

AUSTRALIAN
PURE
FRUITS LIMITED



14th May 2003

Company Announcements Office
Australian Stock exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Facsimile 1900 999 279
Document no 35

Dear Sir

Half Yearly Financial Report – 31st December 2002

Please find enclosed Australian Pure Fruits Limited and its Controlled Entities, half-year financial report for the half-year ended 31 December 2002.

Yours faithfully

Peter McDougall
Director

Australian Pure Fruits Limited
2003

Australian Pure Fruits Limited and its Controlled Entities

A.B.N. 57 009 104 330



Half-Year Financial Report

for the half-year ended 31 December 2002

This interim report is to be read in conjunction with the most recent annual financial report.

Australian Pure Fruits Limited and its Controlled Entities - Half-Year Report**Corporate Information****A.B.N. 57 009 104 330****Directors**

Peter J McDougall (Chairman / Chief Executive)

William Anderson

Dugal McDougall

Julian Little

Hal Christiansen

Company Secretary

Ian Christiansen

Registered Office

Suite 5

97 Lewis Road

Wantirna South, VIC 3152

(03) 9887 3210

Solicitors

Tress, Cocks & Maddox and Minion McCosker

Bankers

ANZ Banking Group Limited

Share Register

Computershare Investor Services Pty Limited

Level 12

565 Bourke Street

Melbourne, Victoria, 3000

(03) 9615 5970

Auditors

Pitcher Partners

Internet Addresswww.purfruits.com.au

Australian Pure Fruits Limited and its Controlled Entities - Half-Year Report

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Australian Pure Fruits Limited and its Controlled Entities - Half-Year Report

Directors' Report

Your directors submit their report together with the consolidated financial report for the half-year ended 31 December 2002 and the review report thereon.

DIRECTORS

The names and details of the company's directors in office during the half-year and until the date of this report are as follows.

Directors were in office for this entire period unless otherwise stated.

Peter J McDougall

Chairman / Chief Executive

William Anderson

Dugal McDougall

Julian Little

Hal Christiansen

REVIEW AND RESULTS OF OPERATIONS

The consolidated operating profit of the group for the half-year after providing for income tax and before write-offs amounted to \$706,000. After a Goodwill write-off of \$1,360,000 and Brand name write-off of \$300,000 in relation to the food and beverage division, a net loss of \$954,000 resulted. The results represent a growth of 798% upon revenues and an increase of \$494,000 upon EBIT before intangibles write downs, against the corresponding period last year. The improvement in the performance of the consolidated entity is as a result of the 100% acquisition and the growth of the Dial Time business.

The central driver of Australian Pure Fruit's business is its distribution capabilities. The primary distribution processes include sales methodologies to retailers and the efficient management of invoicing and payment collection processes. The growing customer base is a key driver for ongoing growth of the core retail distribution business.

In accordance with the announcement made on the 19th August 2002, Australian Pure Fruits Ltd entered into an agreement to acquire 100% of the shares in Dial Time Pty Ltd. Dial Time gives merchants automated ordering, delivery and inventory control for pre-paid mobile, landline and internet services. The acquisition involves the payment of \$50,000 for shares, along with a management contract whereby On Q will manage the operations of the Dial Time business and will retain the right to earn a profit share up to \$2.6 million during the next 30 months. The DialTime business was previously a subsidiary of On Q Holdings Pty Ltd. Dialtime whilst an electronic transaction business is in fact a distribution business where the target customers of both Dialtime and the beverage businesses are the same or similar retailers, convenience stores and service stations creating the potential for synergies and growth for both businesses.

Dial Time electronic terminals are the preferred equipment in many national chain stores and a multitude of smaller retail outlets. Dial Time occupies a significant profile in the rapidly expanding market of prepaid electronic transactions. Terminals have been installed within Caltex Service Stations, BP/UCB Service Stations, IGA Stores, Kmart, Target, Myer, Dimmney's, Mobile Tronics, various armed force's sites and a significant number of other retail outlets across Australia. This innovation of prepaid electronic phone billing is a rapid expanding section of the telephony market.

