Harrington Group Limited

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Date:	14 March 2003
Message to:	Company Announcements Office
Company/Title:	Australian Stock Exchange Limited
Fax No:	1900 999 279
From:	W.J. Carpenter
No of Pages:	24 (including this header)

Announcement follows re Appendix 4B Half Yearly Report 31 December 2002.

Rules 4.1, 4.3

Appendix 4B

Half yearly/preliminary final report

Introduced 30/6/2002.

Name of entity

HARRINGTON GROUP LIMITED

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Half year/financial year ended ('current period')
18 001 285 230	✓		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)*	[redacted]/down	16.9%	to	2,092
[redacted](loss) from ordinary activities after tax attributable to members *(item 1.22)*	up/d[redacted]	48.5%	to	(462)
Profit (loss) from extraordinary items after tax attributable to members *(item 2.5(d))*	gain (loss) of	-		-
Net [redacted] (loss) for the period attributable to members *(item 1.11)*	up/d[redacted]	48.5%	to	(462)

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)*	N/A¢	N/A¢
Previous corresponding period *(Preliminary final report - item 15.5; half yearly report - item 15.7)*	N/A¢	N/A¢

+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 *(see items 1.23 -1.25)*	2,092	2,518
1.2	Expenses from ordinary activities *(see items 1.26 & 1.27)*	(2,510)	(2,780)
1.3	Borrowing costs	(44)	(49)
1.4	Share of net profits (losses) of associates and joint venture entities *(see item 16.7)*	-	-
1.5	**Profit (loss) from ordinary activities before tax**	**(462)**	**(311)**
1.6	Income tax on ordinary activities *(see note 4)*	-	-
1.7	**Profit (loss) from ordinary activities after tax**	**(462)**	**(311)**
1.8	Profit (loss) from extraordinary items after tax *(see item 2.5)*	-	-
1.9	**Net profit (loss)**	**(462)**	**(311)**
1.10	Net profit (loss) attributable to outside +equity interests	-	-
1.11	**Net profit (loss) for the period attributable to members**	**(462)**	**(311)**
	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)	-	-
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17	**Total changes in equity not resulting from transactions with owners as owners**	(462)	(311)

Earnings per security (EPS)		Current period	Previous corresponding period
1.18	Basic EPS	(1.3)	(1.8)
1.19	Diluted EPS	N/A	N/A

+ 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 *(item 1.7)*	(462)	(311)
1.21	Less (plus) outside +equity interests	-	-
1.22	**Profit (loss) from ordinary activities after tax, attributable to members**	**(462)**	**(311)**

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	2,038	2,492
1.24	Interest revenue	4	25
1.25	Other relevant revenue	50	1
1.26	Details of relevant expenses	(2,520)	(2,793)
1.27	Depreciation and amortisation excluding amortisation of intangibles *(see item 2.3)*	(34)	(36)
Capitalised outlays			
1.28	Interest costs capitalised in asset values	-	-
1.29	Outlays capitalised in intangibles (unless arising from an +acquisition of a business)	20	-

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	(4,997)	(4,257)
1.31	Net profit (loss) attributable to members *(item 1.11)*	(462)	(311)
1.32	Net transfers from (to) reserves *(details if material)*	-	-
1.33	Net effect of changes in accounting policies	-	-
1.34	Dividends and other equity distributions paid or payable	-	-

+ See chapter 19 for defined terms.

1.35	**Retained profits (accumulated losses) at end of financial period**	**(5,459)**	**(4,568)**

Intangible and extraordinary items

		Consolidated - current period			
		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	(16)	-	-	-
2.3	**Total amortisation of intangibles**	(16)	-	-	-
2.4	Extraordinary items (details)	-	-	-	-
2.5	**Total extraordinary items**	-	-	-	-

