



HAMILTON JAMES & BRUCE

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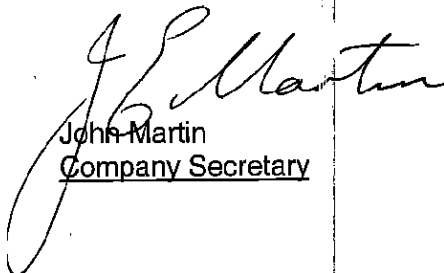
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From: John Martin - HJ&B Group Limited

Total pages including cover sheet: 20.

**Please advise if copy is incomplete or illegible by phoning
John Martin - HJ&B Group Limited on (02) 9299 2711.**

Please find attached the HJ&B Group Half Yearly Accounts including Directors report and Directors Declaration.


John Martin
Company Secretary

SYDNEY

PARRAMATTA

MELBOURNE

BRISBANE

Hamilton James & Bruce Pty. Limited ABN 25 279 215 928

HJ&B Group Limited
Directors Report
For the Half Year Ended 31 December 2002
ABN: 90 091 302 975

1. Directors Report

The Directors present their report on the consolidated entity consisting of HJ&B Group Limited and the entities it controlled at the end of, or during, the half year ended 31 December, 2002.

Directors

The following persons were Directors of the Company during the half year and up to the date of this report:

Paul Biancardi (Chairman)
Peter Storey
Anna Buduls
Allan Marks (CEO)

Anna Buduls was appointed as a Director of the Company on 1 October 2002.

2. Principal Activities

The consolidated entity's principal continuing activities during the half year consisted of the provision of employee placement and contracting services.

There were no significant changes in the nature of the consolidated entity's activities.

3. Review of Operations

The HJ&B Group has earned a profit after tax for the 6 months to 31 December 2002 of \$753,000. This compares to a loss after tax and significant item (consisting of a write down in the value of Goodwill of \$23.15 million) in the previous corresponding period of \$22.825 million.

The increase in profit resulted from strong contributions from the Group's acquisitions and core businesses. Total Gross revenues increased by 27% to \$50.9 million from \$40.1 million. Permanent revenues increased by 41% to \$12.1 million and Gross Temporary Revenues by 22% to \$38.1 million.

Operations

Over the last 18 months the Group has developed its strategy of differentiation through specialisation. During the past six months we have started to see some of the benefits of this strategy emerging. Specifically this includes strong growth in our Accounting Business, our Legal Business and the successful

establishment of our presence in Operations and Engineering which covers Construction, Manufacturing, Logistics and Distribution Appointments.

The Group has had some further success in the marginally improved Technology sector, winning a major project to supply approximately 100 staff for a major Peoplesoft implementation throughout Asia Pacific. Whilst margins have been under some pressure with Preferred Supplier tenders, the HJ&B Group has resisted dropping its prices below what it believes are acceptable levels. Nevertheless, the Group has been successful in winning two major preferred supplier tenders since the beginning of the New Year. Both National Australia Bank and ING Australia were won at acceptable margins without compromising our pricing proposition or service delivery. We are optimistic that others in our industry are recognising that this is the correct strategy and that many clients are also recognising that quality of service delivery is more important than purely price driven solutions.

The HJ&B Group continues to have a strong client base with its top 20 customers representing 26% of gross revenue. The Group client mix is such that it is not reliant upon any one customer to the extent of more than 4.0% of gross revenue.

Acquisitions

Towards the end of last year and early in the current financial year, the Group acquired Bowden Computer Placements (Queensland) and OCG Consulting (New Zealand) respectively. These acquisitions have performed to expectations with both contributing after tax returns in excess of 15% on our capital investment.

The Group continues to consider and review potential acquisition opportunities that fit with the Group's strategy to maximise returns for shareholders through growth in our overall market share.

Non Operational Cost Items

During the year, the company changed its accounting policy relating to the capitalisation of new consultant costs. In previous years a proportion of new consultant salaries were capitalised until they began to deliver acceptable levels of revenue. Directors have discontinued this policy. This has resulted in a "one off" charge in the current half of \$346,000 (\$242,000 after tax) from writing off the capitalised costs carried forward from the previous year.

