

Appendix 4B

Half yearly report

Name of entity

BHP Steel Limited

ABN or equivalent company
reference

16 000 011 058

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).

\$m

Revenues from ordinary activities (item 1.1)	up	N/A %	to	2,590
Profit (loss) from ordinary activities after tax attributable to members (item 1.22)	up	N/A %	to	242
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))	gain of			-
Net profit (loss) for the period attributable to members (item 1.11)	up	N/A %	to	242
Dividends (distributions)	Amount per security		Franked amount per security	
Interim dividend (Half yearly report only - item 15.6)	9.0 ¢		9.0 ¢	
Previous corresponding period (item 15.7)	- ¢		- ¢	

[‡]Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)

18 March 2003

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:

BHP Steel Limited legally separated from the BHP Billiton Group on 22 July 2002, having listed on the Australian Stock Exchange on 15 July 2002. No comparative financial information for the six months to 31 December 2001 has been presented in accordance with Australian Accounting Standard AASB 1029, as this is the first half year in which this standard has been applied.

In preparation for separation, certain significant BHP Steel operating entities previously owned by other entities within the BHP Billiton Group were acquired. In particular BHP Steel (AIS) Pty Ltd which operates the Port Kembla Steelworks, New Zealand Steel and Packaging Products, was legally acquired on 3 July 2002. For accounting purposes the effective separation date was 1 July 2002 and therefore the consolidated statement of financial performance and consolidated statement of cashflows reflect the results for the entire half year to 31 December 2002. However, the consolidated statement of cash flows also reflects the investing and financing associated with the acquisition of BHP Steel (AIS) Pty Ltd and the legal separation from the BHP Billiton Group.

The Board has approved an on market buyback of up to 79.3 million (10%) of BHP Steel Limited's ordinary shares. The shares will be purchased over the next 12 months, subject to market conditions. It should be noted however, that because of the Company's lower number of shares on issue prior to the demerger from BHP Billiton in July 2002, the Company will be limited under the Corporations Law to purchasing a maximum of 10 million of its ordinary shares prior to 12 July 2003. After this date the Company will be able to acquire any remaining balance up to the total of 79.3 million ordinary shares. The Company believes the share buyback should: increase earnings per share, increase return on shareholder's funds and reduce the Group's weighted average cost of capital.

This is a half yearly report it is to be read in conjunction with the most recent annual financial report.

Condensed consolidated statement of financial performance

	Current period - \$m	Previous corresponding period - \$m
1.1 Revenues from ordinary activities (see items 1.23 - 1.25)	2,590.4	-
1.2 Expenses from ordinary activities (see items 1.26 & 1.27)	2,319.1	-
1.3 Borrowing costs	18.3	-
1.4 Share of net profit (loss) of associates and joint venture entities (see item 16.7)	62.7	-
1.5 Profit (loss) from ordinary activities before tax	315.7	-
1.6 Income tax on ordinary activities (see note 4)	59.6	-
1.7 Profit (loss) from ordinary activities after tax	256.1	-
1.8 Profit (loss) from extraordinary items after tax (see item 2.5)	-	-
1.9 Net profit (loss)	256.1	-
1.10 Net profit (loss) attributable to outside ⁺ equity interests	13.8	-
1.11 Net profit (loss) for the period attributable to members	242.3	-
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	25.9	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	25.9	-
1.17 Total changes in equity not resulting from transactions with owners as owners	268.2	-

Earnings per security (EPS)	Current period	Previous corresponding period
1.18 Basic EPS	30.6 ¢	- ¢
1.19 Diluted EPS	30.6 ¢	- ¢

+ 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 \$m	Previous corresponding period \$m
1.20 Profit (loss) from ordinary activities after tax (item 1.7)	256.1	-
1.21 Less (plus) outside +equity interests	13.8	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	242.3	-

Revenue and expenses from ordinary activities

(see note 15)

