Optiscan Imaging Limited

A.C.N. 077 771 987

Directors' Report

The Board of Directors of Optiscan Imaging Limited has pleasure in submitting its report in respect of the financial half-year ended 31 December 2002.

Directors

The names and details of the directors in office during or since the end of the half-year are:

Professor Raymond Martin, Chairman until 20 August 2002, resigned 13 November 2002
Peter Delaney, Executive Director
Keith Daniel, Non-executive Director
Martin Harris, Executive Director
Grant Latta, Non-executive Director, appointed 5 August 2002, Chairman since 20 August
Antony Rogers, Non-executive Director, appointed 29 August 2002
Matthew Barnett, Executive Director, CEO, appointed 10 December 2002
Dr Alan Finkel , Non-executive Director, resigned 13 November 2002

All directors held their position as a director throughout the half-year and up to the date of this report, unless otherwise indicated above.

Review of Operations

The result for the half-year ended 31 December 2002 is a loss of $2.796 million. This is in line with expectations and compares to a loss of $2.095M for the previous corresponding period.

A review of the financial statements shows the increased expenditure compared to last year is attributable to greater investment in R&D and marketing activity. The cash position remains sound.

The primary focus of the company at this time, and throughout the half year is on the development activities of the Pentax project.

Shareholders were advised at the AGM in November that although the company had defined three discrete product groups over the past year, the flexible endomicroscope being jointly developed with Pentax is the top priority.

Pentax Flexible Endomicroscope Project

During the half year, development activity on the Pentax project accelerated and additional key staff were engaged to manage the increasing diversity of activity. The first prototype systems were completed, and two have been sold to Pentax, under the terms of the agreement. One system has now been deployed in the first clinical trials, and the early outcomes have exceeded expectations. Image quality is excellent, due in no small part to the optical lens expertise that Pentax contributes to the joint development project. There is some way to go with both development and clinical trials, but the progress and results to date confirm the confidence in the project team that the development goals are both realistic and achievable.

The R&D activity on the Pentax project will produce downstream benefits for other Optiscan products. Many of the feature enhancements and design improvements will have application to the platform technology of the company and will result in design and production efficiencies to the benefit of Optiscan, other potential partner companies and the users of its instruments.

Rigid Endomicroscope and Stratum Progress

Although activity on the other products has been reduced, there have been some important developments. We are continuing our marketing endeavours to identify potential partners for the commercialization of rigid endoscopes, and a number of early stage discussions are under way. On the applications front, the first round of clinical trials at the Royal Women's Hospital produced both good images and feedback about prototype design enhancements. Arrangements are now in hand for a further round of trials.

Marketing activities with the Stratum skin scanner were scaled back during the half year, with resources being redeployed on the Pentax project. Consistent with previous reports, demand for Stratum remained below initial expectations, with only one sale during the half year to our European agent. Sales into the clinical market now appear to be some years away with limited sales into the research market being the nearer opportunity. For the time being, we will reduce expenditure on the pursuit of Stratum sales, while a rigorous assessment of the immediate prospects for Stratum is completed.

Outlook for the full year

When the company announced the Pentax agreement in February 2002, the timeline for development was estimated to be 18 months, suggesting completion around August 2003. As a result of the increased management focus, and more expenditure on development activities, the company is currently meeting milestones ahead of the original schedule. This has important implications for the results in the current year. The development activity and underlying cost base reported in the first half will continue during the remainder of this financial year, and a full year loss in the order of $6M may eventuate. The benefit of the milestone payment of $6M from Pentax for successful completion of the development by August would flow through to 2003/2004. However, if the project is completed within this financial year, and the milestone payment can be brought to account, there may be a breakeven or better result this year.

The Chairman advised shareholders in November that there would be a thorough and impartial assessment of the short term and longer-term strategies available to the company. This process was commenced in January under the direction of the new CEO, Matthew Barnett. The board will communicate the outcomes to shareholders when they have been finalized. In the meantime, the company will continue to focus its efforts on success with the Pentax project in order to deliver not only the milestone payment, but the prospect of an ongoing income stream.

This report has been made in accordance with a resolution of directors.

