

Appendix 4B

Half yearly

Introduced 30/6/2002.

Name of entity

ORBITAL ENGINE CORPORATION LIMITED

ABN or equivalent company
reference

32 009 344 058

Half yearly
(tick)

Preliminary
final (tick)

Half year ended ('current period')

31 December 2002

For announcement to the market

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

\$A'000

Revenues from ordinary activities (item 1.1)	up	27%	to	30,015
(Loss) from ordinary activities after tax attributable to members (item 1.22)	down	86%	to	(2,899)
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))	gain (loss) of			Nil
Net (loss) for the period attributable to members (item 1.11)	down	86%	to	(2,899)
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend (Preliminary final report only - item 15.4) Interim dividend (Half yearly report only - item 15.6)		Nil ¢		Nil ¢
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)		Nil ¢		Nil ¢
⁺ Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)		N/A		
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:				

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>)	30,015	23,595
1.2	Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(33,634)	(41,569)
1.3	Borrowing costs	(11)	(39)
1.4	Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	664	(2,694)
1.5	Profit (loss) from ordinary activities before tax	(2,966)	(20,707)
1.6	Income tax on ordinary activities (<i>see note 4</i>)	67	(30)
1.7	Profit (loss) from ordinary activities after tax	(2,899)	(20,737)
1.8	Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9	Net profit (loss)	(2,899)	(20,737)
1.10	Net profit (loss) attributable to outside ⁺ equity interests	-	-
1.11	Net profit (loss) for the period attributable to members	(2,899)	(20,737)
Non-owner transaction changes in equity			
1.12	Increase (decrease) in revaluation reserves	-	-
1.13	Net exchange differences recognised in equity	-	-
1.14	Other revenue, expense and initial adjustments recognised directly in equity (attach details)	(40)	-
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	(40)	-
1.17	Total changes in equity not resulting from transactions with owners as owners	(2,939)	(20,737)

Earnings per security (EPS)		Current period	Previous corresponding period
1.18	Basic EPS	(0.81) Cents	(5.85) Cents
1.19	Diluted EPS	(0.81) Cents	(5.85) Cents

+ 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>)	(2,899)	(20,737)
1.21 Less (plus) outside ⁺ equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	(2,899)	(20,737)

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		
System sales	23,236	16,919
Engineering services income	4,856	3,736
Royalty income	1,529	1,213
Licence income	91	1,155
1.24 Interest revenue	158	430
1.25 Other relevant revenue	145	142
Revenue from ordinary activities	30,015	23,595
1.26 Details of relevant expenses		
System purchases	(21,696)	(15,919)
Licence costs	(31)	(489)
Employee expenses	(5,965)	(9,333)
Provision against carrying value of investment	-	(6,446)
Other expenses from ordinary activities	(4,784)	(7,984)
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	(1,158)	(1,398)
Expenses from ordinary activities	(33,634)	(41,569)
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	-	-

⁺ 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	(223,545)	(196,769)
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	(2,899)	(20,737)
1.32 Net transfers from (to) reserves (<i>details if material</i>)	-	-
1.33 Net effect of changes in accounting policies	(40)	-
1.34 Dividends and other equity distributions paid or payable	-	-
1.35 Retained profits (accumulated losses) at end of financial period	(226,484)	(217,506)

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				
2.2 Amortisation of other intangibles				
2.3 Total amortisation of intangibles	N/A	N/A	N/A	N/A
2.4 Extraordinary items (details)				
2.5 Total extraordinary items	N/A	N/A	N/A	N/A

Comparison of half year profits

(Preliminary final report only)

	Current year - \$A'000	Previous year - \$A'000
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	N/A	N/A
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	N/A	N/A

+ See chapter 19 for defined terms.

