Harrington Group Limited

ABN 18 001 285 230

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21 April 2004

Mr. Andrew Black
Senior Companies Advisor
Australian Stock Exchange Limited
Level 5, 20 Bridge Street
Sydney NSW 2000

Direct Facsimile: (02) 9241 7620

Dear Andrew,

We enclose our Appendix 4C, Quarterly Report as at 31 March 2004.

The following information is pertinent:

1. The Company has the facility to make a placement of 15% of its share capital in accordance with the ASX Listing Rules. This facility will enable the Company to meet its future commitments in an orderly manner.

   Additional loan funds will be available should the company require additional funding. In addition the Company continues to pursue the realisation of forestry assets as previously advised to the market. Arrangements with regard to the sale of the Burraga, Lawson and other plantations are continuing and on completion will generate significant cash flows.

2. Revenues and expenses for the latest quarter were not within the company's expectations and $766,000 was raised in February by way of a placement of 21,875,000 shares. The Company has budgeted for a small cash flow deficit in the 4th Quarter. Sufficient working capital is now available to meet this shortfall.

3. Advance Conveyors continues to pursue additional business and has identified some excellent opportunities which we believe could result in some significant contracts being awarded in the near future.

   The rationalisation of operating costs and overheads in the conveyor business is continuing.

4. The Company affirms that it is in compliance with the listing rules, and in particular listing rule 3.1. The Directors believe that the Company has complied with its responsibility in respect of continuous disclosure and in particular the supply of any information that might have a material effect on the price or value of Harrington' securities.

5. The Company believes that it is in compliance with listing rule 12.2 and in particular that the Company is in a sound financial position and that the current capital raising program will underpin this situation in the months to come.

In conclusion we hope that the above explanations are adequate for your purposes.

Yours sincerely
HARRINGTON GROUP LIMITED

Michael B. Silver
Chairman

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

HARRINGTON GROUP LIMITED

ABN

18 001 285 230

Quarter ended ("current quarter")

31 MARCH 2004

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (..9....months) $A'000
1.1	Receipts from customers	566	1,866
1.2	Payments for (a) staff costs	(142)	(511)
	(b) advertising and marketing	(13)	(39)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid	(39)	(111)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(685)	(1,971)
	Net operating cash flows	(311)	(764)

		Current quarter $A'000	Year to date (..6... months) $A'000
1.8	Net operating cash flows (carried forward)	**(311)**	**(764)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of: (a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property		
	(d) physical non-current assets	(108)	(108)
	(e) other non-current assets		
1.10	Proceeds from disposal of: (a) businesses (item 5)		
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets		
	(e) other non-current assets	6	6
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	1
	Net investing cash flows	(102)	(101)
1.14	**Total operating and investing cash flows**	(413)	(865)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	765	997
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	214
1.18	Repayment of borrowings	(127)	(128)
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	Net financing cash flows	638	1,083
	Net increase (decrease) in cash held	225	218
1.21	Cash at beginning of quarter/year to date	34	41
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	259	259

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	-
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
4.1 Cash on hand and at bank	269	44
4.2 Deposits at call	-	-
4.3 Bank overdraft	(10)	(10)
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	259	34

Acquisitions and disposals of business entities

	Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: ....
(Director/Company secretary)

Print name: ....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **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 any) must be complied with.