Antony Rogers
Director

Melbourne, 13 March, 2003

Optiscan Imaging Limited

A.C.N. 077 771 987

Directors' Declaration

In accordance with a resolution of the Directors of Optiscan Imaging Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity:

(i) give a true and fair view of the financial position as at 31 December 2002 and the performance for the half-year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001, and

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

For and on behalf of the board

Antony Rogers
Director

Melbourne, 13 March 2003

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INDEPENDENT REVIEW REPORT

To the members of Optiscan Imaging Limited

Scope

We have reviewed the financial report of Optiscan Imaging Limited for the half-year ended 31 December 2002, which includes the Condensed Statement of Financial Position, Condensed Statement of Financial Performance, Condensed Statement of Cash Flows, Notes to the Half-Year Financial Statements and Directors' Declaration. The financial report includes the consolidated financial statements of the consolidated entity comprising Optiscan Imaging Limited and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have conducted an independent review of the financial report 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 is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review was limited primarily to inquiries of the company's personnel and analytical review 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.

Review Statement

As a result of our review, we have not become aware of any matter that makes us believe that the half-year financial report of Optiscan Imaging Limited is not in accordance with:

(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 its performance for the half-year ended on that date; and

  (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting", and the Corporations Regulations 2001;

(b) other mandatory professional reporting requirements in Australia.

Ernst & Young

Ernst & Young

Denis Thorn
Melbourne

14 March 2003

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Optiscan Imaging Limited and Controlled Entities

Condensed Statement of Financial Performance
for the half year ended 31 December 2002

	Note	CONSOLIDATED	
		2002	2001
		$	$
REVENUES FROM ORDINARY ACTIVITIES			
Sales revenue	2	286,503	215,176
Cost of sales		(226,671)	(162,806)
Gross profit		59,832	52,370
Other revenues from ordinary activities	2	1,735,337	1,432,000
Marketing expenses		(940,237)	(421,268)
Office and administration expenses		(1,390,088)	(1,459,010)
Research & development expenses		(1,595,476)	(1,188,797)
Investing expenses	2	(337,332)	(337,331)
Other expenses		(328,084)	(172,983)
Loss from ordinary activities before income tax expense		(2,796,048)	(2,095,019)
Income tax expense relating to ordinary activities		-	-
Loss from extraordinary items after income tax expense		-	-
Profit (loss) from ordinary activities after related income tax expense		(2,796,048)	(2,095,019)
Net loss attributable to members of Optiscan Imaging Limited		(2,796,048)	(2,095,019)
Total revenues, expenses, and valuation adjustments attributable to members of Optiscan Imaging Limited and recognised directly in equity		(2,796,048)	(2,095,019)
Total changes in equity other than those resulting from transactions with owners as owners		(2,796,048)	(2,095,019)
Basic earnings per share (cents per share)		(3.50)	(3.29)
Diluted earnings per share (cents per share)		(3.50)	(3.29)

Optiscan Imaging Limited and Controlled Entities

Condensed Statement of Financial Position
at 31 December 2002

	Note	CONSOLIDATED 31 December 2002 $	30 June 2002 $
CURRENT ASSETS			
Cash assets		12,368,387	15,983,456
Receivables		928,780	490,959
Inventories		1,012,481	878,481
Other		84,569	242,836
TOTAL CURRENT ASSETS		14,394,217	17,595,732
NON-CURRENT ASSETS			
Plant and equipment		1,027,690	1,117,430
Intangible assets		2,993,463	3,330,795
TOTAL NON-CURRENT ASSETS		4,021,153	4,448,225
TOTAL ASSETS		18,415,370	22,043,957
CURRENT LIABILITIES			
Payables		1,226,793	2,071,281
Provisions		280,520	278,880
TOTAL CURRENT LIABILITIES		1,507,313	2,350,161
NON-CURRENT LIABILITIES			
Provisions		107,041	96,730
TOTAL NON-CURRENT LIABILITIES		107,041	96,730
TOTAL LIABILITIES		1,614,354	2,446,891
NET ASSETS		16,801,016	19,597,066
EQUITY			
Contributed equity		32,745,167	32,745,167
Accumulated losses		(15,944,151)	(13,148,101)
TOTAL EQUITY		16,801,016	19,597,066