	Current period \$m	Previous corresponding period \$m
1.23 Revenue from sales and services		
Sale of goods	2,489.8	-
Rendering of services	78.3	-
Total revenue from sales and services	2,568.1	-
1.24 Interest revenue		
Other interest income	8.2	-
1.25 Other relevant revenue		
Dividend income	1.3	-
Other revenue	10.4	-
Proceeds on sale of PPE	2.4	-
Total other relevant revenue	14.1	-
Total revenue from ordinary activities	2,590.4	-
1.26 Details of relevant expenses		
Changes in inventories of finished goods and work in progress	(34.3)	-
Raw materials and consumables used	1,002.1	-
Employee benefits expense	512.6	-
Contracted Services	473.6	-
Carrying amount of non-current assets sold	1.3	-
Other expenses	232.2	-
1.27 Depreciation and amortisation excluding amortisation of intangibles (see item 2.3)	131.6	-
Total expenses from ordinary activities	2,319.1	-
Capitalised outlays		
1.28 Interest costs capitalised in asset values	1.7	-
1.29 Outlays capitalised in intangibles (unless arising from an +acquisition of a business)	-	-

+ See chapter 19 for defined terms.

Consolidated retained profits

1.30	Retained profits (accumulated losses) at the beginning of the financial period	387.7	-
1.31	Net profit (loss) attributable to members (<i>item 1.11</i>)	242.3	-
1.32	Net transfers from (to) reserves (<i>details if material</i>)	0.8	-
1.33	Net effect of changes in accounting policies	-	-
1.34	Dividends and other equity distributions paid or payable	-	-
1.35	Retained profits (accumulated losses) at end of financial period	630.8	-

Intangible and extraordinary items

<i>Consolidated - current period</i>				
	Before tax \$m	Related tax \$m	Related outside +equity interests \$m	Amount (after tax) attributable to members \$m
	(a)	(b)	(c)	(d)
2.1	Amortisation of goodwill	-	-	-
2.2	Amortisation of other intangibles	-	-	-
2.3	Total amortisation of intangibles	-	-	-
2.4	Extraordinary items (details)	-	-	-
2.5	Total extraordinary items	-	-	-

Comparison of half year profits

(Preliminary final report only)

	Current year - \$m	Previous year - \$m
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)	-
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	-

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position	At end of current period \$m	As shown in last annual report \$m	As in last half yearly report \$m
Current assets			
4.1 Cash	136.7	98.7	-
4.2 Receivables	496.7	2,110.8	-
4.3 Other financial instruments	5.4	2.2	-
4.4 Inventories	701.3	257.8	-
4.5 Tax assets	-	-	-
4.6 Other (provide details if material)	27.6	9.4	-
4.7 Total current assets	1,367.7	2,478.9	-
Non-current assets			
4.8 Receivables	10.8	10.8	-
4.9 Investments (equity accounted)	172.0	146.3	-
4.10 Other financial assets	4.9	0.2	-
4.11 Inventories	64.6	23.4	-
4.12 Exploration and evaluation expenditure capitalised (see para. 71 of <i>AASB 1022</i>)	-	-	-
4.13 Development properties (⁺ mining entities)	-	-	-
4.14 Other property, plant and equipment (net)	3,171.3	1,065.1	-
4.15 Intangibles (net)	2.7	0.7	-
4.16 Tax assets	45.0	19.2	-
4.17 Other (provide details if material)	10.8	9.5	-
4.18 Total non-current assets	3,482.1	1,275.2	-
4.19 Total assets	4,849.8	3,754.1	-
Current liabilities			
4.20 Payables	499.4	351.2	-
4.21 Interest bearing liabilities	157.1	2,279.6	-
4.22 Tax liabilities	53.7	2.8	-
4.23 Provisions exc. tax liabilities	212.2	94.3	-
4.24 Other (provide details if material)	-	-	-
4.25 Total current liabilities	922.4	2,727.9	-
Non-current liabilities			
4.26 Payables	-	-	-
4.27 Interest bearing liabilities	194.7	94.5	-
4.28 Tax liabilities	419.1	103.5	-
4.29 Provisions exc. tax liabilities	219.4	56.5	-
4.30 Other (provide details if material)	-	-	-
4.31 Total non-current liabilities	833.2	254.5	-
4.32 Total liabilities	1,755.6	2,982.4	-
4.33 Net assets	3,094.2	771.7	-

+ See chapter 19 for defined terms.

