Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	KEY 2 LIMITED
ABN	20 009 264 699
Financial Year Ended	30 JUNE 2003
Previous Corresponding Reporting Period	30 JUNE 2002

Results for Announcement to the Market

	$'000	**Percentage increase /(decrease) over previous corresponding period**
Revenue from ordinary activities	2,517	57.96%
Profit / (loss) from ordinary activities after tax attributable to members	(510)	51.37%
Net profit / (loss) for the period attributable to members	(510)	51.37%

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	-	-
Interim Dividend	-	-

Record date for determining entitlements to the dividends (if any)	-

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Total revenue of $2,517,082 includes revenue from subsidiaries acquired during the year, which did not form part of the group revenue in the prior year.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	6.71 cents	(0.05) cents

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects :

Basic EPS – (0.28) cents
Diluted EPS – (0.28) cents

Returns to shareholders including distributions and buy backs :

The company entered into an agreement with Mr Paul Niardone to transfer PPR (WA) Pty Ltd to him. The consideration was the cancellation of 1,200,000 post consolidation shares in Key 2 Ltd

Significant features of operating performance :

N/A

The results of segments that are significant to an understanding of the business as a whole:

The consolidated entity operates in the property management industry in Australia.

Discussion of trends in performance :

N/A

Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:

None

Audit/Review Status

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	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: No dispute or qualification applicable.			

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Draft Financial Statements

Signed By (Director)	
Print Name Ananda Kathiravelu	
Date 12 September 2003	

3. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	2003	2002
Revenue from ordinary activities - refer 3.1 below	*2,517,082*	*1,108,001*
Expenses from ordinary activities - refer 3.2 below	*2,995,902*	*2,153,944*
Borrowing Costs - refer 3.6 below	*30,997*	*2,371*
Share of net profits(losses) of associates and joint venture entities	-	-
Profit(Loss) from ordinary activities before tax	(509,817)	(1,048,314)
Income tax on ordinary activities	-	-
Profit(Loss) from ordinary activities after tax	(509,817)	(1,048,314)
Profit(Loss) from extraordinary items after tax - refer 3.3 below	-	-
Net profit(loss)	(509,817)	(1,048,314)
Net profit(loss) attributable to outside equity interests	-	-
Net profit(loss) for the period attributable to members	(509,817)	(1,048,314)

Non-Owner Changes in Equity Increase(Decrease) in revaluations reserves	-	-
Net exchange differences on translation of financial report of foreign controlled entity	-	-
Net amount of each revenue, expense or valuation adjustment, recognised directly in equity in accordance with an Accounting Standard	-	-
Net amount of each initial adjustment recognised directly in equity in accordance with transitional provisions of UIG Consensus Views	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	-	-
Total changes in equity other than those resulting from transactions with owners as owners	(509,817)	(1,048,314)
Basic Earnings Per Share	(0.28)	(1)
Diluted Earnings Per Share	(0.28)	(1)

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

3.1 Revenue from Ordinary Activities

	2,003 $A	2,002 $A
Revenue from Sales	*2,323,606*	*1,079,431*
Revenue from outside the operating activities:		
Rent	*121,185*	*16,661*
Interest	*13,941*	*2,858*
Other revenue	*58,350*	*9,051*
	-	-
	-	-
	-	-
	-	-
Total Revenue	2,517,082	1,108,001

3.2 Expenses from Ordinary Activities

	2,003 $A	2,002 $A
If disclosing by "nature"		
Raw materials and consumables used	-	-
Employee benefits expense	-	-
External contractors expense	-	-
Leases and equipment rental	-	-
Travel and related expenses	-	-
Depreciation and amortisation expense (including intangibles)	-	-
Other expenses from ordinary activities (must be <= 10% of total expenses)	-	-
	-	-
	-	-
If disclosing by "function"		
Cost of sales	*761,695*	*240,000*
Occupancy expenses	*160,018*	*196,661*
Marketing expenses	*19,994*	-
Administrative expenses	*95,239*	*267,642*
Personnel expenses	*1,207,289*	*1,247,648*
Forgiveness of debt through administration	-	*(766,903)*
Writedown of subsidiary	-	*285,268*
Other expenses from ordinary activities (must be <= 10% of total expenses)	*751,667*	*683,628*
	2,995,902	2,153,944