During the first half, the Group renegotiated its foreign loan facilities to an Australian dollar facility. The foreign currency facilities were not matched by foreign assets. This will have the effect of both reducing future interest costs and future exchange fluctuations on these borrowings. This renegotiation resulted in a one off foreign currency exchange loss charged against the Profit and Loss of \$109,000 in the first half.

In addition, a non realised exchange loss of \$90,000 was recorded. This resulted from the re-determination of the deferred settlement of OCG Consulting as a result of changes in the Australia/New Zealand exchange rate.

The timing of the deferred settlement is dependent upon OCG profitability with the remaining consideration payable before September, 2007.

Infrastructure

During the first half of fiscal year 2003 the Group commenced a series of system infrastructure implementations. In a phased approach over the next 6 months a new payroll system, electronic time-sheeting system, billing system, candidate database/CRM system and web-sites will be implemented.

The benefits from these initiatives will include:

- Growth in revenues from improved relationships and quality of service for both clients and candidates;
- Reductions in the cost base through more automated services, largely eliminating duplicated processes;
- The ability to provide more innovative solutions to clients;
- Improved data integrity resulting in better, more informed decision making;
- Easier, more efficient consolidation of acquisitions.
- The attraction of additional high calibre staff.

Dividend

The Group's continuing improved performance and outlook has enabled the Board to declare a 1 cent per share interim dividend fully franked as to 30% for the period ended 31 December, 2002 (previous corresponding period nil).

The dividend will be paid on the 14th March, 2003 with entitlements to the dividend determined by close of business on the 5th March, 2003.

Outlook

Through both its acquisitions and its core traditional businesses, the Group improved its operating performance in a market place that has been generally lacking in consumer confidence.

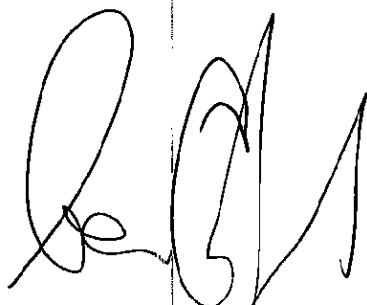
During the last 12 months the Group has strengthened its consulting and business support teams and positioned itself for growth. It has concentrated on those improvements within its control such as cost initiatives, infrastructure, balance sheet management and cash flows. This has positioned the Group well for the future.

Our strategy is to grow and strengthen our core industry specialisation groups and maintain our margins in a very competitive market ever more dominated by Preferred Supplier Agreements. It is proving to be the correct strategy in what remains a difficult trading environment.

Subject to no major down turn in the macro economic environment, Directors expect that the Group will match or exceed first half performance in the second half of this financial year.

4. Rounding of Amounts

The Company is of a kind referred to in ASIC class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Financial Statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

A handwritten signature in black ink, appearing to be 'Allan Marks', written in a cursive style.

Allan Marks
Director

Sydney
10 March, 2003

Appendix 4B

HALF YEARLY REPORT

HJ&B GROUP LIMITED

ABN: 90 091 302 975

For the half year ended 31st December, 2002

This Statement has been prepared under accounting policies which comply with Accounting Standards as defined in the Corporations Law and gives a true and fair view of the matters disclosed.

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

This Statement is based on accounts which have been reviewed.

For announcement to the market

				\$A'000
Revenues from ordinary activities (item 1.1)	Up by	27.0%	to	50,915
Profit from ordinary activities after tax attributable to members (item 1.22)	Last year Loss \$000	(22,825)	to Profit	753
Profit (loss) from extraordinary items after tax attributable to members (item 2.5d)		-		-
Net profit for the period attributable to members (item 1.11)	Last year Loss \$000	(22,825)	to Profit	753

Dividends

	Amount per security	Franked amt. per security
This period		
Interim dividend declared in this period (item 15.6)	1 cent	1 cent (at 30%)
Previous Corresponding Period		
Interim dividend paid (item 15.7)	Nil	Nil
Final dividend paid (item 15.5)	1 cent	1 cent (at 30%)

Record date for determining entitlements to the final dividend (item 15.2)

5th March, 2003

Short details of any bonus or cash issue or other item(s) of importance not previously released to the Market .