Optiscan Imaging Limited and Controlled Entities

Condensed Statement of Cash Flows
for the half year ended 31 December 2002

	CONSOLIDATED	
	31 December 2002	31 December 2001
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	78,668	22,419
Grant income received	188,378	1,088,722
Royalty income received	402,079	909,819
Payments to suppliers and employees	(4,437,691)	(3,477,322)
GST refund received	83,752	77,971
Interest received	308,673	121,593
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(3,376,141)	(1,256,798)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(243,237)	(190,671)
Proceeds from sale of plant and equipment	-	4,500
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(243,237)	(186,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares and options	-	297,546
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	297,546
NET DECREASE IN CASH HELD	(3,619,378)	(1,145,423)
Add opening cash brought forward	15,983,456	6,949,950
Effect of exchange rate changes on cash	4,309	-
CLOSING CASH CARRIED FORWARD	12,368,387	5,804,527

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Optiscan Imaging Limited and Controlled Entities

Notes to the half year financial statements
31 December 2002

Note 1: Basis of Preparation of the Half-Year Financial Report

The half-year financial report does not include all notes of the type normally included within the annual financial report an therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report

The half-year financial report should be read in conjunction with the Annual Financial Report of Optiscan Imaging Limited as at 30 June 2002. It is also recommended that the half-year financial report be considered together with any public announcements made by Optiscan Imaging Limited and its controlled entities during the half-year ended 31 December 200 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001

Basis of accounting
The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The half-year financial report has been prepared in accordance with the historical cost convention.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Changes in accounting policy
The accounting policies adopted are consistent with those of previous years, except for the accounting policy with respect to provisions and contingencies. The consolidated entity has adopted Accounting Standard AASB 1044 " Provisions, Contingent Liabilities and contingent assets" for the first time. The change in accounting policy has no material effect in the current financial period.

	CONSOLIDATED	
	31 December 2002	31 December 2001
	$	$

Note 2: Loss From Ordinary Activities

Profit from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:

Revenues from ordinary activities		
Revenue from sales of products	278,311	201,213
Revenue from services	8,192	13,963
	286,503	215,176
Other revenues from ordinary activities		
Interest revenue - unrelated parties	293,736	131,601
Grant revenue	183,649	386,487
Revenue derived from Pentax agreement		
- Development cost contribution recognised as revenue	774,000	-
Royalty revenue - other licensees	483,952	913,912
	1,735,337	1,432,000
Expenses		
Depreciation of non-current assets		
Depreciation of plant & equipment	266,292	152,820
Depreciation of software	44,000	70,110
Investing expenses		
Amortisation of goodwill	337,332	337,331
Amortisation of option premium	69,960	-
Employee benefits	11,951	84,707

Note 3: Contingent Liabilities

Bank Guarantees	45,500	96,925
	45,500	96,925

Optiscan Imaging Limited and Controlled Entities

Notes to the half year financial statements

31 December 2002

Note 4: Segment Information

Business segment
The consolidated entity operates predominantly in one industry being that of medical technology development and health care.

Geographic segments

Geographic segments are the primary segments for reporting purposes.

	CONSOLIDATED 2002 $	2001 $
Segment revenue		
Sales to outside customers		
Australia	32,137	215,176
Japan	185,960	-
Europe	68,406	-
Total segment revenue	286,503	215,176
Segment results		
Australia	(2,303,375)	(1,757,688)
USA	(155,341)	-
Europe	-	-
Unallocated expenses (Amortisation of goodwill)	(337,332)	(337,331)
Consolidated entity loss from ordinary activities	(2,796,048)	(2,095,019)
Income tax expense	-	-
Net loss	(2,796,048)	(2,095,019)
Segment assets		
Australia	18,408,138	22,043,957
USA	7,232	-
Europe	-	-
Unallocated assets	-	-
Total assets	18,415,370	22,043,957
Segment Liabilities		
Australia	1,614,354	2,446,891
USA	-	-
Europe	-	-
Unallocated liabilities	-	-
Total liabilities	1,614,354	2,446,891
Other segment information		
Acquisition of plant & equipment		
Australia	243,237	183,450
USA	-	7,221
Europe	-	-
Total acquisitions	243,237	190,671
Non cash items - Australia only		
Depreciation	310,292	222,930
Amortisation of goodwill	337,332	337,331
Other non cash items	-	-
Total non cash items	647,624	560,261

Segment accounting policies

Revenues are attributed to geographic areas based on the location of the customer and the related sales contract.