3.3 Extraordinary Items

	Current Period A$'000	Previous corresponding period A$'000
Nil	-	-
Income tax expense (revenue)		-
	-	-

3.4 Individually Significant Items

	Current Period A$'000	Previous corresponding period A$'000
Write Off of net liabilities transferred to administrator	-	*766,903*
	-	766,903

3.5 Amortisation and Impairment Expenses

	Consolidated - Current period			
	Before tax A$'000	Related tax A$'000	Related outside equity interests A$'000	Amount (after tax) attributable to members A$'000
Amortisation of goodwill	*27*	-	-	*27*
Amortisation of other intangibles	*53*	-	-	*53*
Total amortisation of intangibles	80	-	-	80
Impairment of goodwill	-	-	-	-
Impairment of other intangibles	-	-	-	-
Impairment of other assets - [include description]	-	-	-	-
	-	-	-	-

3.6 Capitalisation of Borrowing Costs

Borrowing costs capitalised that are not included in borrowing cost expenses disclosed above include:

Current Period A$'000	Previous corresponding period A$'000

Interest costs capitalised in asset values	-	-
Interest costs capitalised in intangibles (unless arising from an acquisition of a business)	-	-
	-	-
	-	-

4. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2003	2002
Current Assets		
Cash	*1,327,291*	*34,897*
Receivables	*221,022*	*203,232*
Inventories	-	-
Other	-	-
Total Current Assets	**1,548,313**	**238,129**
Non-Current Assets		
Receivables	-	-
Property, plant and equipment (net)	*290,753*	*197,402*
Intangible assets (net)	*4,212,020*	-
Other financial assets	*3,564,346*	-
Total Non-Current Assets	**8,067,119**	**197,402**
TOTAL ASSETS	**9,615,432**	**435,531**

Current Liabilities		
Payables	*434,568*	*316,068*
Interest-bearing liabilities	-	-
Current tax liabilities	-	-
Provisions	*29,302*	*9,431*
Other	-	*27,000*
Total Current Liabilities	**463,870**	**352,499**
Non-Current Liabilities		
Payables	-	-
Interest-bearing liabilities	*1,959,000*	-
Total Non-Current Liabilities	**1,959,000**	**-**
TOTAL LIABILITIES	**2,422,870**	**352,499**
NET ASSETS	**7,192,562**	**83,032**

Equity		
Capital/Contributed Equity	***14,422,377***	***6,803,031***
Reserves	-	-
Retained Profits/Accumulated Losses (Note 4.1)	***(7,229,815)***	***(6,719,999)***
Equity Attributable to Members of the Parent Entity	**7,192,562**	**83,032**
Outside equity interests in controlled entities	-	-
Total Equity	**7,192,562**	**83,032**

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.1 Consolidated Retained Profits

	2,003	2,002
Retained Profits (Accumulated Losses) at the beginning of the financial period	*(6,719,999)*	*(5,671,686)*
Net profit (loss) attributable to members	*(509,816)*	*(1,048,313)*
Retained Profits (Accumulated Losses) at the end of the financial period	(7,229,815)	(6,719,999)

4.2 Exploration and Evaluation Expenditure Capitalised

	2,003	2,002
Opening balance	-	-
Expenditure incurred during the current period	-	-
Expenditure written off during the current period	-	-
Acquisitions, disposals, revaluation increments etc	-	-
Expenditure transferred to Development Properties	-	-
		-
Closing balance as shown in Consolidated Statement of Financial Position	-	-

4.3 Development Properties

	2,003	2,002
Opening balance	-	-
Expenditure incurred during the current period	-	-
Expenditure transferred from Exploration & Evaluation	-	-
Expenditure written off during the current period	-	-
Acquisitions, disposals, revaluation increments etc	-	-