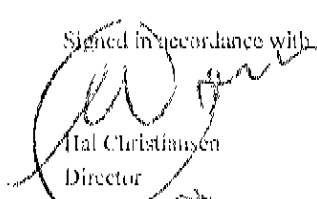
In addition to the intangible write-downs, Australian Pure Fruits Ltd subsidiary MON Beverages is relocating from Echuca to suitable food manufacturing premises in nearby Barcooga. This relocation was necessitated by the sale of the rented premises it occupied in Echuca. The Barcooga plant should deliver more efficient production runs and maintain MON's dedication to quality all-Australian products. MON will continue to draw upon local produce, while MON distributors will remain based in Echuca and provide the traditional MON service and delivery, retaining a local warehouse and factory sales.

During the period, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



Hal Christiansen

Director

Melbourne, 15 May 2003

Australian Pure Fruits Limited and its Controlled Entities - Half-Year Report
Condensed Statement of Financial Performance

HALF-YEAR ENDED 31 DECEMBER 2002	Notes	CONSOLIDATED	
		2002	2001
		\$'000	\$'000
REVENUE FROM ORDINARY ACTIVITIES		49,756	5,536
Goodwill write-off		(1,360)	-
Brand Names write-off		(300)	-
Redundancy		(180)	-
Changes in inventories of finished goods and work in progress		(2,158)	691
Raw materials and consumables used		(42,676)	(3,755)
Depreciation and amortisation expenses		(769)	(260)
Borrowing costs expense		(66)	(102)
Salaries and employee benefits expense		(887)	(992)
Other expenses from ordinary activities		(2,314)	(942)
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		(954)	176
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES		-	-
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		(954)	176
NET PROFIT/(LOSS)		(954)	176
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF AUSTRALIAN PURE FRUITS LIMITED		(954)	176
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		(954)	176
Basic earnings per share (cents per share)		(5.93) cents	1 cent
Diluted earnings per share (cents per share)		(5.93) cents	1 cent
Franked dividends per share (cents per share)		-	-

The Condensed Statement of Financial Performance is to be read in conjunction with the Notes to the Financial Statements

Australian Pure Fruits Limited and its Controlled Entities - Half-Year Report

Condensed Statement of Financial Position

HALF-YEAR ENDED 31 DECEMBER 2002	Notes	CONSOLIDATED		
		AS AT 31 DECEMBER 2002	AS AT 30 JUNE 2002	AS AT 31 DECEMBER 2001
		\$'000	\$'000	\$'000
CURRENT ASSETS				
Cash assets		7,116	66	11
Receivables		7,308	2,136	3,416
Inventories		4,273	1,837	1,915
Other financial assets - investments		5,040	-	-
Other		20	374	103
TOTAL CURRENT ASSETS		23,757	4,413	5,445
NON-CURRENT ASSETS				
Receivables		-	1,437	-
Other financial assets - investments		-	5,040	5,040
Property, plant and equipment		4,922	4,370	4,543
Intangible assets		5,601	2,379	2,421
TOTAL NON-CURRENT ASSETS		10,523	13,226	12,004
TOTAL ASSETS		34,280	17,639	17,449
CURRENT LIABILITIES				
Payables		20,547	2,935	2,767
Interest-bearing liabilities		1,282	455	447
Provisions		369	125	181
Other		-	10	-
TOTAL CURRENT LIABILITIES		22,198	3,525	3,395
NON-CURRENT LIABILITIES				
Payables		-	454	-
Interest-bearing liabilities		1,533	2,052	2,561
Provisions		-	55	27
TOTAL NON-CURRENT LIABILITIES		1,533	2,561	2,588
TOTAL LIABILITIES		23,731	6,086	5,983
NET ASSETS		10,549	11,553	11,466
EQUITY				
Parent entity interest				
Contributed equity		11,442	11,442	11,442
Retained profits		(893)	111	24
TOTAL EQUITY		10,549	11,553	11,466

The Condensed Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements

 Australian Pure Fruits Limited and its Controlled Entities - Half-Year Report

Condensed Statement of Cash Flows

HALF-YEAR ENDED 31 DECEMBER 2002	Notes	CONSOLIDATED	
		2002	2001
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		45,866	4,951
Payments to suppliers and employees		(38,540)	(5,740)
Interest paid		(66)	(61)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		7,260	(850)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchases of property, plant and equipment		(791)	(53)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(791)	(53)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings - other		922	640
Repayment of borrowings		(365)	
NET CASH FLOWS FROM FINANCING ACTIVITIES		557	610
NET INCREASE/(DECREASE) IN CASH HELD		7,026	(262)
Add opening cash brought forward		66	57
CLOSING CASH CARRIED FORWARD		7,092	(205)

The Condensed Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

Australian Pure Fruits Limited and its Controlled Entities - Half-Year Report

Notes to the Half-Year Financial Statements

31 DECEMBER 2002

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report.

