



*Adelaide Brighton Ltd*  
ACN 007 596 018

**Adelaide Brighton Ltd**  
**Appendix 4D (rule 4.2A)**  
**Half year ended 30 June 2003**

**Results for announcement to the market**

Company Name: Adelaide Brighton Ltd  
ABN: 15 007 596 018  
Reporting period: Half year ended 30 June 2003  
Previous corresponding period: Half year ended 30 June 2002

**A\$'000**

<b>Revenue</b> from ordinary activities	<b>up</b>	17.4%	<b>to</b>	273,146
<b>Profit</b> from ordinary activities after tax attributable to members	<b>up</b>	10.9%	<b>to</b>	26,188
<b>Net profit</b> for the period attributable to members	<b>up</b>	10.9%	<b>to</b>	26,188

<b>Dividends/distributions</b>	Amount per security	Franked amount per security
Interim dividend (current reporting period)	2.75¢	60%
Interim dividend (previous corresponding period)	2.50¢	20%

<b>Record date</b> for determining entitlements to the interim dividend	15 September 2003
---	-------------------

	30 June 2003	30 June 2002
<b>Net tangible asset backing</b> per ordinary share	\$0.72	\$0.68



# Adelaide Brighton Ltd

## Interim results summary

Adelaide Brighton Ltd

ACN 007 596 018

Half year ended 30 June 2003

### KEY FEATURES OF INTERIM RESULT

- Increase in sales revenue of 17.4%
- Increase in net profit after tax - up 10.9% to \$26.2 million
- Earnings per share 4.8 cents (4.9 cents in pcg), increased tax expense
- Interim dividend increased to 2.75 cents, franked to 60% (vs 2.5 cents in pcg)
- Improved gearing<sup>1</sup> - reduced to 33.5%, down from 36.8%
- Interest cover up to 7.7 times on an EBIT basis (5.3 times in pcg)
- Cement volumes maintained with continued demand from the housing sector
- Lime volumes increased as a result of additional demand from the resource sector
- Concrete volumes increased with inclusion of Premier Resources for full half year
- Full period impact of 2002 price increases, limited 2003 increases
- Acquisition of C&M Brick and Rocla Masonry Products post half-year end, on 1 July 2003

### FINANCIAL SUMMARY

#### 6 Months ended 30 June

(A\$millions)	2003	2002	% change pcg
<b>Sales Revenue<sup>2</sup></b>	<b>272.5</b>	<b>232.1</b>	<b>17.4</b>
Depreciation <sup>3</sup>	(22.2)	(22.2)	-
Goodwill Amortisation	(4.7)	(4.2)	11.9
<b>Earnings before Interest and Tax ("EBIT")</b>	<b>43.9</b>	<b>38.1</b>	<b>15.2</b>
Net interest <sup>4</sup>	(5.7)	(7.2)	(20.8)
<b>Profit Before Tax</b>	<b>38.2</b>	<b>30.9</b>	<b>23.7</b>
Tax expense	(12.0)	(7.3)	64.5
<b>Net Profit After Tax ("NPAT")</b>	<b>26.2</b>	<b>23.6</b>	<b>10.9</b>
Earnings per share (cents)	4.8	4.9	(2.0)
Dividends per share (cents)	2.75	2.5	10.0
Franking (%)	60%	20%	40.0
Net Debt (A\$millions)	184.9	189.3	(2.3)
Net Debt/Equity (%)	33.5%	36.8%	(3.3)

<sup>1</sup> Net Debt/Equity

<sup>2</sup> Sales revenue excludes interest revenue (included in revenue from ordinary activities in Appendix 4D)

<sup>3</sup> Previously excluded depreciation on capitalised cyclical maintenance

<sup>4</sup> Interest charge shown gross in Appendix 4D with interest income included in sales revenue



# Adelaide Brighton Ltd

## Interim results summary

Adelaide Brighton Ltd

ACN 007 596 018

Half year ended 30 June 2003

### REVIEW OF OPERATIONS

The core cement and lime markets continued to be resilient during the period enabling Adelaide Brighton to report an 18.2% increase in operating revenues to \$266 million (\$225.1 million in pcpc). This result included a full half year of the Hy-Tec concrete business which was acquired mid way through the first half of 2002.

