

**AUSTRALIAN PURE FRUITS  
LIMITED**

**AND ITS CONTROLLED ENTITIES**

**ABN 57 009 104 330**

**PRELIMINARY FINAL REPORT  
APPENDIX 4E**

**30 JUNE 2004**

## Results For Announcement To The Market

The year of 2004 has been a year of rapid growth and significant developments within the Company, with annual turnover increasing from \$135 million last year to \$322 million in this financial year, an increase of 139%.

Australian Pure Fruits Limited owns and operates MON, a food and beverage business. MON was established over 100 years ago in the Murray river port-town of Echuca. In February 2001, Australian Pure Fruits Limited acquired a technology business which has developed an Electronic Business Management System (EBMS) that is capable of being modified to many different business applications. Australian Pure Fruits Limited has granted a perpetual licence to DialTime Pty Ltd (to be renamed Bill Express Limited) to use the EBMS in its business operations. After its listing, Dial Time/Bill Express Limited will pay a royalty to Australian Pure Fruits Limited in consideration of the grant of this licence.

The Company's Echuca food and beverage interests have been consolidated to a new operation in Barooga on the Murray in New South Wales, as previously announced. The upgrading of machinery and the modernisation of the plant layout will continue throughout the second half of the calendar year 2004. The Lobethal plant located in the South Australian hills is being further upgraded with increased storage and manufacturing facilities being planned for construction in 2005. The management will concentrate its sales effort in obtaining national distribution for its historically regionally-based products and pursue contract packing to increase plant utilisation and reduce costs. The costs of the relocation and refit, along with the attendant business interruption should be worked through by Christmas 2004.

DialTime/Bill Express has used the EBMS to develop an electronic sales, distribution, and payment systems network. DialTime/Bill Express provides a bill-payment service, competitive to that of Australia Post, in a variety of outlets across Australia, under the banner *Bill EXPRESS*, currently second only to Australia Post in number of outlets. DialTime/Bill Express will operate one of Australia's widest pre-paid electronic sales networks, under the banner DialTime, with approximately 8,000 locations across Australia. *Bill EXPRESS* and DialTime outlets are located in various supermarkets, newsagents, department stores and other retail outlets that offer extended trading hours. This allows Bill Express/DialTime to offer a more flexible in-person pre-paid product and bill-payment service to consumers.

Bill Express/DialTime has enjoyed extraordinary growth, culminating in the winning of the prestigious Deloitte Technology Fast 50 Award as Australia's fastest growing technology company.

The Directors of Australian Pure Fruits Limited have resolved to pursue a separate listing of DialTime/Bill Express by way of an initial public offering to raise \$28.5 million. Australian Pure Fruits Limited will retain ownership of 46.15% of the Shares on issue in Bill Express Limited post-listing.

The Directors are pleased to announce a consolidated Net Profit from ordinary activities before income tax expense of \$3.171 million, an increase of 192% on last year's reported profit of \$1.083 million.

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1. **Current Period:** Year ended 30<sup>th</sup> June, 2004  
**Previous Corresponding Period:** Year ended 30<sup>th</sup> June, 2003

2. **Key Information**

				\$
Revenues from ordinary activities	Up	139%	to	322,029,840
Profit from ordinary activities after tax attributable to members	Up	116%	to	2,342,593
Net Profit for the period attributable to members	Up	116%	to	2,342,593

**Dividends – Current Period**

**Unfranked amount  
per security**

Interim dividend (cents per share)

2

An interim dividend has been paid during the end of the financial year ended 30 June 2004.

Australian Pure Fruits was pleased to advise that the directors have declared the Company's interim dividend of two cents (2c) per share payable in April 2004.

Record Date for determining entitlement to the dividend was 27 February 2004.