Note 6: Subsequent Events

The directors are not aware of any subsequent events that would have a material impact on the financial statements at 31 December 2002.

Rules 4.1, 4.3

Appendix 4B

Half yearly/preliminary final report

Introduced 30/6/2002.

Name of entity

OPTISCAN IMAGING LIMITED

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Half year/financial year ended ('current period')
81 077 771 987	✔		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)*	up	23 %	to	2,022
Profit (loss) from ordinary activities after tax attributable to members (*item 1.22*)	up	33 %	to	(2,796)
Profit (loss) from extraordinary items after tax attributable to members (*item 2.5(d)*)	gain (loss) of			
Net profit (loss) for the period attributable to members *(item 1.11)*	up	33 %	to	(2,796)

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

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

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:

"UP" refers to higher loss than last year

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

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+ 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)*	**2,022**	1,647
1.2	Expenses from ordinary activities (*see items 1.26 & 1.27)*	**(4,818)**	(3,742)
1.3	Borrowing costs	-	-
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**	**(2,796)**	(2,095)
1.6	Income tax on ordinary activities *(see note 4)*	-	-
1.7	**Profit (loss) from ordinary activities after tax**	**(2,796)**	(2,095)
1.8	Profit (loss) from extraordinary items after tax (*see item 2.5*)	-	-
1.9	**Net profit (loss)**	**(2,796)**	(2,095)
1.10	Net profit (loss) attributable to outside +equity interests	-	-
1.11	**Net profit (loss) for the period attributable to members**	**(2,796)**	(2,095)
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**	**(2,796)**	(2,095)

Earnings per security (EPS)		Current period	Previous corresponding period
1.18	Basic EPS	(3.50)	(3.29)
1.19	Diluted EPS	(3.50)	(3.29)

+ 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*)	**(2,796)**	(2,095)
1.21	Less (plus) outside +equity interests	-	-
1.22	**Profit (loss) from ordinary activities after tax, attributable to members**	**(2,796)**	(2,095)

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	286	215
1.24	Interest revenue	294	132
1.25	Other relevant revenue		
	- Grants received	184	386
	- Royalties received	484	914
	- Development cost subsidies	774	-
	- Other revenue	-	-
1.26	Details of relevant expenses		
1.27	Depreciation and amortisation excluding amortisation of intangibles *(see item 2.3)*	310	223
Capitalised outlays			
1.28	Interest costs capitalised in asset values		
1.29	Outlays capitalised in intangibles (unless arising from an +acquisition of a business)		

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	(13,148)	(11,053)
1.31	Net profit (loss) attributable to members (*item 1.11*)	(2,796)	(2,095)
1.32	Net transfers from (to) reserves		
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**	(15,944)	(13,148)

+ See chapter 19 for defined terms.

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	337	-	-	337
2.2	Amortisation of other intangibles				
2.3	**Total amortisation of intangibles**	337	-	-	337
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)	(2,796)	(2,095)
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year		

+ 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	**12,368**	15,983	5,805
4.2	Receivables	**929**	491	605
4.3	Investments			
4.4	Inventories	**1,012**	879	924
4.5	Tax assets			
4.6	Other (provide details if material)	**85**	243	18
4.7	**Total current assets**	**14,394**	17,596	7,352
	Non-current assets			
4.8	Receivables			
4.9	Investments (equity accounted)			
4.10	Other investments			
4.11	Inventories			
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)	**1,028**	1,117	807
4.15	Intangibles (net)	**2,993**	3,331	3,667
4.16	Tax assets			
4.17	Other (provide details if material)			
4.18	**Total non-current assets**	**4,021**	4,448	4,474
4.19	**Total assets**	**18,415**	22,044	11,826
	Current liabilities			
4.20	Payables	**1,227**	2,071	132
4.21	Interest bearing liabilities			
4.22	Tax liabilities			
4.23	Provisions exc. tax liabilities	**280**	279	238
4.24	Other (provide details if material)			
4.25	**Total current liabilities**	**1,507**	2,350	370
	Non-current liabilities			
4.26	Payables			
4.27	Interest bearing liabilities			
4.28	Tax liabilities			
4.29	Provisions exc. tax liabilities	**107**	97	72
4.30	Other (provide details if material)			
4.31	**Total non-current liabilities**	**107**	97	72