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
Current assets				
4.1	Cash	6,681	13,764	22,078
4.2	Receivables	15,070	6,904	10,711
4.3	Investments	-	-	-
4.4	Inventories	118	555	845
4.5	Tax assets	-	-	-
4.6	Other	381	971	2,095
4.7	Total current assets	22,250	22,194	35,729
Non-current assets				
4.8	Receivables	11,006	10,222	8,823
4.9	Investments (equity accounted)	-	-	-
4.10	Other investments	-	-	-
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	11,597	12,626	13,934
4.15	Intangibles (net)	-	-	-
4.16	Tax assets	-	-	2,101
4.17	Other	-	-	-
4.18	Total non-current assets	22,603	22,848	24,858
4.19	Total assets	44,853	45,042	60,587

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position (continued)

		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current liabilities				
4.20	Payables	13,681	5,652	10,997
4.21	Interest bearing liabilities	154	236	292
4.22	Tax liabilities	26	52	357
4.23	Provisions exc. tax liabilities	3,564	5,060	3,674
4.24	Other (including unearned income)	338	2,268	2,950
4.25	Total current liabilities	17,763	13,268	18,270
Non-current liabilities				
4.26	Payables	-	-	-
	Non interest bearing liabilities	19,000	19,000	19,000
4.27	Interest bearing liabilities	271	357	436
4.28	Tax liabilities	-	-	1,789
4.29	Provisions exc. tax liabilities	3,326	3,527	3,392
4.30	Other			
	Liability for share of net asset deficiency in related business undertaking	20,137	21,595	23,427
	Unearned income	-	-	939
4.31	Total non-current liabilities	42,734	44,479	48,983
4.32	Total liabilities	60,497	57,747	67,253
4.33	Net assets	(15,644)	(12,705)	(6,666)
Equity				
4.34	Capital/contributed equity	210,840	210,840	210,840
4.35	Reserves	-	-	-
4.36	Retained profits (accumulated losses)	(226,484)	(223,545)	(217,506)
4.37	Equity attributable to members of the parent entity	(15,644)	(12,705)	(6,666)
4.38	Outside ⁺ equity interests in controlled entities	-	-	-
4.39	Total equity	(15,644)	(12,705)	(6,666)
4.40	Preference capital included as part of 4.37	N/A	N/A	N/A

+ 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.		
5.5 Expenditure transferred to Development Properties		
5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)	N/A	N/A

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		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)	N/A	N/A

+ See chapter 19 for defined terms.

Condensed consolidated statement of cash flows

		Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities			
7.1	Receipts from customers	21,933	21,271
7.2	Payments to suppliers and employees	(28,111)	(27,326)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	158	429
7.6	Interest and other costs of finance paid	(11)	(39)
7.7	Income taxes paid	(90)	(383)
7.8	Other	-	-
7.9	Net operating cash flows	(6,121)	(6,048)
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(28)	(314)
7.11	Proceeds from sale of property, plant and equipment	80	82
7.12	Payment for purchases of equity investments	-	347
7.13	Proceeds from sale of equity investments	-	-
7.14	Loans to other entities (Advances to associate)	(829)	(4,489)
7.15	Loans repaid by other entities	-	-
7.16	Other	-	-
7.17	Net investing cash flows	(777)	(4,374)
Cash flows related to financing activities			
7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	-	-
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	(168)	(194)
7.21	Dividends paid	-	-
7.22	Other	-	-
7.23	Net financing cash flows	(168)	(194)
7.24	Net increase (decrease) in cash held	(7,066)	(10,616)
7.25	Cash at beginning of period <i>(see Reconciliation of cash)</i>	13,764	32,735
7.26	Exchange rate adjustments to item 7.25.	(17)	(41)
7.27	Cash at end of period <i>(see Reconciliation of cash)</i>	6,681	22,078

+ 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

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	1,676	3,098
8.2 Deposits at call	4,505	18,980
8.3 Bank overdraft	-	-
8.4 Other Security for bank guarantee	500	-
8.5 Total cash at end of period (item 7.27)	6,681	22,078

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	(9.9%)	(87.8%)
9.2 Profit after tax / ⁺equity interests 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)	N/A	N/A

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.