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 *1st* 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 *2nd* 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	39	43	78
4.2	Receivables	275	535	644
4.3	Investments	-	-	-
4.4	Inventories	226	267	311
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	-	300	24
4.7	**Total current assets**	**540**	**1,145**	**1,057**
	Non-current assets			
4.8	Receivables	-	-	-
4.9	Investments (equity accounted)	-	-	-
4.10	Other investments	48	72	2
4.11	Inventories	322	322	322
4.12	Exploration and evaluation expenditure capitalised *(see para .71 of AASB 1022)*	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	276	305	406
4.15	Intangibles (net)	51	47	-
4.16	Tax assets	-	-	-
4.17	Other (provide details if material)		-	-
4.18	**Total non-current assets**	**697**	**746**	**730**
4.19	**Total assets**	**1,237**	**1,891**	**1,787**
	Current liabilities			
4.20	Payables	940	1,013	951
4.21	Interest bearing liabilities	23	227	53
4.22	Tax liabilities	-	-	-
4.23	Provisions exc. tax liabilities	74	80	64
4.24	Other (provide details if material)	-		-
4.25	**Total current liabilities**	**1,037**	**1,320**	**1,068**
	Non-current liabilities			
4.26	Payables	-	-	-
4.27	Interest bearing liabilities	265	265	278
4.28	Tax liabilities	-	-	-
4.29	Provisions exc. tax liabilities	24	23	28
4.30	Other (provide details if material)	-	-	-
4.31	**Total non-current liabilities**	**289**	**288**	**306**

Condensed consolidated statement of financial position continued

+ See chapter 19 for defined terms.

4.32	**Total liabilities**	**1,326**	**1,608**	**1,374**
4.33	**Net assets**	**(89)**	**283**	**413**
	Equity			
4.34	Capital/contributed equity	5,243	5,143	4,801
4.35	Reserves	127	137	180
4.36	Retained profits (accumulated losses)	(5,459)	(4,997)	(4,568)
4.37	**Equity attributable to members of the parent entity**	**(89)**	**283**	**413**
4.38	Outside +equity interests in controlled entities	-	-	-
4.39	**Total equity**	**(89)**	**283**	**413**
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 $A'000	Previous corresponding period - $A'000
5.1	Opening balance	N/A	N/A
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 $A'000	Previous corresponding period - $A'000
6.1	Opening balance	N/A	N/A
6.2	Expenditure incurred during current period	-	-
6.3	Expenditure transferred from exploration and evaluation	-	-
6.4	Expenditure written off during current period	-	-

+ See chapter 19 for defined terms.

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)*	-	-

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	1,476	2,804
7.2	Payments to suppliers and employees	(1,673)	(3,262)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	5	26
7.6	Interest and other costs of finance paid	(44)	(49)
7.7	Income taxes paid	-	-
7.8	Other (provide details if material)	41	1
7.9	**Net operating cash flows**	**(195)**	**(480)**
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	-	(12)
7.11	Proceeds from sale of property, plant and equipment	-	-
7.12	Payment for purchases of equity investments	(8)	(2)
7.13	Payment for Intellectual Property	(20)	-
7.14	Loans to other entities	-	-
7.15	Proceeds from sale of shares	23	-
7.16	Other (provide details if material)		-
7.17	**Net investing cash flows**	**(5)**	**(14)**
	Cash flows related to financing activities		
7.18	Proceeds from issues of +securities (shares, options, etc.)	100	88
7.19	Proceeds from borrowings		264
7.20	Repayment of borrowings	(203)	(25)
7.21	Dividends paid	-	-
7.22	Proceeds from Convertible Note	300	-
7.23	**Net financing cash flows**	**197**	**327**
7.24	**Net increase (decrease) in cash held**	(3)	**(167)**
7.25	Cash at beginning of period *(see Reconciliation of cash)*	31	234

+ See chapter 19 for defined terms.

7.26	Exchange rate adjustments to item 7.25.	-	-
7.27	**Cash at end of period** *(see Reconciliation of cash)*	28	67

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.)*

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	39	78
8.2	Deposits at call	-	-
8.3	Bank overdraft	(11)	(11)
8.4	Other (provide details)	-	-
8.5	**Total cash at end of period** *(item 7.27)*	**28**	67

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*)	(22.1)	(12.3)
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*)	-	(75.3)

+ See chapter 19 for defined terms.

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
Basic EPS	(1.3)	(1.8)
Diluted EPS	N/A	N/A
Weighted avr # shares	34,778,834	17,062,786

NTA backing *(see note 7)*	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	-	2.4

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

+ See chapter 19 for defined terms.