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position continued

4.32	**Total liabilities**	**1,614**	2,447	442
4.33	**Net assets**	**16,801**	19,597	11,384
	Equity			
4.34	Capital/contributed equity	32,745	32,745	24,051
4.35	Reserves	-	-	72
4.36	Retained profits (accumulated losses)	(15,944)	(13,148)	(12,739)
4.37	**Equity attributable to members of the parent entity**	**16,801**	19,597	11,384
4.38	Outside +equity interests in controlled entities			
4.39	**Total equity**	**16,801**	19,597	11,384
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		
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		
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration 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**		

+ See chapter 19 for defined terms.

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	**79**	22
7.2	Payments to suppliers and employees	**(4,438)**	(3,477)
7.3	Dividends received from associates	**-**	-
7.5	Interest received	**309**	121
7.6	Interest and other costs of finance paid	**-**	
7.8	Other (provide details if material)		
	- Royalties Received	**402**	910
	- Grants Received	**188**	1089
	- Development cost subsidies received	**-**	-
	- GST refunds received	**84**	78
7.9	**Net operating cash flows**	**(3,376)**	(1,257)
	Cash flows related to investing activities		
7.10	Payment for purchases of plant and equipment	**(243)**	(191)
7.11	Proceeds from sale of plant and equipment		5
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 other entities		
7.16	Other (provide details if material)		
7.17	**Net investing cash flows**	**(243)**	(186)
	Cash flows related to financing activities		
7.18	Proceeds from issues of +securities (shares, options, etc.)	-	298
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividends paid	-	-
7.22	Payment of share issue costs	-	
7.23	**Net financing cash flows**	-	298
7.24	**Net increase (decrease) in cash held**	**(3,619)**	(1,145)
7.25	Cash at beginning of period *(see Reconciliation of cash)*	**15,983**	6,950
7.26	Exchange rate adjustments to item 7.25.	**4**	
7.27	**Cash at end of period** *(see Reconciliation of cash)*	**12,368**	5,805

Non-cash financing and investing activities

+ See chapter 19 for defined terms.

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	1,407	5,505
8.2	Deposits at call	10,961	300
8.3	Bank overdraft		
8.4	Commercial Bills		
8.5	**Total cash at end of period** *(item 7.27)*	**12,368**	5,805

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*)	(138.3%)	(127.2%)
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*)	(16.6%)	(18.4%)

+ 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.

Earnings used in calculation of EPS	$(2,796,000),	2001, $(2,095,000)
Weighted average number of shares	79,821,762,	2001, 63,758,923

NTA backing *(see note 7)*	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	17.3 cents	11.9 cents

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

None

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	
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	
13.3 Date from which such profit has been calculated	
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	

+ See chapter 19 for defined terms.

Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	
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	$
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 controlled 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	
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)	
15.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	

Amount per security

		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	¢	¢	¢
15.5	Previous year	¢	¢	¢
	(Half yearly and preliminary final reports)			
15.6	**Interim dividend:** Current year	¢	¢	¢
15.7	Previous year	¢	¢	¢

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

(Preliminary final report only)

19

+ See chapter 19 for defined terms.

	Current year	Previous year
15.8 +Ordinary securities	¢	¢
15.9 Preference +securities	¢	¢

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

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

The last date(s) for receipt of election notices for the +dividend or distribution plans

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)*

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		
16.2 Income tax on ordinary activities		
16.3 Profit (loss) from ordinary activities after tax		
16.4 Extraordinary items net of tax		
16.5 Net profit (loss)		

+ See chapter 19 for defined terms.