	Current Period	Previous Corresponding Period
(a) basic EPS	(0.81) cents	(5.85) cents
(b) diluted EPS	(0.81) cents	(5.85) cents
(c) weighted average number of ordinary shares outstanding during the period used in the calculation of the basic EPS	355,878,201	354,757,190

+ See chapter 19 for defined terms.

NTA backing <i>(see note 7)</i>	Current period	Previous corresponding period
11.1 Net tangible asset backing per ⁺ ordinary security	(4.39) cents	(1.88) 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

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 ⁺ 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	\$

⁺ See chapter 19 for defined terms.

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

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	N/A	N/A	N/A
15.5	Previous year	N/A	N/A	N/A
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	N/A	N/A	N/A
15.7	Previous year	N/A	N/A	N/A

⁺ See chapter 19 for defined terms.

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

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	€	€
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>		
15.11 Preference +securities <i>(each class separately)</i>		
15.12 Other equity instruments <i>(each class separately)</i>		
15.13 Total	N/A	N/A

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

Nil

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

N/A

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	461	(2,914)
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	461	(2,914)
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	461	(2,914)
16.6 Adjustments	203	220
16.7 Share of net profit (loss) of associates and joint venture entities	664	(2,694)

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").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities				
Synerject LLC	50%	50%	664	(2,694)
17.2 Total			664	(2,694)
17.3 Other material interests			-	-
17.4 Total			664	(2,694)

+ 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)
18.1 Preference ⁺securities <i>(description)</i>	N/A	N/A	N/A	N/A
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3 ⁺Ordinary securities	356,505,014	356,505,014	N/A	Fully Paid
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	1,117,653	1,117,653	Nil	Fully Paid
18.5 ⁺Convertible debt securities <i>(description and conversion factor)</i>	N/A	N/A	N/A	N/A
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.7 Options <i>(description and conversion factor)</i>	Refer Attachment C		<i>Exercise price</i>	<i>Expiry date (if any)</i>
18.8 Issued during current period	Nil			
18.9 Exercised during current period	Nil			
18.10 Expired during current period	Refer Attachment C			
18.11 Debentures <i>(description)</i>	N/A	N/A		
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

⁺ See chapter 19 for defined terms.

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

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 ⁺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

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last ⁺annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*

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.

See attached review of operations

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).

⁺ See chapter 19 for defined terms.

In January 2003, Synerject LLC refinanced its credit facilities. Loan funds provided by Siemens Capital Corporation were replaced by a credit facility of US\$21.000 million provided by Siemens VDO Automotive. The new credit facility will expire in September 2006.

In January 2003 it was agreed that Synerject LLC will acquire the marine and recreation systems business from Orbital; together with a non- automotive systems business from the Siemens Group. There will be no cash or profit impact on Orbital as a result of the initial transfer of the systems business to Synerject. Non-current assets include a receivable from Synerject of \$11.006 million. This asset will be satisfied by the issue of US\$6.25 million of additional share capital by Synerject LLC. Siemens VDO Automotive will also convert US\$6.25 million of receivables from Synerject LLC into equity.

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

The consolidated entity has \$5,985,000 in franking credits. The Company does not intend to pay any dividends during the next financial year.

- 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*).

The consolidated entity has applied the revised AASB 1028 "Employee Benefits" (issued in June 2001) for the first time. This has resulted in an increase in employee provisions and accumulated losses of \$40,000 in the half-year. The consolidated entity has also applied AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" (issued in October 2001) for the first time from 1 July 2002. This had no impact on the financial statements for the reporting period to 31 December 2002.

- 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.

N/A

+ See chapter 19 for defined terms.

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 +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 +accounts to which one of the following applies.

(Tick one)

The +accounts have been audited.

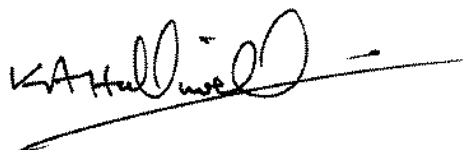
The +accounts have been subject to review.