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**3. Statement of Financial Performance for the year ended 30 June 2004**

	<b>Consolidated</b>	
	<b>2003/04</b>	<b>2002/03</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	322,029,840	134,653,389
Expenses from ordinary activities:		
- Changes in inventories of finished goods and work in progress	5,052,345	2,377,021
- Raw materials and consumables used	(308,739,112)	(122,075,084)
- Depreciation and amortisation expense	(4,236,651)	(1,596,554)
- Borrowing costs expense	(480,187)	(132,097)
- Salaries and employee benefits expense	(2,284,501)	(1,946,429)
- Termination payments	-	(239,930)
- Goodwill write off	-	(1,341,318)
- Brand name write off	-	(300,000)
- Carrying amount of investment sold	-	(5,040,000)
- Distribution and marketing expenses	(847,022)	(308,266)
- Occupancy & office expenses	(393,033)	(272,812)
- Professional fees expenses	(439,878)	(164,210)
- Bank charges expense	(371,848)	(132,304)
- Other expenses from ordinary activities	(6,065,031)	(2,397,979)
- Share of net profits (losses) of associate and joint venture accounted for using the equity method	(53,749)	-
<b>Profit from ordinary activities before income tax expense</b>	<b>3,171,173</b>	<b>1,083,427</b>
Income tax expense relating to ordinary activities	(828,580)	-
<b>Net profit from ordinary activities after income tax</b>	<b>2,342,593</b>	<b>1,083,427</b>
<b>Net profit attributable to outside equity interests</b>	<b>-</b>	<b>-</b>
<b>Net profit from ordinary activities after income tax expense attributable to the members of the parent entity</b>	<b>2,342,593</b>	<b>1,083,427</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>2,342,593</b>	<b>1,083,427</b>
Basic Earnings Per Share (cents per share)	10.5	6.0
Diluted Earnings Per Share (cents per share)	5.5	5.5

**4. Statement of Financial Position as at 30 June 2004**

	Consolidated	
	2003/04	2002/03
	\$	\$
<b>CURRENT ASSETS</b>		
Cash assets	10,164,174	12,871,366
Receivables	19,988,659	6,277,505
Inventories	9,607,995	4,075,463
Other	413,465	6,279
<b>TOTAL CURRENT ASSETS</b>	<b>40,174,293</b>	<b>23,230,613</b>
<b>NON-CURRENT ASSETS</b>		
Investments accounted for using the equity method	682,326	-
Property, plant and equipment	28,734,981	4,741,211
Deferred tax assets	345,111	-
Intangible assets	3,175,893	3,100,893
Other	7,332,188	6,739,372
<b>TOTAL NON-CURRENT ASSETS</b>	<b>40,270,499</b>	<b>14,581,476</b>
<b>TOTAL ASSETS</b>	<b>80,444,792</b>	<b>37,812,089</b>
<b>CURRENT LIABILITIES</b>		
Payables	43,464,481	21,965,618
Interest-bearing liabilities	756,077	1,218,484
Provisions	121,556	184,394
Current tax liabilities	1,173,691	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>45,515,805</b>	<b>23,368,496</b>
<b>NON-CURRENT LIABILITIES</b>		
Payables	-	3,537
Interest-bearing liabilities	16,891,734	1,756,279
Provisions	33,214	47,717
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>16,924,948</b>	<b>1,807,533</b>
<b>TOTAL LIABILITIES</b>	<b>62,440,753</b>	<b>25,176,029</b>
<b>NET ASSETS</b>	<b>18,004,039</b>	<b>12,636,060</b>
<b>EQUITY</b>		
Parent entity interest		
Contributed equity	14,996,692	11,441,665
Retained profits	3,007,347	1,194,395
Total parent entity interest in equity	18,004,039	12,636,060
<b>TOTAL EQUITY</b>	<b>18,004,039</b>	<b>12,636,060</b>

**5. Statement of Cash Flows for the year ended 30 June 2004**

	<b>2003/04</b>	<b>2002/03</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	315,751,436	125,051,544
Payments to suppliers and employees	(307,541,453)	(111,696,037)
Interest received	168,226	33,047
Borrowing costs paid	(359,099)	(132,097)
<b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>8,019,110</b>	<b>13,256,457</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	44,000	12,100
Purchase of property, plant and equipment	(26,116,327)	(11,781)
Payment for equity accounted investment	(125,000)	-
Receipts from / (payments to) related parties	(910,739)	(1,435,476)
Cash acquired from acquisition of controlled entities	-	598,668
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(27,108,066)</b>	<b>(836,489)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of ordinary shares	2,672,027	-
Payment of share issue costs	(77,000)	-
Proceeds from borrowings	14,576,880	394,052
Hire Purchase payments	(139,971)	(129,066)
Payment of dividends on ordinary shares	(529,641)	-
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>16,502,295</b>	<b>264,986</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(2,586,661)</b>	<b>12,684,954</b>
Add opening cash brought forward	12,750,835	65,881
<b>CLOSING CASH CARRIED FORWARD</b>	<b>10,164,174</b>	<b>12,750,835</b>