16.6 Adjustments		
16.7 Share of net profit (loss) of associates and joint venture entities		

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
17.2 Total				
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)	Amount paid up per security
18.1	**Preference +securities**				
18.2	Changes during current period				
18.3	**+Ordinary securities**	79,821,762	79,821,762	$0.20	$0.20
18.4	Changes during current period				
18.5	**+Convertible debt securities**				
18.6	Changes during current period				
18.7	**Options** *(description and conversion factor)*			*Exercise Price*	*Expiry date*
	Employee options	425,694		*$0.20*	*08.12.03*
	Employee options (directors)	300,000		*$0.55*	*08.12.03*
	Employee options	25,000		*$0.20*	*13.12.04*
	Employee options	8,000		*$0.20*	*22.12.04*
	Employee options	236,000		*$2.00*	*28.02.05*
	Employee options	357,700		*$1.94*	*22.12.05*
	Employee options	5,000		*$1.55*	*01.06.05*
	Employee options	2,000		*$2.10*	*09.10.05*
	Employee options	45,000		*$1.74*	*30.01.06*
	Employee options	66,000		*$1.85*	*19.02.06*
	Employee options	417,000		*$1.08*	*11.01.07*
	Employee options	30,000		*$1.33*	*02.07.06*
	Employee options	20,000		*$1.05*	*01.08.06*
	Employee options	100,000		*$0.72*	*13.08.06*
	Employee options	100,000		*$0.90*	*13.08.06*
	Employee options	20,000		*$0.80*	*27.08.06*
	Employee options	66,000		*$1.10*	*21.12.06*
	Employee options	66,000		*$1.80*	*21.12.06*
	Employee options	68,000		*$2.20*	*21.12.06*
	Employee options ##	80,000		*$1.00*	*31.12.06*
	Employee options (directors)##	166,667		*$0.62*	*04.08.05*
	Employee options (directors)##	166,666		*$0.70*	*04.08.06*
	Employee options (directors)##	166,667		*$0.80*	*04.08.07*
	Employee options (directors)##	66,666		*$0.62*	*28.08.05*
	Employee options (directors)##	66,667		*$0.70*	*28.08.06*
	Employee options (directors)##	66,667		*&0.80*	*28.08.07*
	Employee options##	43,000		*$1.30*	*01.07.07*
	Employee options##	20,000		*$0.71*	*09.09.07*
	Employee options##	20,000		*$0.90*	*09.09.07*
	Employee options##	20,000		*$1.10*	*09.09.07*
	Employee options##	20,000		*$0.80*	*17.07.07*
	Employee options##	40,000		*$0.80*	*17.07.07*
	Employee options##	40,000		*$0.80*	*17.07.07*
	Employee options##	40,000		*$0.80*	*17.07.07*
		3,380,394			
18.8	Issued during current period				
	Employee options ##	1,023,000			

+ See chapter 19 for defined terms.

18.9	Exercised during current period				
18.10	Expired during current period	190,040			
18.11	**Debentures** *(description)*				
18.12	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.13	**Unsecured notes** *(description)*				
18.14	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

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.

Refer Directors' Commentary following

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).

+ See chapter 19 for defined terms.

None

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

None

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*).

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.

None

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

During the half- year ended 31 December 2002, contingent liabilities decreased from $149,925 to $45,500.

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

Annual meeting

(Preliminary final report only)

+ See chapter 19 for defined terms.

The annual meeting will be held as follows:

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

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/~~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.	√	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 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: Bruce Andrew (Company Secretary) Date: 13 March 2003

Print name: BRUCE ANDREW

+ See chapter 19 for defined terms.

Segment Information

Business segment
The consolidated entity operates predominantly in one industry being that of medical technology and health care.

Geographic segments
During the year ended 30 June 2002, the company commenced marketing activities in the USA and Europe for the first time. Accordingly, geographic segments are the primary segments for reporting purposes.

	CONSOLIDATED	
	31-Dec-02	31-Dec-01
	$	$
Segment revenue		
Sales to outside customers		
Australia	32,137	215,176
USA	185,960	-
Europe	68,406	-
Total segment revenue	286,503	215,176
Segment results		
Australia	(2,303,375)	(1,757,688)
USA	(155,341)	-
Europe	-	-
Unallocated expenses (Amortisation of goodwill)	(337,322)	(337,331)
Consolidated entity loss from ordinary activities	(2,796,048)	(2,095,019)
Income tax expense	-	-
Net loss	(2,796,048)	(2,095,019)
Segment assets		
Australia	18,408,138	22,043,957
USA	7,232	-
Europe	-	-
Unallocated assets	-	-
Total assets	18,415,370	22,043,957
Segment Liabilities		
Australia	1,614,354	2,446,891
USA	-	-
Europe	-	-
Unallocated liabilities	-	-
Total liabilities	1,614,354	2,446,891
Other segment information		
Acquisition of plant & equipment		
Australia	243,237	183,450
USA	-	7,221
Europe	-	-
Total acquisitions	243,237	190,671
Non cash items - Australia only		
Depreciation	310,292	398,379
Amortisation of goodwill	337,332	337,331
Other non cash items	-	-
Total non cash items	647,624	735,710

+ See chapter 19 for defined terms.