6 Months to 30 June (A\$millions)	2003	2002	% change
Operating revenue – sale of goods	247.9	208.5	18.9
Operating revenue – services	18.1	16.6	9.0
<b>Operating revenue</b>	<b>266.0</b>	<b>225.1</b>	<b>18.2</b>
Revenue arising from swap arrangements <sup>5</sup>	4.5	4.7	(4.3)
Other revenue	2.0	2.3	(13.0)
<b>Sales Revenue</b>	<b>272.5</b>	<b>232.1</b>	<b>17.4</b>

<sup>5</sup> Relates to production swaps. The underlying transaction is included in sale of goods.

The underlying growth in operating revenues and continued focus on operational efficiencies, have resulted in a 23.7% increase in pre tax profit to \$38.2 million for the half year ended 30 June 2003 (\$30.9 million in pcpc). After recording a tax expense of \$12.0 million for the period (\$7.3 million pcpc), Adelaide Brighton reported a net profit after tax ("NPAT") of \$26.2 million, a 10.9% increase over the pcpc.

This was a sound result based upon consistent operating performance, improved volume and pricing, the key price driver being the full benefit from the 2002 price increases in cement, lime and concrete. Operational efficiencies and cost reduction continue to be a fundamental point of focus within the company. This programme is on track to deliver the three-year, \$20 million performance improvement target announced in March 2002. The cement and lime plants continue to meet output targets and market demand.

### STRATEGIC DEVELOPMENTS

Adelaide Brighton's strategy continues to be focused on operational improvement and cost reduction, expansion of the lime operations, and selected vertical integration into concrete and concrete products. The lime business has seen further modest growth and the company continues to benefit from its strategic advantage as a low cost supplier of a high quality product to major resource industries in WA.

In July Adelaide Brighton announced the purchase of 55% of C&M Brick and the net operating assets of Rocla Masonry Products for \$50.5 million. These acquisitions have given Adelaide Brighton a significant number two position nationally in concrete block, brick and paving manufacture and supply. The key markets for this business are in the residential and commercial sectors in NSW, Victoria and SA. The acquisitions were financed by debt and increased gearing to 37.2%.



# Adelaide Brighton Ltd

## Interim results summary

Half year ended 30 June 2003

*Adelaide Brighton Ltd*

ACN 007 596 018

---

### FINANCIAL REVIEW

#### Cash Flow

Cash flow from operations for the period amounted to \$50.3 million (\$40.4 million pcpc). Net debt has been reduced by \$4.4 million from June 2002, and the Company's gearing at 30 June 2003 was 33.5%, which enabled the company to fund the July 2003 acquisition of C&M / Rocla through existing debt facilities. The abnormally high cash position at period end reflects the \$47.2 million draw down from the RMC loan facility in order to allow completion of the C&M / Rocla purchase on 1 July 2003.

Net interest costs have fallen by \$1.5 million compared with the first half of 2002. The reduced interest costs coupled with the improved operational performance have delivered a significantly improved interest cover of 7.7 times, compared with 5.3 times for the first half of 2002.

#### Dividend

An increased interim dividend of 2.75 cents has been declared (60.0% franked). This improved dividend is a further reflection of the strength of the result for the period, and confidence in the company's prospects going forward. Franking of dividends will continue to improve as the company returns to a full tax-paying status during 2004.

#### Capital Expenditure

Capital expenditure totalled \$32.2 million (\$15.8 million in the pcpc). The significant increase over 2002 is due to the planned Birkenhead major upgrade and overhaul performed in May, a large part of which was deferred from 2002 due to the industrial dispute at that time. The improvement in output from the cooler upgrade and major kiln overhaul was seen in June.

In addition, the company continued its planned investments in the Hy-Tec Concrete Sydney Mascot and North Melbourne ready mixed plants and its truck replacement programme in Hy-Tec Queensland.

#### Tax

The result for the first half of 2003 includes a full tax expense of \$12.0 million (\$7.3 million pcpc), an effective tax rate of 31%, which is expected to be the same for the full year. A partial tax expense was incurred in 2002 (effective rate of 24%) due to the recognition of carry forward income tax losses not previously brought to account.

The Company is still in the process of using up its carried forward tax losses but at a reduced level, and as a result the tax charge has increased at the half year. Partial tax payments commenced in 2003 and, based on latest forecasts, full tax payments will commence in 2004.



# Adelaide Brighton Ltd

## Interim results summary

Half year ended 30 June 2003

*Adelaide Brighton Ltd*

ACN 007 596 018

---

### OUTLOOK

We expect that housing activity will continue at current levels throughout 2003, the engineering and non-residential demand in both public and private sectors continues to exhibit upside potential. A large number of infrastructure projects are forecast principally in NSW, Queensland and WA and this should lead to increased demand for cement and concrete in these markets. Demand from the mining and resource sectors is expected to show continued, modest growth.

