

Appendix 4D

Half - yearly report Period ended 31 December 2003

EUROZ LIMITED

ABN 53 000 364 465

Results for announcement to the market

\$A'000				
Revenue from ordinary activities	Up	315%	to	12,338
Profit/(Loss) from ordinary activities after tax attributable to members	Up	822%	to	3,357
Net Profit/(loss) for the period attributable to members	up	822%	to	3,357

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	4 Cents	4 Cents

Record date for determining entitlements to the dividend

27/02/04

Dividend payable date

08/03/04

Comments regarding above items

The Directors of Euroz Limited are pleased to announce a pre-tax profit of \$4,980,994 and a net profit after tax of \$3,357,248.

During the period Euroz Limited received a strong contribution from its 100% owned subsidiary, Euroz Securities Limited. All of the Company's business divisions in Retail Dealing, Institutional Dealing, Corporate Finance and Investment Banking made substantial contributions to the result.

The Directors are confident of continued profitability in the second half with a number of corporate mandates already completed at the date of this report. However, it should be noted

that volatility in trading volumes and corporate activity make it difficult to predict future results.

Euroz has continued to strengthen its balance sheet during the period with core cash holdings before investments now approximating \$12.5 million. This provides the Company with further flexibility to increase trading volumes in its broking business and to pursue investment opportunities.

Reporting period

The financial information contained in this report is for the six month period ended 31 December 2003. This report should be read in conjunction with the Euroz Limited annual report for the twelve months to 30 June 2003.

Comparative amounts, unless otherwise indicated are for the six month period ended 31 December 2002.

Auditor's Review Report

No dispute or qualification exists in the auditor's review report. Refer to the attached.

Euroz Limited ABN 53000364465

Half-year report – 31 December 2003

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2003 and any public announcements made by Euroz Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Euroz Limited and controlled entities Directors' report

Your directors present their report on the consolidated entity consisting of Euroz Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2003.

Directors

The following persons were directors of Euroz Limited during the whole of the half-year and up to the date of this report:

PJ Diamond
AW McKenzie
JED Hughes
SJ Gherbaz

Principal activities

During the half year the principal continuing activities of the consolidated entity consisted of :

- Retail and Institutional Dealing in the Stock Market
- Stock Market Research
- Capital Raising

Review of operations

The directors of Euroz Limited (EZL) are pleased to announce a pre-tax consolidated profit of \$4,980,994 and a net consolidated profit of \$3,357,248 for the half year to 31 December 2003.

Euroz Securities Limited (EZL's wholly owned broking firm) provides specialised stockbroking and corporate advisory services, with a focus on Western Australian mid-cap companies. It continues to consolidate its position as a leading provider of specialised stockbroking services. Euroz Securities received a strong contribution from all of its business divisions comprising Retail Dealing, Institutional Dealing, Corporate Finance and Investment Banking during this reporting period.

Dividends

A dividend of four cents per share, fully franked, will be paid out of current period earnings.

This report is made in accordance with a resolution of the directors.

Peter Diamond
Director

16 February 2004

Euroz Limited and controlled entities
Consolidated statement of financial performance
For the half-year ended 31 December 2003

	Half-year	
	2003	2002
	\$	\$
Revenue from ordinary activities	12,337,641	3,917,868
Depreciation and amortisation expenses	(106,427)	(58,159)
Employee benefits expense	(5,128,354)	(1,824,478)
Consultancy expenses	(269,839)	(305,896)
Conference & seminar expenses	(233,831)	(129,227)
Brokerage & underwriting expenses	(731,696)	(488,632)
Communication expenses	(92,322)	(68,291)
Regulatory expenses	(182,515)	(142,417)
Rental expenses	(169,912)	(38,069)
Other expenses from ordinary activities	(441,751)	(262,635)
Profit from ordinary activities before income tax expense	4,980,994	600,064
Income tax expense relating to ordinary activities	(1,623,746)	(191,902)
Profit from ordinary activities after related income tax expense	3,357,248	408,162
Total changes in equity other than those resulting from transactions with owners as owners	3,357,248	408,162
	Cents	Cents
Basic earnings per share	12.14	1.85
Diluted earnings per share	10.61	1.65

The above consolidated statement of financial performance should be read in conjunction with the accompanying notes.