Closing balance as shown in Consolidated Statement of Financial Position	-	-

5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	2003	2002
Cash flows related to operating activities		
Receipts from customers	*2,546,308*	*1,288,991*
Payments to suppliers and employees	*(2,925,722)*	*(1,879,516)*
Interest and other items of a similar nature received	*13,941*	*3,433*
Borrowing costs paid	*(7,356)*	*(38,694)*
Transfer to Administrator		*(447,746)*
Net operating cash flows	**(372,829)**	**(1,073,532)**
Cash flows related to investing activities		
Proceeds from sale of shares	-	*11,557*
Payment for rent rolls	*(471,184)*	-
Payments for property, plant and equipment	*(49,822)*	*(38,378)*
Payment for acquired business	-	-
Net investing cash flows	**(521,006)**	**(26,821)**

Cash flows related to financing activities		
Proceeds from borrowings	***221,894***	***422,000***
Loan to related party	-	-
Loan from related party	-	-
Finance Lease	-	-
Proceeds from issue of shares	***2,324,172***	***274,041***
Costs associated wih issue of shares	***(359,837)***	***(63,439)***
Net financing cash flows	**2,186,229**	**632,602**
Net increase (decrease) in cash held	**1,292,394**	**(467,751)**
Cash at beginning of period - refer 5.1 below	***34,897***	***496,844***
Exchange rate adjustments to cash at beginning of period	-	***5,804***
Cash at end of period - refer 5.1 below	**1,327,291**	**34,897**

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

5.1 Reconciliation of Cash

	2,003	2,002
Cash on hand and at bank	***1,327,291***	***34,897***
Deposits at call	-	-
Bank overdraft	-	-
Other - [input description]	-	-
Total cash at end of period	**1,327,291**	**34,897**

5.2 Non-Cash Financing and Investing Activities

Acquisition of Entities

28,290,000 ordinary shares were issued at .20 cents as consideration for the purchase of Key 2 Rental Management Ltd.

OTHER NOTES TO THE CONDENSED FINANCIAL STATEMENTS

7. DETAILS OF CONTROLLED ENTITIES

7.1 Control Gained Over Entities During the Period

Name of entity	*Key 2 Rental Management Ltd*
Date control acquired, i.e. date from which profit(loss) has been calculated	16-May-03
Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period *since the date on which control was*	$ *-51,239*
Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) for the *whole of the previous corresponding period*	$

7.2 Loss of Control of Entities During the Period

Name of entity	*PPR (WA)*
Date of loss of control, i.e. date until which profit(loss) has been calculated	16-May-03
Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period *to the date on which control was lost*	$ *-31,256*
Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) for the *whole of the previous corresponding period*	$ *Not material*
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	$ *-31256*

8. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

8.1 Equity Accounted Associates and Joint Venture Entities

None

	%Ownership Interest		Contribution to Net Profit	
	Current Period %	Previous Corresponding Period %	Current Period A$ '000	Previous Corresponding Period A$ '000
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

8.2 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
Profit(Loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Profit(Loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit(loss)	-	-
Adjustments		
Share of net profit(loss) of associates and joint venture entities	-	-

9. DIVIDENDS

9.1 Dividends per Share

	Amount per share	Franked amount per share at ...% tax	Amount per share of foreign source dividend
Final			
- current period	- cents	- cents	- cents
- previous corresponding period	- cents	- cents	- cents
Interim			
- current period	- cents	- cents	- cents
- previous corresponding period	- cents	- cents	- cents

9.2 Total Dividends

	Current Period A$ '000	Previous Corresponding Period A$ '000
Interim - paid/payable on [date]	-	-
Final - paid/payable on [date]	-	-
	-	-

All dividends reflected as distributions above were paid during the period.

9.3 Dividend Reinvestment Plans

(NONE)

The last date for receipt of election notices for participation in any dividend reinvestment plans	

10. ACCOUNTING STANDARDS

Accounting Policies, Estimation Methods and Measurement Bases

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half-year report.