Following the recovery in pricing of cement and ready mixed concrete over the last eighteen months, little potential for further price increases is anticipated this year. The strength of the Australian dollar reinforces the need for the industry to remain cost competitive and further underpins this fundamental part of the strategy of Adelaide Brighton.

### **M Chellew**

Managing Director

20 August 2003

For further information contact:

**Luba Przedworski**

Group Corporate Affairs Adviser

Mobile: 0418 535 636

## **Directors' report**

The Directors present their report on the consolidated entity ("the Group") consisting of Adelaide Brighton Ltd ("the Company") and the entities it controlled at the end of, or during, the half-year ended 30 June 2003.

### **Directors**

The Directors of the Company at any time during or since the end of the half-year and up to the date of this report are:

**MA Kinnaird AO**

**CL Harris**

**D Barro AO**

**JA Brooks**

**MP Chellew**

**JD McNerney**

**L Hosking** (appointed 10 June 2003)

### **Review of operations**

A review of the operations of the Group during the half year ended 30 June 2003 is set out on pages 3 to 5 of this report.

### **Events subsequent to the end of the reporting period**

Events subsequent to 30 June 2003 are reported in Note 5 of the Half Year Report.

### **Rounding off**

The Company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest one thousand dollars, unless otherwise indicated.

Dated at Sydney this 20th day of August 2003.

Signed in accordance with a resolution of the Directors:

**M Chellew**

Managing Director

**Adelaide Brighton Ltd**  
**Half Year Report 30 June 2003**

**Consolidated statement of financial performance**

For the half-year ended 30 June 2003

	Notes	June 2003 \$'000	June 2002 \$'000
<b>Revenues from sale of goods and services</b>		270,463	229,781
Cost of sales (incl. freight and distribution costs)		(207,575)	(176,503)
<b>Gross profit</b>		62,888	53,278
Other revenues from ordinary activities		2,683	2,839
Other expenses from ordinary activities			
Marketing		(3,167)	(3,062)
Administration		(17,848)	(14,192)
Borrowing costs		(6,336)	(7,770)
Other		(5,157)	(4,356)
Share of net profits of joint venture entities accounted for using the equity method	7	5,154	4,169
<b>Profit from ordinary activities before income tax expense</b>		38,217	30,906
Income tax expense		(11,994)	(7,289)
<b>Net profit</b>		26,223	23,617
Net (profit)/loss attributable to outside equity interests		(35)	(10)
<b>Net profit attributable to members of Adelaide Brighton Ltd</b>		26,188	23,607
Net exchange difference on translation of financial reports of foreign controlled entities		(77)	48
Net movement in other reserves		-	(52)
<b>Total revenues, expenses and valuation adjustments attributable to members of Adelaide Brighton Ltd recognised directly in equity</b>		(77)	(4)
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		26,111	23,603
		Cents	Cents
Basic earnings per share	6	4.8	4.9

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

**Consolidated statement of financial position**

As at 30 June 2003

	Notes	30 June 2003 \$'000	31 Dec 2002 \$'000
<b>Current assets</b>			
Cash assets		54,614	19,514
Receivables		85,173	73,593
Inventories		42,613	48,386
Other		10,681	1,847
Total current assets		193,081	143,340
<b>Non-current assets</b>			
Receivables		12,511	12,511
Investments accounted for using the equity method		30,487	30,806
Other financial assets		22	10
Property, plant and equipment		570,823	561,297
Deferred tax assets		26,011	28,417
Intangible assets		160,813	146,611
Total non-current assets		800,667	779,652
<b>Total assets</b>		993,748	922,992
<b>Current liabilities</b>			
Payables		70,353	57,834
Interest bearing liabilities		2,916	519
Current tax liabilities		4,974	240
Provisions		33,327	52,211
Other		1,513	2,398
Total current liabilities		113,083	113,202
<b>Non-current liabilities</b>			
Payables		6,000	-
Interest bearing liabilities		236,455	200,724
Deferred tax liabilities		69,253	66,274
Provisions		16,920	16,900
Other		102	102
Total non-current liabilities		328,730	284,000
<b>Total liabilities</b>		441,813	397,202
<b>Net assets</b>		551,935	525,790
<b>Equity</b>			
Parent entity interest			
Contributed equity	3	512,104	512,104
Reserves		30,551	30,628
Retained profits (accumulated losses)		6,240	(19,947)
Total parent entity interest		548,895	522,785
Outside equity interest in controlled entities		3,040	3,005
<b>Total equity</b>		551,935	525,790