Euroz Limited and controlled entities
Consolidated statement of financial position
As at 31 December 2003

	31 December 2003 \$	30 June 2003 \$
Current assets		
Cash assets	13,651,565	9,968,798
Receivables	5,876,055	7,010,906
Other financial assets – investments	2,238,795	-
Other	277,914	317,947
Total current assets	<u>22,044,329</u>	<u>17,297,651</u>
Non-current assets		
Property, plant and equipment	623,985	651,000
Deferred tax assets	90,942	90,942
Other financial assets	-	532,795
Other	250,000	250,000
Total non-current assets	<u>964,927</u>	<u>1,524,737</u>
Total assets	<u>23,009,256</u>	<u>18,822,388</u>
Current liabilities		
Payables	5,791,653	6,805,284
Current tax liabilities	1,360,158	11,489
Provisions	1,317,861	110,855
Total current liabilities	<u>8,469,672</u>	<u>6,927,628</u>
Non-current liabilities		
Deferred tax liabilities	27,990	27,990
Other	169,912	-
Total non-current liabilities	<u>197,902</u>	<u>27,990</u>
Total liabilities	<u>8,667,574</u>	<u>6,955,618</u>
Net assets	<u>14,341,682</u>	<u>11,866,770</u>
Equity		
Contributed equity	12,864,582	12,206,642
Retained profits / (accumulated losses)	1,477,100	(339,872)
Total equity	<u>14,341,682</u>	<u>11,866,770</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Euroz Limited and controlled entities
Consolidated statement of cash flows
For the half-year ended 31 December 2003

	Half-year	
	2003	2002
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	12,196,645	4,080,321
Payments to suppliers and employees (inclusive of goods and services tax)	(7,153,573)	(3,380,405)
	5,043,072	699,916
Dividends received	-	7,500
Interest received	243,280	182,933
Income taxes paid	(192,958)	(346,966)
Net cash inflow from operating activities	5,093,394	543,383
Cash flows from investing activities		
Payments for property, plant and equipment	(79,411)	(7,627)
Proceeds from sale of investments	101,936	-
Payments for investments	(1,685,000)	(1,125,000)
Net cash (outflow) from investing activities	(1,662,475)	(1,132,627)
Cash flows from financing activities		
Proceeds from issues of shares and options	657,940	4,075,000
Dividends paid	(406,092)	(929,792)
Net cash inflow from financing activities	251,848	3,145,208
Net increase in cash held	3,682,767	2,555,964
Cash at the beginning of the reporting period	9,968,798	8,543,170
Cash at the end of the reporting period	13,651,565	11,099,134

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

Euroz Limited and controlled entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2003

Note 1 Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 31 December 2003 has been prepared in accordance with Accounting Standard AASB 1029: *Interim Financial Reporting*, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2003 and any public announcements made by Euroz Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 2 Segment information

The Consolidated entity operates in one business segment for primary reporting being a stockbroking business offering trading of Australian securities, post trade reporting, corporate investment opportunities, provision of company research and funds management.

Note 3 Dividends

	Half-year	
	2003	2002
	\$	\$
Ordinary shares		
Dividends provided for or paid during the half-year.	1,540,279	944,892
Dividends not recognised at the end of the prior half-year		
Since the end of the half-year ending 31 December 2002 the directors recommended the payment of an interim dividend of 1 cent per fully paid ordinary share, franked at 30%. The aggregate amount of the proposed interim dividend paid on 12 March 2003 out of retained profits at 31 December 2002, but not recognised as a liability, was	-	269,478

Note 4 Equity securities issued

	Half-year		Half-year	
	2003	2002	2003	2002
	Shares	Shares	\$	\$
Issues of ordinary shares during the half-year				
Ordinary share issues @ 50c	-	6,000,000	-	3,000,000
Exercise of options issued @ 50c	497,600	350,000	248,800	175,000
Exercise of options issued @ 45c	909,200	2,000,000	409,140	900,000
Correction	-	2,000	-	-
	1,406,800	8,352,000	657,940	4,075,000

Note 5 Contingent liabilities

There have been no changes to contingent liabilities since 30 June 2003.

Euroz Limited and controlled entities

Directors' declaration

The directors declare that the financial statements and notes set out on pages 2 to 6:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that Euroz Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Peter Diamond
Director

16 February 2004

Independent review report to the members of Euroz Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Euroz Limited:

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of the Euroz Group (defined below) as at 31 December 2003 and of its performance for the half-year ended on that date, and
- is not presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the Euroz Group (the consolidated entity), for the half-year ended 31 December 2003. The consolidated entity comprises both Euroz Limited (the company) and the entities it controlled during that half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures 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 does not present fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of company personnel, and
- analytical procedures applied to financial data.

When this review report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.


These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers



John O'Connor
Partner

Perth
16 February 2004

Independent review report to the members of Euroz Limited

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of Euroz Limited (the company) for the half-year ended 31 December 2003 included on Euroz Limited's web site. The company's directors are responsible for the integrity of the Euroz Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the financial report identified below. It does not provide any assurance on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Review statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Euroz Limited:

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of the Euroz Group (defined below) as at 31 December 2003 and of its performance for the half-year ended on that date, and
- is not presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the Euroz Group (the consolidated entity), for the half-year ended 31 December 2003. The consolidated entity comprises both Euroz Limited (the company) and the entities it controlled during that half-year.

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and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

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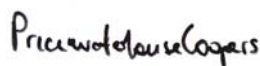
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Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers



John O'Connor
Partner

Perth
16 February 2004