Nil

Consolidated Profit and Loss

Current Year	Previous Year
\$A'000	\$A'000
50,915	40,092
(49,676)	(39,198)
-	(23,150)
-	-
-	-
1,239	(22,256)
(486)	(569)
753	(22,825)
-	-
753	(22,825)
-	-
753	(22,825)
-	-
25	-
-	-
-	-
778	(22,825)
Current Year	Previous Year
\$0.012	(\$0.398)
\$0.012	(\$0.378)

Earnings per security (EPS)

Calculation of basic, and fully diluted, EPS in accordance with AASB 1027 : Earnings per share.

Current Year	Previous Year
\$0.012	(\$0.398)
\$0.012	(\$0.378)

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the half year ended 31st December, 2002

1.20 Profit/ (loss) from ordinary activities after tax (item 1.7)	753	(22,825)
1.21 Less (plus) outside equity interests	-	-
1.22 Profit/ (loss) from ordinary activities after tax, attributable to members	753	(22,825)

Current Year \$A'000	Previous Year \$A'000
753	(22,825)
-	-
753	(22,825)

Revenue and expenses from Ordinary Activities

1.23 Revenue from sales or services		
Permanent placements	12,116	8,633
Temporary placements	38,106	31,127
1.24 Interest	92	45
1.25 Other relevant revenue		
Advertising Rebates	538	287
Other sundry	63	0
Total Revenue	50,915	40,092
1.26 Details of relevant expenses		
- Cost of temporary placements	30,916	25,116
- Employment costs	13,470	10,167
- Other expenses from ordinary activities	3,748	2,158
- Amortisation of intangibles	122	810
- Operating lease rental	928	704
- Capital Write off of Goodwill	-	23,150
- Interest	146	0
1.27 Depreciation & amortisation excluding amortisation of intangibles (see item 2.3)	346	243
	49,676	62,348

Current Year \$A'000	Previous Year \$A'000
12,116	8,633
38,106	31,127
92	45
538	287
63	0
50,915	40,092
30,916	25,116
13,470	10,167
3,748	2,158
122	810
928	704
-	23,150
146	0
346	243
49,676	62,348

Capitalised Outlays

1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an acquisition of a business)	-	-

Current Year \$A'000	Previous Year \$A'000
-	-
-	-

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the half year ended 31st December, 2002

Consolidated Retained Profits

1.30	Retained profits (accumulated losses) at beginning of financial period
1.31	Net profit (loss) attributable to members (item 1.11)
1.32	Transfers from accumulated losses to Contributed equity
1.33	Net effect of changes in accounting policies
1.34	Dividends and other equity distributions paid
1.35	Retained profits (accumulated losses) at end of financial period

Current Year	Previous Year
\$A'000	\$A'000
(38)	586
753	(22,825)
-	23,150
-	-
(611)	(853)
104	58

Intangible and Extraordinary Items

2.1	Amortisation of goodwill
2.2	Amortisation of other intangibles
2.3	Total amortisation of intangibles
2.4	Extraordinary Items
2.5	Total Extraordinary Items

Consolidated Current Year			
Before Tax	Related Tax	Related outside Equity interest	Amount (after tax) attributable to members
\$A'000	\$A'000	\$A'000	\$A'000
122	-	-	122
-	-	-	-
122	-	-	122
-	-	-	-
-	-	-	-

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the half year ended 31st December, 2002

