000	Full Year Ended 31 Mar 2003 \$'000
CURRENT ASSETS		
Cash	582	383
Receivables	7,942	8,388
Inventories	2,700	2,380
TOTAL CURRENT ASSETS	11,224	11,151
NON CURRENT ASSETS		
Property, plant and equipment	4,205	4,169
Patents and licences	883	796
TOTAL NON CURRENT ASSETS	5,088	4,965
TOTAL ASSETS	16,312	16,116
CURRENT LIABILITIES		
Payables	4,196	4,065
Interest bearing liabilities	1,548	1,996
Current tax liabilities	7	7
Provisions	1,014	1,009
TOTAL CURRENT LIABILITIES	6,765	7,077
NON CURRENT LIABILITIES		
Payables	-	118
Interest bearing liabilities	1,359	1,284
Provisions	645	372
TOTAL NON CURRENT LIABILITIES	2,004	1,774
TOTAL LIABILITIES	8,769	8,851
NET ASSETS	7,543	7,265
EQUITY		
Contributed equity	14,472	14,459
Accumulated losses	(7,005)	(7,270)
Reserves	76	76
TOTAL EQUITY	7,543	7,265

Notes to and forming part of the financial statements are included on page 8

Rib Loc Group Limited

Consolidated Statement of Cash Flows

for the Half Year Ended 30 September 2003

	Inflows/(Outflows)	
	Half Year Ended 30 Sept 2003 \$'000	Half Year Ended 30 Sept 2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	15,105	9,909
Payments to suppliers and employees	(12,805)	(8,859)
Interest received	2	8
Interest and finance charges paid	(99)	(140)
Foreign taxes paid	(1)	(2)
Payments for research and development	(925)	(620)
Receipts from research and development grants	-	242
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,277	538
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(799)	(353)
Payments for new patents and trademarks	(132)	(164)
Proceeds from sales of property, plant and equipment	214	73
NET CASH USED IN INVESTING ACTIVITIES	(717)	(444)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	13	-
Proceeds from borrowings	1,446	253
Repayment of borrowings	(1,820)	(652)
NET CASH USED IN FINANCING ACTIVITIES	(361)	(399)
NET INCREASE / (DECREASE) IN CASH HELD	199	(305)
CASH HELD AT THE BEGINNING OF THE FINANCIAL YEAR	383	395
CASH HELD AT THE END OF THE FINANCIAL YEAR	582	90

Notes to and forming part of the financial statements are included on page 8

Rib Loc Group Limited

Notes to the Financial Statements for the Half Year Ended 30 September 2003

1. Basis of Preparation

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 1029 "Interim Financial Reporting". The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 2003 annual financial report.

Significant Accounting Policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2003 annual financial report.

2. Segment Information

Segment Revenues

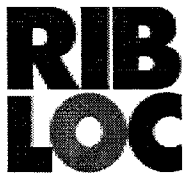
	External Sales		Other		Total	
	Half Year Ended 30 Sep 2003 \$'000	Half Year Ended 30 Sep 2002 \$'000	Half Year Ended 30 Sep 2003 \$'000	Half Year Ended 30 Sep 2002 \$'000	Half Year Ended 30 Sep 2003 \$'000	Half Year Ended 30 Sep 2002 \$'000
Rehabilitation	8,237	5,099	218	310	8,455	5,409
Pipe	2,751	1,818	386	174	3,137	1,992
Licensing	739	857	-	-	739	857
Airconditioning	2,339	2,036	4	46	2,343	2,082
Total of all Segments	14,066	9,810	608	530	14,674	10,340
Unallocated	-	-	5	20	5	20
Consolidated	14,066	9,810	613	550	14,679	10,360

Segment Results

	Half Year Ended 30 Sep 2003 \$'000	Half Year Ended 30 Sep 2002 \$'000
Rehabilitation	1,331	726
Pipe	(58)	(171)
Licensing	557	679
Airconditioning	(5)	12
Total of all Segments	1,825	1,246
Unallocated	(1,557)	(1,316)
Profit/(Loss) from ordinary activities before income tax expense	268	(70)
Income tax expense relating to ordinary activities	(3)	(3)
Profit from ordinary activities after related income tax expense	265	(73)
Profit/(Loss) from ordinary activities after income tax	265	(73)

3. Contingent Liabilities

There has been no change in contingent liabilities or assets since the last annual reporting date.



REVIEW OF OPERATIONS

Rib Loc experienced strong sales growth for the six months ended 30 September 2003. Total revenue grew by 42 percent over the same period last year to produce a turnover of \$14.6m.

Net profit before tax of \$268,000 was achieved compared to a \$70,000 net loss before tax for the previous corresponding period, but was lower than expected due to reduced margins across most areas of the company's activities, increased research and development, and the impact of the strength in the Australian dollar.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the period totalled \$960,000, with revenue up 42 per cent to \$14.07 million over last year.

The sales growth has come from all segments with significant growth in both the rehabilitation and new pipe businesses.

Rehabilitation revenues have increased by 56%. This growth in sales has come primarily from Australia, Abu Dhabi and Singapore with a repeatable volume of sales to the USA, Hong Kong, Taiwan and France.

New pipe revenue has increased by 36% due to the successful establishment of a sales and distribution network for the S2000 pipe, made using the new Steel Reinforced polyethylene pipe technology.

Revenue in the South Australian airconditioning market were up by 13%.

Research and development costs of \$925,000, before Start Grants, were incurred on continuing the development of Rotaloc and developing products made using Steel Reinforced Profile. Revenues during the period included commercial revenues from products developed from each of these development projects.