	<b>Consolidated</b>	
	<b>2003/04</b>	<b>2002/03</b>
	<b>\$</b>	<b>\$</b>

**CASH FLOW INFORMATION****5(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash balance comprises:

– cash at bank	10,164,174	12,871,366
– bank overdraft	-	(120,531)
Closing cash balance	<u>10,164,174</u>	<u>12,750,835</u>

**5(b) Reconciliation of cash flow from operations with profit from ordinary activities**

Net profit	2,342,593	1,083,427
<b>Non-Cash Items</b>		
Depreciation of non-current assets	2,308,207	517,064
Amortisation of non-current assets	1,928,444	1,079,490
Lease interest reclassified as financing	18,106	16,219
Profit on sale of investments recognised as loan movement	-	(1,860,000)
Bad and doubtful debts expenses	526,083	230,880
Goodwill write off	-	1,341,318
Brand name write off	-	300,000
Net (profit)/loss on disposal of property, plant and equipment	11,606	(12,100)
Write down of fixed assets to recoverable amount	97,309	-
Provision for obsolete stock	58,463	-
Share of associate's net losses	53,749	-
Research & Development acquired through share capital issue	960,000	-
Elimination of sale to associate	113,925	-
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(7,635,430)	(4,947,819)
(Increase)/decrease in inventory	(5,590,995)	(2,123,580)
(Increase)/decrease in future income tax benefit	(345,111)	-
(Increase)/decrease in prepayments	(9,044,514)	367,998
(Decrease)/increase in trade and other creditors	21,120,325	17,077,977
(Decrease)/increase in deferred income	-	(10,000)
(Decrease)/increase in current tax liability	1,173,691	-
(Decrease)/increase in related party loan balances	-	143,616
(Decrease)/increase in employee entitlements	(77,341)	51,970
Net cash flow from operating activities	<u>8,019,110</u>	<u>13,256,457</u>

	Consolidated	
	2003/04	2002/03
	\$'000	\$'000

### 5(c) Finance Facilities

#### (c) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

Total facilities	18,565,000	7,325,000
Facilities used at reporting date	17,214,775	2,702,404
Facilities unused at reporting date	1,350,225	4,622,596

### 5(d) Non-cash financing and investing activities

#### *Finance Lease Transactions*

During the financial year the consolidated entity acquired Plant & Equipment to the value of \$338,565 through a hire purchase agreement. As this transaction had no cash flow effect it has not been included in the statement of cash flows.

#### *Software Contribution*

During the financial year the consolidated entity contributed software valued at \$350,000 to an associated entity. As this transaction had no cash flow effect it has not been included in the statement of cash flows.

#### *Purchase of Research & Development*

During the financial year the consolidated entity issued capital to the value of \$960,000 for the acquisition of research & development. As this transaction had no cash flow effect it has not been included in the statement of cash flows.

## 6. Retained Earnings

	2003/04	2002/03
	\$	\$
Balance at the beginning of year	1,194,395	110,968
Net profit attributable to members of Australian Pure Fruits Limited	2,342,593	1,083,427
Total available for appropriation	3,536,988	1,194,395
Dividends paid	(529,641)	-
Balance at end of year	3,007,347	1,194,395

## 7. Net Tangible Asset backing

	2003/04	2002/03
	\$	\$
Net tangible asset backing per ordinary security	\$0.52	\$0.52

## 8. Acquisition of associate entities

POD TV Pty Ltd was acquired on 15 May 2004 at a percentage holding of 46.5%

The total investment will be \$850,000 which represents software contribution valued at \$350,000 and cash of \$500,000. As at 30 June 2004 \$125,000 has been paid and the amount outstanding is \$375,000.

Our share of the results since acquisition is (\$53,749) loss plus the elimination of the software contribution to associate of \$113,929 values our paid up investment of \$307,326.