Consolidated balance sheet continued

Equity			
4.34 Capital/contributed equity	2,209.4	164.0	-
4.35 Reserves	207.9	182.9	-
4.36 Retained profits (accumulated losses)	630.8	387.7	-
4.37 Equity attributable to members of the parent entity	3,048.1	734.6	-
4.38 Outside +equity interests in controlled entities	46.1	37.1	-
4.39 Total equity	3,094.2	771.7	-
4.40 Preference capital included as part of 4.37	-	-	-

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 \$m	Previous corresponding period - \$m
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)	-	-

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$m	Previous corresponding period - \$m
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)	-	-

+ See chapter 19 for defined terms.

Condensed consolidated statement of cash flows

	Current period \$m	Previous corresponding period - \$m
Cash flows related to operating activities		
7.1 Receipts from customers	2,790.0	-
7.2 Payments to suppliers and employees	(2,415.7)	-
7.3 Dividends received from associates	-	-
7.4 Other dividends received	1.4	-
7.5 Interest and other items of similar nature received	8.4	-
7.6 Interest and other costs of finance paid	(20.1)	-
7.7 Income taxes paid	(8.2)	-
7.8 Other (provide details if material)	10.3	-
7.9 Net operating cash flows	366.1	-
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment	(76.0)	-
7.11 Proceeds from sale of property, plant and equipment	1.9	-
7.12 Payment for purchases of equity investments	-	-
7.13 Proceeds from sale of equity investments	-	-
7.14 Loans to other entities	-	-
7.15 Loans repaid by associates	35.6	-
7.16 Other (provide details if material)	-	-
Payment for purchase of controlled entities, net of cash acquired	(716.2)	-
Payment for purchases of short term deposits	(4.1)	-
7.17 Net investing cash flows	(758.8)	-
Cash flows related to financing activities		
7.18 Proceeds from issues of ⁺ securities (shares, options, etc.)	2,045.4	-
7.19 Proceeds from other borrowings	357.0	-
7.20 Repayment of other borrowings	(371.2)	-
7.21 Dividends paid	-	-
7.22 Other (provide details if material)	-	-
Proceeds from demerger borrowings	565.0	-
Repayment of demerger borrowings	(365.0)	-
Net financing of related entities	(1,797.2)	-
Dividends paid to outside equity interest	(4.3)	-
7.23 Net financing cash flows	429.7	-
7.24 Net increase (decrease) in cash held	37.0	-
7.25 Cash at beginning of period (see Reconciliation of cash)	98.7	-
7.26 Exchange rate adjustments to item 7.25.	1.0	-
7.27 Cash at end of period (see Reconciliation of cash)	136.7	-

+ 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.)

Not applicable

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 \$m	Previous corresponding period - \$m
8.1 Cash on hand and at bank	116.6	-
8.2 Deposits at call	20.1	-
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	136.7	-

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
Profit before tax / revenue		
9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	12.19 %	- %
Profit after tax / +equity interests		
9.2 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)	7.95 %	- %

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
Net profit attributable to members	\$242.3m
Weighted average number of shares - Basic EPS	793 m
Weighted average number of shares - Diluted EPS	793 m

+ 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	\$ 3.84	\$ -

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

Not Applicable

+ See chapter 19 for defined terms.

Control gained over entities having material effect

13.1	Name of entity (or group of entities)	BHP Steel (AIS) Pty Ltd
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was ⁺ acquired	\$ 143.8m
13.3	Date from which such profit has been calculated	1 July 2002
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	\$ -

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 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 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	22 April 2003
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)	18 March 2003
15.3	If it is a final dividend, has it been declared? (Preliminary final report only)	-

⁺ See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
	<i>(Preliminary final report only)</i>			
15.4	Final dividend: Current year	- ¢	- ¢	- ¢
15.5	Previous year	- ¢	- ¢	- ¢
	<i>(Half yearly and preliminary final reports)</i>			
15.6	Interim dividend: Current year	9.0 ¢	9.0 ¢	- ¢
15.7	Previous year	- ¢	- ¢	- ¢

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

(Preliminary final report only)