Consolidated Balance Sheet

	At end of Current Period \$A'000	As shown in last Annual Report \$A'000	As shown in last Half Yearly Report \$A'000
Current Assets			
4.1 Cash	4,697	5,107	4,345
4.2 Receivables	10,628	9,723	10,735
4.3 Investments	2	-	3
4.6 Other debtors and prepayments	492	105	583
4.7 Total Current Assets	15,819	14,935	15,666
Non Current Assets			
4.8 Receivables	-	-	-
4.14 Property, plant and equipment (net)	1,862	1,490	1,798
4.15 Intangibles	-	-	-
4.15.1 Database, & brand names	10,533	8,256	7,056
4.15.2 Goodwill on acquisition	2,586	1,031	-
4.15.3 Other	-	-	-
4.16 Tax Assets	815	820	828
4.17 Other	-	3	-
4.18 Total Non Current Assets	15,796	11,600	9,682
4.19 Total Assets	31,615	26,535	25,348
Current Liabilities			
4.20 Payables	5,832	5,660	3,736
4.21 Interest bearing liabilities	-	-	-
4.22 Tax Liabilities	505	342	-
4.23 Provisions (excluding tax liabilities)	1,073	647	4,303
4.24 Other	944	329	-
4.25 Total Current Liabilities	8,354	6,978	8,039
Non Current Liabilities			
4.26 Accounts payable	-	-	65
4.27 Interest bearing liabilities	3,556	2,000	-
4.28 Tax Liabilities	7	12	-
4.29 Provisions (excluding tax liabilities)	471	418	22
4.30 Other	1,222	-	-
4.31 Total Non Current Liabilities	5,256	2,430	87
4.32 Total Liabilities	13,610	9,408	8,126
4.33 Net Assets	18,005	17,127	17,222
Equity			
4.34 Contributed equity (see note below)	17,876	17,164	17,164
4.35 Reserves	25	-	-
4.36 Retained profits (accumulated losses)	104	(37)	58
4.37 Equity Attributable to members of the parent entity	18,005	17,127	17,222
4.38 Outside equity interests in controlled entities	-	-	-
4.39 Total Equity	18,005	17,127	17,222

Note : In the previous corresponding period the Company wrote down the value of its Goodwill on Consolidation by \$23.15 million .
After recognising the write down in the profit & loss account, the Company reduced its share capital by an equivalent amount .

PRELIMINARY FINAL REPORT

GROUP

ABN: 90 091 302 975

For the half year ended 31st December, 2002

Consolidated Statement of Cash Flows

Current Year \$A'000	Previous Corresponding Period \$A'000
Cash Flows Related to Operating Activities	
7.1 Receipts from customers	53,576
7.2 Payments to suppliers and employees	46,061
7.5 Interest and other items of similar nature received	(41,539)
7.6 Interest and other costs of finance paid	92
7.7 Income taxes paid	44
7.8 Other taxes paid	(181)
	(96)
	(596)
	-
7.9 Net Operating Cash Flows	1,034
Cash Flows Related to Investing Activities	
7.10 Payment for purchases of property, plant and equipment	(717)
7.11 Proceeds from sale of property, plant and equipment	(50)
7.12 Payment for purchases of investments & businesses (net):	-
	-
7.12.1 OCG	(1,449)
7.12.2	-
7.16 Other	-
	-
7.17 Net Investing Cash Flows	(2,166)
Cash Flows Related to Financing Activities	
7.18 Proceeds from issues of securities	-
7.18.1 Payment of expenses related to the issue of shares	-
7.18.2 Share buy back related to the float	-
7.19 Proceeds from borrowings	1,546
7.20 Repayment of borrowings	(213)
7.21 Dividends paid	(611)
7.22 Other	(853)
	(853)
7.23 Net Financing Cash Flows	722
7.24 Net Increase / (Decrease) in Cash Held	(410)
7.25 Cash at beginning of period	3,067
7.26 Exchange rate adjustments to item 7.25 above	5,107
	1,278
	-
7.27 Cash at End of Period (see item 8.5)	4,697
	4,345

Non Cash Financing & Investing Activities

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

A\$ 1,725,000 - Acquisition of OCG. Deferred settlement to be paid by 2007.
A\$ 712,000 - Issue of shares as part of the OCG Acquisition

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the half year ended 31st December, 2002

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 as follows:

- 8.1 Cash on hand and at bank
- 8.2 Deposits at call
- 8.3 Bank overdraft
- 8.4 Other
- 8.5 Total cash at end of period (item 7.27)

Current Period	Previous Corresponding Period
\$A'000	\$A'000
4,697	4,345
-	-
-	-
4,697	4,345

Ratios

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]

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]

Current Period	Previous Corresponding Period
2.43%	-55.51%
4.18%	-133.27%
\$0.012	(\$0.398)
\$0.012	(\$0.378)
61,086,138	57,409,469

Earnings per security (EPS)

- 10.1 Calculation of basic, and fully diluted, EPS in accordance with AASB 1027 : Earnings per share.