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	$N/A
13.3	Date from which such profit has been calculated	N/A
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	$N/A

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	$N/A
14.3	Date to which the profit (loss) in item 14.2 has been calculated	N/A
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	$N/A
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	$N/A

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? *(Preliminary final report only)*	N/A

Amount per security

+ See chapter 19 for defined terms.

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

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

(Preliminary final report only)

		Current year	Previous year
15.8	+Ordinary securities	N/A¢	N/A¢
15.9	Preference +securities	N/A¢	N/A¢

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 *(each class separately)*	N/A	N/A
15.11	Preference +securities *(each class separately)*	N/A	N/A
15.12	Other equity instruments *(each class separately)*	N/A	N/A
15.13	**Total**	N/A	N/A

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

N/A

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	N/A	N/A
16.2 Income tax on ordinary activities	N/A	N/A
16.3 Profit (loss) from ordinary activities after tax	N/A	N/A
16.4 Extraordinary items net of tax	N/A	N/A
16.5 Net profit (loss)	N/A	N/A
16.6 Adjustments	N/A	N/A
16.7 Share of net profit (loss) of associates and joint venture entities	N/A	N/A

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*)	
17.1 Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period $A'000	Previous corresponding period - $A'000
N/A	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

17.2 Total	N/A	N/A	N/A	N/A
17.3 Other material interests	N/A	N/A	N/A	N/A
17.4 Total	N/A	N/A	N/A	N/A

+ 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)*	NIL			
18.2	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	NIL			
18.3	**+Ordinary securities**	35,197,312	35,197,312		
18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	1,000,000	1,000,000	10c	10c
18.5	**+Convertible debt securities** *(description and conversion factor)*	NIL			
18.6	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
18.7	**Options** *(description and conversion factor)*	NIL		*Exercise price*	*Expiry date (if any)*
18.8	Issued during current period	N/A			
18.9	Exercised during current period	N/A			
18.10	Expired during current period	N/A			
18.11	**Debentures** *(description)*	NIL			
18.12	Changes during current period (a) Increases through issues	N/A			
	(b) Decreases through securities matured, converted	N/A			

+ See chapter 19 for defined terms.

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

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 REPORT

19.2 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.

SEE ATTACHED REPORT

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

FRANKING CREDITS AVAILABLE ARE $2,796,066. IT IS UNLIKELY THAT ANY DIVIDENDS WILL BE PAID WITHIN THE NEXT 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*).

N/A

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

Additional disclosure for trusts

+ See chapter 19 for defined terms.

20.1	Number of units held by the management company or responsible entity or their related parties.	N/A
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	N/A

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the +annual report will be available	N/A

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/~~does not~~* *(delete one)* 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.
- [x] The +accounts have been subject to review.

+ See chapter 19 for defined terms.

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

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

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* *(delete one). (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.)*

6 The entity has/~~does not have~~* *(delete one)* a formally constituted audit committee.

Sign here: .... Date: ....7/3/03........
(Director/~~Company Secretary~~)

Print name: ....MICHAEL B. SILVER.

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.

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).

+ See chapter 19 for defined terms.

Harrington Group Limited
Appendix 4B
Preliminary Final Report
31 December 2002

Attachment

1 Prima Facie Tax

	$'000s
Prima facie tax on profit/loss from ordinary activities	-139
Tax effect of permanent differences	6
Tax effect of timing differences	2
Future tax benefits not taken to account	131
Income tax expense	0

2 Segment Results

	Total revenue		Profit after tax ordinary activities		Total assets	
	31.12.02 $'000s	31.12.01 $'000s	31.12.02 $'000s	31.12.01 $'000s	31.12.02 $'000s	31.12.01 $'000s
(a) Industrial segments						
Materials handling						
- external customers	2,073	2,476	-329	-128	707	1,468
- other segments		4	0	0	0	0
Forestry operations						
- external customers	19	0	-133	0	530	4,400
- other segments	0	38	-89	167	0	0
Eliminations		0	89	-350		-4,081
	2,092	2,518	-462	-311	1,237	1,787
(b) Geographic segments						
- Australian external	2,092	2,518	-462	-311	1,237	1,787

RH&A

Richard Hill & Associates
Chartered Accountants &
Business Advisers

Directors

Richard L.S. Hill
B.Comm.F.C.A.

