

Half Year Report of
ICE Corporation Limited
for the Period Ended
31 December 2003

(ACN 058 010 692)

This Half Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.

Current Reporting Period:

Financial Period ending 31 December 2003

Previous Corresponding Period:

Financial Period ending 31 December 2002

The Information contained in this Half Year Report should be read in conjunction with the most recent annual financial report.

ICE Corporation Limited

Results For Announcement To The Market For the Half Year Ended 31 December 2003

Revenue and Net Profit/(Loss)

		Percentage Change %	Amount \$'000
Revenue from ordinary activities	up/down	55.8	To 3,871
Profit/(loss) from ordinary activities after tax attributable to members	up/down	99.4	To 28
Net profit/(loss) attributable to members	up/down	99.4	To 28

Dividends (Distributions)

	Amount per security	Franked amount per security
Final dividend	nil ¢	nil ¢
Interim dividend	nil ¢	nil ¢
Record date for determining entitlements to the dividend:		
• final dividend		n/a
• interim dividend		n/a

Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

- Revenue from ordinary activities down by 55.8% to \$3,871,000 and net profit after tax decreased by \$5,038,000 to \$28,000. It is noted that last year's comparative figures included \$6,000,000 from the forgiveness of debt and the exchange of interest bearing liabilities for a share option. Adjusting for this non-operating revenue and profit in the previous corresponding period would result in:
 - a revenue increase of 39.9% or \$1,105,000; and
 - an operating net profit improvement of \$962,000for the current reporting period when compared with an adjusted previous corresponding period.
- No dividend recommended for the period.

ICE Corporation Limited

Statement of Financial Performance For the Half Year Ended 31 December 2003

	2003 \$'000	2002 \$'000
Revenues from ordinary activities	3,871	8,766
Changes in inventories of finished goods and work in progress	(19)	7
Raw materials and consumables used	(1,319)	(822)
Employee benefits expense	(1,877)	(1,634)
Depreciation and amortisation expense	(277)	(160)
Borrowing costs expense	(18)	(403)
Other expenses from ordinary activities	(298)	(577)
Profit from ordinary activities before income tax expense	63	5,177
Income tax expense relating to ordinary activities	(35)	(111)
Net profit attributable to members of the parent entity	28	5,066
Total Revenue, Expense and Valuation Adjustments Attributable to Members of the Parent Entity Recognised Directly in Equity	-	-
Total changes in equity other than those resulting from transactions with owners as owners	28	5,066
Basic earnings per share (cents per share)	0.0c	5.8c
Diluted earnings per share (cents per share)	0.0c	5.2c

The accompanying notes form part of these financial statements.

ICE Corporation Limited

**Statement of Financial Position
As at 31 December 2003**

	31 December 2003 \$'000	30 June 2003 \$'000
<i>Current Assets</i>		
Cash assets	136	199
Receivables	1,557	1,381
Inventories	1,480	1,491
Other	107	168
<i>Total Current Assets</i>	3,280	3,239
<i>Non-Current Assets</i>		
Property, plant and equipment	403	417
Other	1,597	1,602
<i>Total Non-Current Assets</i>	2,000	2,019
<i>Total Assets</i>	5,280	5,258
<i>Current Liabilities</i>		
Payables	827	1,782
Interest-bearing liabilities	39	1,084
Tax liabilities	14	17
Provisions	185	220
<i>Total Current Liabilities</i>	1,065	3,103
<i>Non-Current Liabilities</i>		
Interest-bearing liabilities	41	58
Provisions	126	110
<i>Total Non-Current Liabilities</i>	167	168
<i>Total Liabilities</i>	1,232	3,271
<i>Net Assets</i>	4,048	1,987
<i>Equity</i>		
Contributed equity	32,103	30,070
Retained profits	(28,055)	(28,083)
<i>Total Equity</i>	4,048	1,987

The accompanying notes form part of these financial statements.