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



## **Consolidated statement of cash flows**

For the half-year ended 30 June 2003

	June 2003 \$'000	June 2002 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	280,906	235,878
Payments to suppliers and employees (inclusive of goods and services tax)	(230,291)	(190,089)
Dividends received	5,474	1,994
Interest received	691	606
Other revenue	1,830	238
Borrowing costs	(6,439)	(7,984)
Income taxes paid	(1,876)	(210)
<b>Net cash inflow from operating activities</b>	<u>50,295</u>	<u>40,433</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(32,153)	(15,764)
Payments for controlled entities and operations	(6,227)	(8,555)
Proceeds from sale of property, plant and equipment	180	1,803
<b>Net cash (outflow) from investing activities</b>	<u>(38,200)</u>	<u>(22,516)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	49,737
Proceeds from borrowings	55,407	25,200
Repayment of borrowings	(17,278)	(79,774)
Dividends paid	(14,888)	(9,474)
<b>Net cash inflow (outflow) from financing activities</b>	<u>23,241</u>	<u>(14,311)</u>
<b>Net increase (decrease) in cash held</b>	35,336	3,606
Cash at the beginning of the reporting period	19,514	21,562
Cash balances in controlled entities acquired	-	(2,852)
Effects of exchange rate changes on cash	(236)	47
<b>Cash at the end of the reporting period</b>	<u>54,614</u>	<u>22,363</u>

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

## Notes to the financial statements

For the half-year ended 30 June 2003

### 1 Basis of preparation of the half-year financial report

This general purpose financial report for the interim half-year reporting period ended 30 June 2003 has been prepared in accordance with Accounting Standard AASB 1029 Interim Financial Reporting, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

The 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 31 December 2002 and any public announcements made by Adelaide Brighton Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period, with the exception of the change detailed below.

#### Change in accounting policy for dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial period. This policy was adopted to comply with AASB 1044 Provisions, Contingent Liabilities and Contingent Assets. In previous reporting periods provision was also made for dividends proposed, recommended or declared between the end of the financial period and the completion of the financial report.

An adjustment of \$14,888,000 was made against retained profits at the beginning of the reporting period to reverse the amount provided at 31 December 2002 for the proposed final dividend for the period ended on that date. This reduced current liabilities, and increased net assets, at the beginning of the reporting period by \$14,888,000. The final dividend for the year ended 31 December 2002 has now been provided and paid in the current reporting period.

### 2 Dividends

	June 2003 \$'000	June 2002 \$'000
<b>Dividends provided or paid during the half-year</b>		
Interim dividend	-	13,535
Final dividend of 2.75 cents per fully paid share paid on 16 April 2003 recognised as a liability at 31 December 2002 but adjusted against retained profits at the beginning of the financial year on the change in accounting policy (note 1)	14,888	-
	<u>14,888</u>	<u>13,535</u>

#### Dividends not recognised at the end of the half-year (refer note 1)

Since the end of the half-year the Directors have recommended the payment of an interim dividend of 2.75 cents (2002 – 2.5 cents, provided at 30 June 2002) per fully paid ordinary share, franked at 60% (2002 – 20%). The aggregate amount of the proposed interim dividend expected to be paid on 8th October 2003 (2002 – 14 October 2002), not recognised as a liability at the end of the reporting period, is

14,888                      -

### 3 Equity securities issued

#### Movements in ordinary share capital

	June 2003 \$'000	June 2002 \$'000
Balance at the beginning of the reporting period	512,104	462,367
Shares issued		
67,677,015 shares issued under Rights Issue	(i)                      -	49,737
Balance at the end of the reporting period	<u>512,104</u>	<u>512,104</u>

- (i) On 18 June 2002 the Company issued and allotted 67,677,015 ordinary shares at \$0.75 per share following the completion of a 1 for 7 renounceable Rights Issue announced on 29 April 2002.

## **Notes to the financial statements** (continued)

For the half-year ended 30 June 2003

### **4 Contingent liabilities**

Details of changes in contingent liabilities since 31 December 2002 are as follows:

#### **Contingent payments**

The contingent consideration payable for Premier Resources was settled during the period, with all outstanding amounts recognised in the statement of financial position at 30 June 2003.