- 15.8 +Ordinary securities
15.9 Preference +securities

Current year	Previous year
9.0 ¢	- ¢
- ¢	- ¢

Half yearly report - interim dividend (distribution) on all securities

- 15.10 +Ordinary securities
15.11 Preference +securities
15.12 Other equity instruments
15.13 Total

Current period \$m	Previous corresponding period - \$m
71.4	-
-	-
-	-
71.4	-

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

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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)*

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+ 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 \$m	Previous corresponding period - \$m
16.1 Profit (loss) from ordinary activities before tax	62.7	-
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	62.7	-
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	62.7	-
16.6 Adjustments	-	-
16.7 Share of net profit (loss) to associates and joint venture entities.	62.7	-

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 - \$m	Previous corresponding period - \$m
17.1 Equity accounted associates and joint venture entities				
North Star BHP Steel	50.0%	-%	62.7	-
17.2 Total	-	-	62.7	-
17.3 Other material interests	-	-	-	-
17.4 Total	-	-	-	-

+ 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 (description)	-	-	-	-
18.2 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3 ⁺Ordinary securities	793,000,000	793,000,000	-	-
18.4 Changes during current period				
(a) Increases through issues	693,000,002	693,000,002	-	-
(b) Decreases through returns of capital, buybacks	-	-	-	-
18.5 ⁺Convertible debt securities (description and conversion factor)	-	-	-	-
18.6 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
18.7 Performance Rights (refer to pages 12-14 of the 30 June 2002 annual report for terms and conditions)			Exercise price	Expiry date (if any)
18.8 Issued during current period	21,348,300	21,348,300	various	various
18.9 Exercised during current period	-	-	\$ -	
18.10 Expired during current period	-	-	\$ -	
18.11 Debentures (description)				
18.12 Changes during current period				
(a) Increases through issues	-	-		
(b) Decreases through securities matures, converted	-	-		
18.13 Unsecured notes (description)				
18.14 Changes during current period				
(a) Increases through issues	-	-		
(b) Decreases through securities matures, converted	-	-		

⁺ See chapter 19 for defined terms.

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 accounts preparation

- 19.1 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.
- 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.

Please refer to the Half Year profit release.

- 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).

BHP Steel Limited acquired the 26% minority interest in PT BHP Steel Indonesia on 3 January 2003 at a cost of \$9.9 million.

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

The BHP Steel Limited Group will have sufficient franking credits available to fully frank the interim dividend. The final dividend in respect of the year ending 30 June 2003 is still expected to be fully franked.

- 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*).

NIL

+ See chapter 19 for defined terms.

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- 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.

NIL

- 19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last⁺annual report.

The increase in contingent liabilities of \$1.6m since 30 June 2002, is due to the acquisition of BHP Steel (AIS) Pty Ltd on 3 July 2002.

Additional disclosure for trusts

- 20.1 Number of units held by the management company or responsible entity or their related parties

-

- 20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

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Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

Date

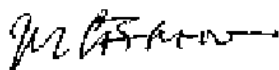
Time

Approximate date the ⁺annual report will be available

⁺ 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
- 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 <i>not</i> yet been audited or reviewed |
- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached.
(Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act 2001.)
- 6 The entity has a formally constituted audit committee.



Sign here:
Company Secretary

Date: 27 February 2003

Print name: Michael Barron

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

⁺ See chapter 19 for defined terms.

3. **Condensed consolidated statement of financial performance**

- Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of financial performance*.
- Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax prima facie payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.

5. **Condensed consolidated statement of financial position**

Format The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Banking institutions, trusts and financial institutions identified in an ASIC Class Order dated 2 September 1997 may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last ⁺annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030: Application of Accounting Standards etc.*

6. **Condensed consolidated statement of cash flows** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. However, an entity may report exact figures, if the \$A'000 headings are amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.

⁺ See chapter 19 for defined terms.

10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.

11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +ASIC under the Corporations Act 2001 must also be given to ASX. For example, a directors' report and declaration, if lodged with the +ASIC, must be given to ASX.

12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.

13. **Corporations Act 2001 financial statements** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Act 2001 as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.

14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.

15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their +accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term "relevance" is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16. **\$ Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

+ See chapter 19 for defined terms.

17. **Discontinuing operations**

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their ⁺accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. **Format**

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

⁺ See chapter 19 for defined terms.