COMMENTS BY DIRECTORS ON MATERIAL FACTORS AFFECTING THE RESULT

The result for the half-year ended 31 December 2002 is a loss of $2.796 million. This is in line with expectations and compares to a loss of $2.095M for the previous corresponding period.

A review of the financial statements shows the increased expenditure compared to last year is attributable to greater investment in R&D and marketing activity. The cash position remains sound.

The primary focus of the company at this time, and throughout the half year is on the development activities of the Pentax project.

Shareholders were advised at the AGM in November that although the company had defined three discrete product groups over the past year, the flexible endomicroscope being jointly developed with Pentax is the top priority.

Pentax Flexible Endomicroscope Project
During the half year, development activity on the Pentax project accelerated and additional key staff were engaged to manage the increasing diversity of activity. The first prototype systems were completed, and two have been sold to Pentax, under the terms of the agreement. One system has now been deployed in the first clinical trials, and the early outcomes have exceeded expectations. Image quality is excellent, due in no small part to the optical lens expertise that Pentax contributes to the joint development project. There is some way to go with both development and clinical trials, but the progress and results to date confirm the confidence in the project team that the development goals are both realistic and achievable.

The R&D activity on the Pentax project will produce downstream benefits for other Optiscan products. Many of the feature enhancements and design improvements will have application to the platform technology of the company and will result in design and production efficiencies to the benefit of Optiscan, other potential partner companies and the users of its instruments.

Rigid Endomicroscope and Stratum Progress
Although activity on the other products has been reduced, there have been some important developments. We are continuing our marketing endeavours to identify potential partners for the commercialization of rigid endoscopes, and a number of early stage discussions are under way. On the applications front, the first round of clinical trials at the Royal Women's Hospital produced both good images and feedback about prototype design enhancements. Arrangements are now in hand for a further round of trials.

Marketing activities with the Stratum skin scanner were scaled back during the half year, with resources being redeployed on the Pentax project. Consistent with previous reports, demand for Stratum remained below initial expectations, with only one sale during the half year to our European agent. Sales into the clinical market now appear to be some years away with limited sales into the research market being the nearer opportunity. For the time being, we will reduce expenditure on the pursuit of Stratum sales, while a rigorous assessment of the immediate prospects for Stratum is completed.

Outlook for the full year
When the company announced the Pentax agreement in February 2002, the timeline for development was estimated to be 18 months, suggesting completion around August 2003.

+ See chapter 19 for defined terms.

As a result of the increased management focus, and more expenditure on development activities, the company is currently meeting milestones ahead of the original schedule. This has important implications for the results in the current year. The development activity and underlying cost base reported in the first half will continue during the remainder of this financial year, and a full year loss in the order of $6M may eventuate. The benefit of the milestone payment of $6M from Pentax for successful completion of the development by August would flow through to 2003/2004. However, if the project is completed within this financial year, and the milestone payment can be brought to account, there may be a breakeven or better result this year.

The Chairman advised shareholders in November that there would be a thorough and impartial assessment of the short term and longer-term strategies available to the company. This process was commenced in January under the direction of the new CEO, Matthew Barnett. The board will communicate the outcomes to shareholders when they have been finalized. In the meantime, the company will continue to focus its efforts on success with the Pentax project in order to deliver not only the milestone payment, but the prospect of an ongoing income stream.

On behalf of the board.

Antony Rogers (Director)

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).

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

+ See chapter 19 for defined terms.

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 statement of financial position 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*. Also, banking institutions, trusts and financial institutions 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.

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. If an entity reports exact figures, the $A'000 headings must be 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, and the $A'000 headings must be amended.

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

+ See chapter 19 for defined terms.

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 must also be given to ASX. For example, a director's 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 exists) must be complied with.

13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act 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 10*18 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.

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.

+ See chapter 19 for defined terms.

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.