The half-year report should be read in conjunction with the Annual Financial Report of Australian Pure Fruits Limited as at 30 June 2002. It is also recommended that the half-year report be considered together with any public announcements made by Australian Pure Fruits Limited and its controlled entities during the half-year ended 31 December 2002 in accordance with the continuous disclosure obligations arising under the Australian Stock Exchange Listing Rules.

(a) Basis of accounting

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

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

2. COMPARATIVE INFORMATION - SEASONAL OPERATIONS

The Statement of Financial Performance and the Statement of Cash Flows provide comparative information for the half-year ended 31 December 2001. The Statement of Financial Position provides comparative information as at 30 June 2002 and at 31 December 2002.

3. CONTINGENT ASSETS AND LIABILITIES

In relation to the acquisition of Dial Time Pty Ltd, a contingent liability exists of up to \$2.6 million. Details of this contingent liability were disclosed in the 30 June 2002 financial report. There have been no changes in contingent assets or liabilities since the last annual financial report.

4. SEGMENT INFORMATION

SEGMENT INFORMATION - PRIMARY SEGMENT

The business operates in two business segments, being the food and beverage industry and the electronic warehousing industry, predominantly in Australia.

Segment Result	6 months ended 31 Dec 2002		6 months ended 31 Dec 2001	
	Before Intangibles Write-Down \$'000	After Intangibles Write-Down \$'000	Before Intangibles Write-Down \$'000	After Intangibles Write-Down \$'000
Food & Beverage	(1,460)	(3,120)	176	176
Electronic Warehousing	2,166	2,166	-	-
Earnings before Interest and Tax	706	(954)	176	176
Segment Revenue	6 months ended 31 Dec 2002		6 months ended 31 Dec 2001	
Food & Beverage	4,068		5,536	
Electronic Warehousing	45,688		-	
Group Sales	49,756		5,536	

5. SUBSEQUENT EVENTS

The investment in On Q Holdings Pty Ltd has been disposed of by the company on 14 March 2003 for an amount of \$6.9 million. The financial effects of the above transaction has not been brought to account in the consolidated entity financial statements for the half-year ended 31 December 2002.

There have been no other material events subsequent to the end of the half-year that have not been recognised in the half-year financial statements.

6. ACQUISITION OF CONTROLLED ENTITIES

The following controlled entities were acquired during the period:

Name	Date Acquired	Consolidated entity's interest	Consideration
		%	\$'000
Dial Time Pty Ltd	1 July 2002	100	50
Motorlink Systems Pty Ltd	1 July 2002	100	*
On Q Technologies Pty Ltd	1 July 2002	100	*
Cash4Biz Pty Ltd	1 July 2002	100	*

* An amount of \$50,000 was paid for Dial Time Pty Ltd and its subsidiaries listed above.

The consolidated entity did not gain or lose control over any other entities during the current half-year or prior corresponding half-year.

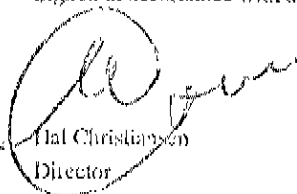
Australian Pure Fruits Limited and its Controlled Entities - Half-Year Report

Directors' Declaration

In the opinion of the directors of Australian Pure Fruits Limited:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the financial position as at 31 December 2002 and the performance for the half-year ended on that date of the consolidated entity, as represented by the results of its operations and cashflows; and
 - (ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 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.

Signed in accordance with a resolution of the directors



Hal Christiansen
Director

Melbourne) 23rd May 2003



PITCHER PARTNERS

Australian Pure Fruits Limited and its Controlled Entities - Half-Year Report**Independent Review Report To The Members Of Australian Pure Fruits Ltd****Scope**

We have reviewed the condensed financial report of Australian Pure Fruits Ltd and its Controlled Entities for the half-year ended 31 December 2002, consisting of the condensed statement of financial performance, condensed statement of financial position, condensed statement of cash flows, accompanying notes and the directors declaration.

The condensed 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 meet its obligations 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 Australian Pure Fruits Ltd and its Controlled Entities 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 31 December 2002 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.

Pitcher Partners

Mr Stephen Schonberg
Date: 13 May 2003
Melbourne