## 9. Earnings per security (EPS)

	2003/04	2002/03
Earnings used in the calculations of basic and diluted earnings per share	2,342,593	1,083,427
Opening weighted average number of ordinary shares used in the calculation of basic earnings per share.	18,474,448	16,074,448
Weighted average number of ordinary shares issued during the year	3,752,515	2,051,507
Weighted average number of ordinary shares and used in the calculation of basic earnings per share	22,226,963	18,125,955
Basic earnings per share	10.54	5.98
Opening weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share.	36,948,846	16,074,448
Weighted average number of ordinary shares and potential ordinary shares issued during the year	5,414,505	3,721,800
Weighted average number of ordinary shares and potential ordinary shares used in the calculation diluted earnings per share	42,363,401	19,796,248
Diluted earnings per share	5.53	5.47

## 10. Segment Information

### Primary Reporting – Business Segments

	Food/ Beverages	Electronic Warehousing	Other	Eliminations	Consolidation
<b>30 June 2004</b>	\$	\$	\$	\$	\$
Revenue outside the economic entity	8,379,123	313,482,491	-	-	321,861,614
Inter-segment revenue	905,859	-	4,778,000	(5,683,859)	-
<b>Total Segment Revenue</b>	<b>9,284,982</b>	<b>313,482,491</b>	<b>4,778,000</b>	<b>(5,683,859)</b>	<b>321,861,614</b>
Unallocated Revenue	492	166,992	742	-	168,226
<b>Total revenue</b>	<b>9,285,474</b>	<b>313,649,483</b>	<b>4,778,742</b>	<b>(5,683,859)</b>	<b>322,029,840</b>
Segment operating profit	(710,303)	4,394,340	4,418,574	(4,931,443)	3,171,168
Consolidated income tax expense					828,580
<b>Operating Profit after tax</b>					<b>2,342,588</b>
Depreciation	500,797	1,807,410	-	-	2,308,207
Amortisation	-	1,803,444	-	125,000	1,928,444
<b>Individually significant items:</b>					
Technology licence fees	-	4,436,075	-	-	4,436,075
Segment Assets	9,314,877	70,793,684	20,187,134	(19,850,903)	80,444,792
<b>Total Assets</b>					<b>80,444,792</b>
Segment Liabilities	8,499,665	68,970,792	3,126,191	(18,155,895)	62,440,753
<b>Total Liabilities</b>					<b>62,440,753</b>
Acquisition of non-current assets	200,708	26,254,184	-	-	26,454,892
<b>30 June 2003</b>	\$	\$	\$	\$	\$
Revenue outside the economic entity	8,575,850	118,722,889	-	-	127,298,739
Inter-segment revenue	251,636	-	-	(251,636)	-
<b>Total Segment Revenue</b>	<b>8,827,486</b>	<b>118,722,889</b>	<b>-</b>	<b>(251,636)</b>	<b>127,298,739</b>
Unallocated Revenue	220	32,718	7,321,712	-	7,354,650
<b>Total revenue</b>	<b>8,827,706</b>	<b>118,755,607</b>	<b>7,321,712</b>	<b>(251,636)</b>	<b>134,653,389</b>
Segment operating profit	(2,366,552)	2,281,867	(487,662)	1,655,722	1,083,375
Consolidated income tax expense					-
<b>Operating Profit after tax</b>					<b>1,083,375</b>
Depreciation	487,387	22,556	7,121	-	517,064
Amortisation	24,578	1,042,912	-	12,000	1,079,490
<b>Non-cash expenses other than depreciation and amortisation and individually significant items:</b>					
Goodwill write-off	907,818	-	-	433,500	1,341,318
Brand name write-off	50,000	-	-	250,000	300,000
Carrying amount of investments sold	-	-	5,040,000	-	5,040,000
Provision for Diminution of investment	-	-	2,351,363	(2,351,363)	-
Segment Assets	8,756,188	27,724,134	12,344,328	(11,012,561)	37,812,089
<b>Total Assets</b>					<b>37,812,089</b>
Segment Liabilities	7,183,804	25,392,362	2,062,326	(9,462,463)	25,176,029
<b>Total Liabilities</b>					<b>25,176,029</b>
Acquisition of non-current assets	717,925	1,856	-	2,400,000	3,169,781

**11. Audit**

The accounts are in the process of being audited.



Sign here: \_\_\_\_\_ .Date: 31 August 2004  
(Chairman)

Print name: Peter McDougall