(a) Basic E P S

(b) Diluted E P S

(Executive share options have not been included in diluted earnings per share for the current year as it is unlikely that these options will be exercised at the current exercise price of \$1.00 per share)

- (c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the half year ended 31st December, 2002

Current Period	Previous Corresponding Period
6.67	16.42

NTA Backing

11.1 Net tangible asset backing per ordinary security - cents

Control gained over entities having material effect

13.1 Name of entity: OCG Consulting Limited

Consolidated profit/(Loss) from ordinary activities and extraordinary items after tax of the controlled entity since the 4th July, 2002, being the date of acquisition.

A\$ 299,000

13.3 Date from which such profit has been calculated

4 July, 2002

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.

0

Loss of control of entities having material effect

Not Applicable

Reports for Industry and Geographical Segments

	Current Period \$A'000	Previous Corresponding Period \$A'000
The Company operates in one industry segment being the Recruitment Industry		
Total Revenue	50,915	40,092
Segment Result (Profit before income tax)	1,239	(22,256)
Segment Assets	31,615	25,348
The Company operates in two geographical Areas Australia & New Zealand		
AUSTRALIA		
Total Revenue	44,354	40,092
Segment Result (Profit before income tax)	772	(22,256)
Segment Assets	29,920	25,348
NEW ZEALAND		
Total Revenue	6,561	-
Segment Result (Profit before income tax)	467	-
Segment Assets	1,695	-
TOTAL		
Total Revenue	50,915	40,092
Segment Result (Profit before income tax)	1,239	0
Segment Assets	31,615	25,348

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the half year ended 31st December, 2002

Dividends

15.1 Date the dividend is payable 14th March, 2003

15.2 Record date to determine entitlements to dividend 5th March, 2003

Amount per security

15.6 Interim Dividend: Current Year (Franked at 30%)

15.7 Previous Year (Franked at 30%)

No foreign Source Dividend included

Amount per security	Franked amount per security
1 cent	1 cent
Nil	Nil

Interim dividend on all securities

15.10 Ordinary securities

15.11 Preference securities

15.13 **Total**

Current Period \$A'000	Previous Corresponding Period \$A'000
611	0
-	-
611	-

The dividend plan shown below is in operation:

The Company does not have a dividend reinvestment plan.

The last date for receipt of election notices for the dividend plan:

Not Applicable.

Any other disclosures in relation to dividends:

None.

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the half year ended 31st December, 2002

Details of Aggregate Share of Profits (losses) of associates

Not Applicable

Material Interests in Entities which are not Controlled Entities

Not Applicable

Issued and Quoted Securities at End of Current Period

Category of securities	Total number	Number Quoted	Issue price per security (cents)	Amount paid up per security (cents)
18.3 Ordinary Securities	56,879,200	56,879,200	71	71
	1,599,500	1,599,500	24	24
	121,690	121,690	34	34
	2,541,295	2,541,295	28	28
	61,141,685	61,141,685		
18.4 Issued during current period		2,541,295		
		2,541,295		
			Exercise Price	Expiry Date (if any)
18.7 Options (description and conversion factor)	2,230,000	2,230,000	\$ 1.00	17 December, 2005
Total on issue at 31/12/02 were 1,317,000 options	2,230,000	2,230,000		
18.8 Issued during current period	-	-		
	-			
18.9 Exercised during current period	-			
	-			
18.10 Expired during current period	562,000	562,000	\$ 1.00	
	562,000	562,000		

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the half year ended 31st December, 2002

Comments by Directors

Basis of Accounts Preparation

- 19.2 Material factors affecting the revenues and expenses of the economic entity for the current period:

See attached Review of Operations.

- 19.3 A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, financial effect reported where appropriate:

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

Franking credits available at 31 December 2002, prior to payment of the final dividend, are \$6,035.6m based on the 30% tax rate. The Company's ability to fully frank future dividends depends upon future Australian taxable profits of the Group and the level of dividend.