ICE Corporation Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2003

	2003 \$'000	2002 \$'000
<i>Cash Flows From Operating Activities</i>		
Receipts from customers	3,833	3,361
Payments to suppliers and employees	(4,600)	(3,082)
Interest received	6	3
Borrowing costs	(18)	(297)
Income tax paid	(3)	(3)
Net cash provided by/(used in) operating activities	(782)	(18)
<i>Cash Flows From Investing Activities</i>		
Purchase of property, plant and equipment	(38)	(20)
Purchase of other non-current assets	(214)	(502)
Net cash provided by/(used in) investing activities	(252)	(522)
<i>Cash Flows From Financing Activities</i>		
Proceeds from issues of shares	2,033	3,463
Proceeds from borrowings	-	106
Repayment of borrowings	(1,062)	(3,061)
Net cash provided by/(used in) financing activities	971	508
<i>Net Increase/(Decrease) In Cash Held</i>	(63)	(32)
<i>Cash at the Beginning of the Half Year</i>	199	102
<i>Cash at the End of the Half Year</i>	136	70

The accompanying notes form part of these financial statements.

ICE Corporation Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2003

Note	Contents
1	Basis of Preparation
2	Profit/(Loss) from Ordinary Activities
3	Commentary on Results
4	Net Tangible Assets per Security
5	Dividends
6	Discontinued Operations
7	Segment Information
8	Contingent Liabilities

ICE Corporation Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2003

1. Basis of Preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2003 and any public announcements made by ICE Corporation Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2003 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

2. Profit/(Loss) From Ordinary Activities

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	2003 \$'000	2002 \$'000
Profit on the exchange of interest-bearing liabilities for share option	-	5,000
Forgiveness of interest-bearing liabilities	-	1,000

3. Commentary on Results

Review of Operations

Manufacturing and Trading

The manufacturing and trading segment returned a significantly improved result for the half against the prior corresponding period. This improvement was attributable to higher sales and the repositioning of the business to operate at a lower fixed cost level to maximise profits achieved from sales. Revenue improved by \$943,000, or 44%, to \$3,091,000 and profit contribution increased by \$184,000 to \$539,000 for the comparable half.

Licensing

Despite the tough global market in telecommunications supply, the operating results of the licensing segment for the December half-year period are better than that of last year's corresponding six months. Revenue improved by \$164,000, or 32%, to \$684,000. Although the segment generated a loss of \$311,000 for the half, this was a \$152,000 improvement on the prior corresponding period loss of \$463,000. By its very nature, licensing revenue is one whereby the source of revenue experiences varying times of activity, hence periods of profit volatility are not unexpected. It is noted that, as at 31 December 2003, the Company has approximately \$1,200,000 worth of licenses contracted for future delivery.

Royalties

Revenue from the royalty segment has increased by \$38,000 from the previous half-year period. While this 28% improvement in revenue has been welcomed, the relatively low result is a reflection of the continuing global downturn in the telecommunications industry. The Company considers this segment to be well placed for growth once the demand for telecommunication infrastructure products returns to reasonable levels.

ICE Corporation Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2003

4. Net Tangible Assets Per Security

	2003 \$'000	2002 \$'000
Net tangible assets per security	0.9¢	(14.6) ¢

5. Dividends

No dividend was paid during the interim period and no interim dividend is recommended.

6. Discontinued Operations

During the period the economic entity did not dispose of any operations.

7. Segment Information

	Manufacturing & Trading \$000	Licensing \$000	Royalties \$000	Eliminations \$000	Economic Entity \$000
Half year 2003					
Total Segment Revenue	3,091	684	172	(123)	3,824
Unallocated revenue					47
Revenue from ordinary activities					3,871
Segment results	539	(311)	172	-	400
Unallocated revenue net of unallocated expenses					(337)
Profit from ordinary activities before income tax expense					63

ICE Corporation Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2003

7. Segment Information (cont'd)

	Manufacturing & Trading \$000	Licensing \$000	Royalties \$000	Eliminations \$000	Economic Entity \$000
Half year 2002					
Total Segment Revenue	2,148	520	134	(38)	2,764
Unallocated revenue					6,002
Revenue from ordinary activities					8,766
Segment results	355	(463)	134	-	26
Unallocated revenue net of unallocated expenses					5,151
Profit from ordinary activities before income tax expense					5,177

8. Contingent Liabilities

Since the last annual reporting date, certain contingent liabilities relating to property and equipment leases totalling \$158,000 per annum expired thereby reducing the maximum liability under the remaining leases to \$343,000 per annum.

The bank guarantee in respect of the property lease rental has increased from \$78,000 to \$104,000 since the last annual reporting date.

There has otherwise been no change in any contingent liabilities since the last annual reporting date.