Richard O. Collinge
A.CA (N.Z)

Stuart Nettleton
CPA, MBA (Univ Medal),
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Independent Review Report To the Members of Harrington Group Limited

Scope

We have reviewed the consolidated financial report of Harrington Group Limited for the half-year ended 31 December 2002 in the form of the Appendix 4B of the Australian Stock Exchange Listing Rules, consisting of the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows and accompanying notes set out on pages 1 to 18 and including the attached income tax expense and segment reporting schedule. 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 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 "Half Year Accounts and Consolidated Accounts" and other mandatory professional reporting requirements 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 company to lodge the financial report with the Australian Securities & 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 disclosing entity's personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to enquiries by obtaining corroborative evidence from inspection, observation, or confirmation. The 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, nothing has come to our attention that causes us to believe that the half-year financial report of Harrington Group Limited is not in accordance with:

Chartered Accountants

Richard Hill & Associates Pty Ltd
A.C.N. 003 304 023 A.B.N. 86 003 304 023
Level 8, 157 Walker Street, North Sydney NSW 2060
PO Box 92, North Sydney NSW 2059 Australia

(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) Compliance with Accounting Standard AASB 1029 "Half Year Accounts and Consolidated Accounts" and the Corporations Regulations 2001; and

(b) Other mandatory professional reporting requirements in Australia.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As set out under note 1 to the financial statements as contained in the last annual report (being the annual report relating to the year ended 30 June 2002), the consolidated financial report of the consolidated entity for the half-year ended 31 December 2002 has been prepared assuming the consolidated group will continue as a going concern. Having regard to the net loss of the economic entity for the half year and the extent of its liquid assets as at 31 December 2002, its ongoing viability is dependent upon its ability to derive sufficient future income and/or continuing to enjoy the financial support of its major lenders or obtaining fundings from its capital raisings. In the event Harrington Group Limited were unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those currently stated in the financial statements.

RICHARD HILL & ASSOCIATES PTY LTD

Richard Hill
12 March 2003

HARRINGTON GROUP LIMITED AND CONTROLLED ENTITY
(ABN 18 001 285 230)

DECLARATION BY DIRECTORS

The directors of Harrington Group Limited declare that:

(a) The financial statements and notes set out in this report and Appendix 4B:

(i) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations; and

(ii) give a true and fair view of the financial position as at 31 December 2002, and its performance for the half year ended on that date.

(b) In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of Harrington Group Limited.

Michael B. Silver
Director

William B. Tien
Director

Dated at Sydney this 7 day of March 2003

Harrington Group Limited

Attachment to Appendix 4B – 31 December 2002

Directors Report

Advance Conveyors experienced difficult trading conditions during the last quarter of calendar year 2002. Despite a strong pipeline of identified opportunities, many customers deferred capital expenditure decisions until the new year. Independent feedback confirmed that the company's competitors in the conveyor manufacturing industry experienced similar weak demand for their products.

The expected increase in demand for Advance Conveyor products materialized in the new year with a total amount of $750,000 in new orders received in January and February.

Further rationalization of overheads and streamlining of the engineering and manufacturing divisions has placed the company in a strong position to capitalize on expected improvement in demand in 2003.

Satisfactory progress continues to be made with respect to the role of Harrington's forest interests at Burraga, Lawson and Lithgow. It is expected that the negotiations will result in the sale of all three holdings in the second quarter of calendar year 2003.

On 21 February 2003, Harrington announced that it had acquired a 90-day option to secure the exclusive commercial distribution rights for the Luxlite range of products for Australasia and the Oceania. The company is currently undertaking due diligence in respect of this new business opportunity and expects to finalize an agreement before 15 April 2003.

In light of this latest development the company is in the process of reviewing its working capital requirements for the next twelve months. It is the directors' intention to go to the shareholders to seek approval for the Luxlite agreement and a new capital raising by 31 May 2003.