- 19.5 Changes in accounting policies since the last annual report are disclosed as follows:

During the year, the company changed its accounting policy relating to the capitalisation of new consultant costs. In previous years, a proportion of new consultant salaries were capitalised. This was based on the premise that new consultants took 6 months to settle, re-establish contacts with clients and produce acceptable levels of revenue. This policy was cancelled during the year. This resulted in a charge against current period profits of \$ 346k. In the previous period an amount of \$381k was capitalised.

- 19.6 Revisions from that reported in previous periods

None

- 19.7 Changes in Contingent Liabilities since last annual report

None

Deferred Settlement on Acquisition of OCG

- 19.8 On the 4th of July, HJ&B acquired the business operations and brand name of OCG for NZ\$4.4m. Of this, NZ\$2.4m was paid on execution with the remainder to be paid in installments prior to 2007. Further sums may be payable dependent upon the future profitability of the acquired business.

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the half year ended 31st December, 2002

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 the ASX
- 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 .
- 4 This report is based on financial statements to which one of the following applies:

☐

The accounts
have been audited

☒

The accounts
have been
subject to
review

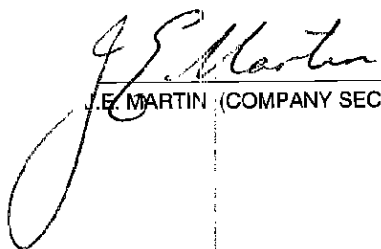
☐

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

☐

The accounts
have *not*
yet been audited
or reviewed

- 5.0 The entity has a formally constituted audit committee.


J.E. MARTIN (COMPANY SECRETARY)

21 February, 2003
DATE

**HJ&B Group
Directors Declaration
For the Half Year Ended 31 December, 2002
ABN: 90 901 302 975**

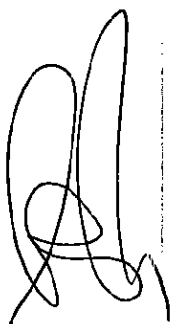
The directors declare that the attached Financial Statement and notes:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that HJ&B Group Limited 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 directors.



Allan Marks
Director

Sydney
10 March, 2003

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201 Sussex Street
GPO Box 2650
Sydney NSW 1171
DX 77 Sydney
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Telephone 61 2 8266 0000
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Independent review report to the members of HJ&B Group Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report (defined below) is not presented in accordance with :

- the Corporations Act 2001 in Australia, including giving a true and fair view of the financial position of the HJ&B Group (defined below) as at 31 December 2002 and of its performance for the half-year ended on that date
- Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, the Corporations Regulations 2001 and ASX Listing Rules relating to half yearly financial reports.

This statement must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the half-year ended 31 December 2002 is the responsibility of the directors of HJ&B Group Limited. It includes the financial statements for the HJ&B Group (the Group), which incorporates HJ&B Group Limited (the Company) and the entities it controlled during the half-year ended 31 December 2002.

The financial report comprises the attached half yearly report in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules and the directors declaration thereon for the half year ended 31 December 2002.

The auditor's role and work

We conducted an independent review of the financial report in order for the Company to lodge the financial report with the Australian Securities & Investments Commission and the ASX. Our role was to conduct the review in accordance with Australian Auditing Standards applicable to review engagements. Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly a view in accordance with the Corporations Act 2001, Accounting Standard AASB 1029:

Interim Financial Reporting and other mandatory professional reporting requirements in Australia, the Corporations Regulations 2001 and ASX Listing Rules relating to half yearly financial reports, which is consistent with our understanding of the Group's financial position, and its performance as represented by the results of its operations and cash flows.

The review procedures performed were limited primarily to:

- inquiries of company personnel of certain internal controls, transactions and individual items
- analytical procedures applied to financial data.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

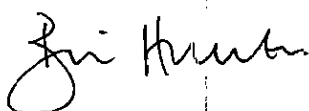
Independence

As auditor, we are required to be independent of the Group and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit and review work, we were engaged to undertake other services for the Group. In our opinion the provision of these services has not impaired our independence.



PricewaterhouseCoopers



B K Hunter
Partner

Sydney
21 February 2003