### **5 Events occurring after reporting date**

On 1 July 2003 Adelaide Brighton Ltd acquired 55% of the issued shares of C&M Brick Pty Ltd and 100% of the net operating assets of Rocla Masonry Products. The combined acquisition cost of \$50.5 million was paid on 1 July 2003, with future performance incentive payments based on further value creation by 2007. The operating results of the acquired entities will be included in the consolidated statement of financial performance from the date of acquisition.

Except for the acquisitions discussed above, no matter or circumstance has arisen since 30 June 2003 that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

### **6 Earnings per share**

	June 2003 Cents	June 2002 Cents
Basic earnings per share	4.8	4.9
	June 2003 Number	June 2002 Number
<b>Weighted average number of shares used as the denominator</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	541,386,007	478,569,772
	June 2003 \$'000	June 2002 \$'000
<b>Reconciliations of earnings used in calculating earnings per share</b>		
Basic earnings per share		
Net profit	26,223	23,617
Net profit attributable to outside equity interest	(35)	(10)
Earnings used in calculating basic earnings per share	26,188	23,607

## 7 Investments in joint ventures and associates

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method of accounting.

Name of joint venture company	Ownership interest		Aggregate share of profits		Contribution to net profit	
	2003 %	2002 %	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Sunstate Cement Ltd	50	50	2,353	2,838	2,353	2,838
Independent Cement & Lime Pty Ltd	50	50	3,294	2,004	3,294	2,004
Amortisation of goodwill					(498)	(498)
Unrealised profit in inventory					(5)	(175)
Share of profits equity accounted					5,154	4,169

## 8 Segment information

### Primary reporting – business segments

	30 June 2003 (\$'000)			
	Construction & Mining Materials	Other	Eliminations / Unallocated	Consolidated
Sales – External	252,325	18,138	-	270,463
Inter-segment sales	731	-	(731)	-
Sales revenue	253,056	18,138	(731)	270,463
Other revenue	2,062	621	-	2,683
Revenue from ordinary activities	255,118	18,759	(731)	273,146
Share of net profits of joint ventures	5,154	-	-	5,154
Total segment revenue	260,272	18,759	(731)	278,300
Segment result	52,326	(3,728)	(4,701)	43,897
Net interest expense			(5,680)	(5,680)
Operating profit				38,217
Income tax expense			(11,994)	(11,994)
Net profit				26,223

	30 June 2002 (\$'000)			
	Construction & Mining Materials	Other	Eliminations / Unallocated	Consolidated
Sales – External	213,217	16,564	-	229,781
Inter-segment sales	666	-	(666)	-
Sales revenue	213,883	16,564	(666)	229,781
Other revenue	1,979	302	558	2,839
Revenue from ordinary activities	215,862	16,866	(108)	232,620
Share of net profits of joint ventures	4,169	-	-	4,169
Total segment revenue	220,031	16,866	(108)	236,789
Segment result	44,318	(2,013)	(4,187)	38,118
Net interest expense			(7,212)	(7,212)
Operating profit				30,906
Income tax expense			(7,289)	(7,289)
Net profit				23,617

## **Directors' declaration**

The Directors declare that the financial statements and notes set out on pages 7 to 12:

- (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 30 June 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 the Company 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.

---

**M Chellew**  
Director

Dated at Sydney on the 20th day of August 2003.

## **Independent Review Report to the Members of Adelaide Brighton 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 Adelaide Brighton Limited:

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of the Adelaide Brighton Limited Group as at 30 June 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 Adelaide Brighton Limited Group (the consolidated entity), for the half-year ended 30 June 2003. The consolidated entity comprises both Adelaide Brighton 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.

**PricewaterhouseCoopers**  
**ABN 52 780 433 757**

91 King William Street  
ADELAIDE SA 5000  
GPO Box 418  
ADELAIDE SA 5001  
DX 77 Adelaide  
Australia  
[www.pwc.com/au](http://www.pwc.com/au)  
Telephone +61 8 8218 7000  
Facsimile +61 8 8218 7999  
Direct Phone (08) 8218 7000  
Direct Fax (08) 8218 7466

## **Independent Review Report to the Members of Adelaide Brighton Limited (continued)**

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.

We read the other information attached to the financial report to determine whether it contained any material inconsistencies with the financial report.

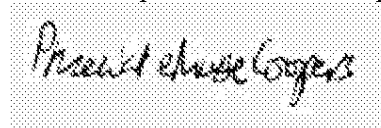
These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

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



DR Clark  
Partner

Adelaide  
20 August 2003