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

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

5 The review by the auditor is attached.

6 The entity has a formally constituted audit committee.



Sign here:

(Company Secretary)

Date:

21 February 2003

Print name:

KEITH HALLIWELL

ATTACHMENT A

		CONSOLIDATED	
		2002	2001
		\$000's	\$000's
INCOME TAX (EXPENSE)/CREDIT			
(a)	Prima facie income tax credit at 30% on operating loss	890	6,212
	Increase/(decrease) in income tax credit/(expense) due to non-tax deductible items:		
	Depreciation and amortisation	(3)	(5)
	Other (non-deductible)/non-assesable amounts	(1)	18
	Research and development allowance	176	152
	Withholding tax payable	67	(87)
	Income tax credit on operating loss before individually significant income tax items	<u>1,129</u>	<u>6,290</u>
	Individually significant income tax items:		
	- Non-resident controlled entities results not brought to account	541	(861)
	- Provision against carrying value of Investment	-	(1,934)
	- Australian income tax losses not brought to account	(1,603)	(3,089)
	- Australian income tax timing differences not brought to account	-	(625)
	Income tax over-provided in prior year	-	189
	Total income tax (expense)/benefit	<u>67</u>	<u>(30)</u>
(b)	Total income tax (expense)/benefit is made up of:		
	Deferred income tax provision	-	585
	Future income tax benefit	-	(528)
	Current income tax provision	-	-
	Withholding tax payable	67	(87)
		<u>67</u>	<u>(30)</u>

+ See chapter 19 for defined terms.

ATTACHMENT B

BUSINESS SEGMENT REPORTING

	Marine and Recreation		Motorcycles and Motorscooters		Automotive		Engineering *		Eliminations		Consolidated	
	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's
Systems sales	22,805	16,856	431	63	-	-	-	-	-	-	23,236	16,919
Services and other income	1,827	2,099	1,246	1,289	3,403	2,523	-	268	-	-	6,476	6,179
Revenue outside the economic entity	24,632	18,955	1,677	1,352	3,403	2,523	-	268	-	-	29,712	23,098
Inter-segment revenue	-	-	-	-	-	-	-	4,295	-	(4,295)	-	-
Segment revenue	24,632	18,955	1,677	1,352	3,403	2,523	-	4,563	-	(4,295)	29,712	23,098
Unallocated revenues											303	497
Total Revenue											30,015	23,595
Profit from ordinary activities	658	1,107	(550)	(2,129)	(1,645)	(1,653)	-	(5,640)	-	-	(1,537)	(8,315)
Unallocated revenues and expenses											(2,093)	(3,252)
Provision against carrying value of investment											-	(6,446)
Share of net profit/(loss) in associate											664	(2,694)
Net Loss before related income tax											(2,966)	(20,707)

* With effect from 1 July 2002 engineering revenues and expenses have been allocated directly to the respective business segments.

+ See chapter 19 for defined terms.

ATTACHMENT C

Employee Options for the half year ended 31 December 2002

<u>Option Type</u>	<u>Exercise Price \$</u>	<u>Expiry date</u>	<u>Opening Balance</u>	<u>Expired</u>	<u>Closing Balance</u>
1997A	0.74	19 Sep 2002	492,000	492,000	-
1997B	0.82	19 Sep 2002	1,270,300	1,270,300	-
1998A	0.59	25 Sep 2003	512,500	12,000	500,500
1998B	0.66	25 Sep 2003	533,600	10,200	523,400
1999A	0.53	23 Sep 2004	415,500	12,000	403,500
1999B	0.59	23 Sep 2004	251,050	3,900	247,150
2000A	1.61	28 Sep 2005	908,000	24,000	884,000
2000B	1.79	28 Sep 2005	967,700	21,500	946,200
			5,350,650	1,845,900	3,504,750

+ See chapter 19 for defined terms.