

Appendix 4B

Preliminary Final Report

Introduced 30/6/2002.

Name of entity

PAPERLINX LIMITED

ABN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('current period')
70 005 146 350	<input type="checkbox"/>	<input checked="" type="checkbox"/>	30 JUNE 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

A\$M

Revenues from ordinary activities (<i>item 1.1</i>)	up/down	34.6%	to	3,186.4
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)	up/down	16.5%	to	123.0
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)	gain (loss) of			-
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	up/down	16.5%	to	123.0
Dividends (distributions)	Amount per security	Franked amount per security		
Final dividend (<i>Preliminary final report only - item 15.4</i>)	14.0¢	10.5¢		
Interim dividend (<i>Half yearly report only - item 15.6</i>)				
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)	14.0¢	14.0¢		
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see <i>item 15.2</i>)	27 August 2002			
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

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

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

		Current period – A\$M	Previous corresponding period - A\$M
1.1	Revenues from ordinary activities (<i>see items 1.23 -1.25</i>)	3,186.4	2,366.5
1.2	Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(2,966.5)	(2,166.7)
1.3	Borrowing costs	(43.0)	(47.6)
1.4	Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	-	5.3
1.5	Profit (loss) from ordinary activities before tax	176.9	157.5
1.6	Income tax on ordinary activities (<i>see note 4</i>)	(53.9)	(51.9)
1.7	Profit (loss) from ordinary activities after tax	123.0	105.6
1.8	Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9	Net profit (loss)	123.0	105.6
1.10	Net profit (loss) attributable to outside ⁺ equity interests	-	-
1.11	Net profit (loss) for the period attributable to members	123.0	105.6
Non-owner transaction changes in equity			
1.12	Increase (decrease) in revaluation reserves	-	-
1.13	Net exchange differences recognised in equity	(4.3)	2.8
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)	(4.3)	2.8
1.17	Total changes in equity not resulting from transactions with owners as owners	118.7	108.4

Earnings per security (EPS)		Current period	Previous corresponding period
1.18	Basic EPS	38.2	37.2
1.19	Diluted EPS	37.9	37.0

+ 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\$M	Previous corresponding period – A\$M
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	123.0	105.6
1.21 Less (plus) outside ⁺ equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	123.0	105.6

Revenue and expenses from ordinary activities

(see note 15)

	Current period – A\$M	Previous corresponding period – A\$M
1.23 Revenue from sales or services	Refer Below	Refer Below
1.24 Interest revenue	Refer Below	Refer Below
1.25 Other relevant revenue	Refer Below	Refer Below
1.26 Details of relevant expenses	Refer Below	Refer Below
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	62.5	58.6
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	-	-

+ See chapter 19 for defined terms.

		CONSOLIDATED	
		2002 \$m	2001 \$m
1.23 – 1.26	REVENUES AND EXPENSES FROM ORDINARY ACTIVITIES		
1.23	Revenue from operating activities		
	Sales of goods	2,960.6	2,352.8
	Rendering of services:		
	• Commissions	8.0	8.3
	Sub-total – Revenue from Operating Activities	2,968.6	2,361.1
1.24 & 1.25	Revenue from outside operating activities		
	Government grants	2.8	-
	Insurance proceeds	5.1	-
		7.9	-
	Net foreign exchange gains	-	0.9
	Interest received:		
	• Other	4.8	2.7
	Dividends received:		
	• Other	0.2	0.1
	Proceeds on disposal of		
	• Non-current assets	4.9	1.7
	• Businesses and controlled entities	200.0	-
		209.9	5.4
	Sub-total – Revenue from outside operating activities	217.8	5.4
	<u>TOTAL REVENUE FROM ORDINARY ACTIVITIES</u>	3,186.4	2,366.5

+ See chapter 19 for defined terms.

		CONSOLIDATED	
		2002 \$m	2001 \$m
1.26	<u>EXPENSES FROM ORDINARY ACTIVITIES</u>		
	Cost of Sales	(2,338.6)	(1,834.4)
	Distribution and Warehousing expenses	(182.0)	(129.3)
	Sales and Marketing expenses	(83.6)	(45.4)
	General and Administration expenses (1)	(359.4)	(154.3)
	Research and Development expenses	(2.9)	(3.3)
	<u>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</u>	(2,966.5)	(2,166.7)

- (1) Included in general and administration expenses is the book value of non-current assets disposed of and the book value of business and controlled entities disposed of \$207.2 million (2001 \$2.1 million).

Consolidated retained profits

	Current period – A\$M	Previous corresponding period - A\$M
1.30 Retained profits (accumulated losses) at the beginning of the financial period	28.3	11.3
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	123.0	105.6
1.32 Net transfers from (to) reserves (<i>details if material</i>)	(4.5)	(1.9)
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	(87.2)	(86.7)
1.35 Retained profits (accumulated losses) at end of financial period	59.6	28.3

+ See chapter 19 for defined terms.

Intangible and extraordinary items

		<i>Consolidated – current period</i>			
		Before tax A\$M (a)	Related tax A\$M (b)	Related outside +equity interests A\$M (c)	Amount (after tax) attributable to members A\$M (d)
2.1	Amortisation of goodwill	10.3	-	-	10.3
2.2	Amortisation of other intangibles	-	-	-	-
2.3	Total amortisation of intangibles	10.3	-	-	10.3
2.4	Extraordinary items (details)	-	-	-	-
2.5	Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

		Current year – A\$M	Previous year – A\$M
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	64.8	52.1
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	58.2	53.5
	Total for year	123.0	105.6

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position		At end of current period A\$M	As shown in last annual report A\$M	As in last half yearly report A\$M
Current assets				
4.1	Cash	112.9	93.6	92.7
4.2	Receivables	427.7	520.9	457.8
4.3	Investments	-	-	-
4.4	Inventories	461.3	592.0	535.3
4.5	Tax assets	-	-	-
4.6	Other	-	-	-
4.7	Total current assets	1,001.9	1,206.5	1,085.8
Non-current assets				
4.8	Receivables	5.4	2.3	3.8
4.9	Investments (equity accounted)	-	-	-
4.10	Other investments	1.5	2.0	2.0
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-	-
4.13	Development properties	-	-	-
4.14 (1)	Other property, plant and equipment (net)	1,071.1	1,113.3	1,069.6
4.14 (2)	Standing timber	-	167.1	-
4.15	Intangibles (net)	171.3	173.3	173.0
4.16	Tax assets	37.5	44.7	42.1
4.17	Other	-	-	-
4.18	Total non-current assets	1,286.8	1,502.7	1,290.5
4.19	Total assets	2,288.7	2,709.2	2,376.3
Current liabilities				
4.20	Payables	345.3	404.3	393.4
4.21	Interest bearing liabilities	43.6	269.0	179.8
4.22	Tax liabilities	13.0	36.5	18.8
4.23	Provisions exc. tax liabilities	100.0	98.3	100.0
4.24	Other	-	-	-
4.25	Total current liabilities	501.9	808.1	692.0
Non-current liabilities				
4.26	Payables	1.4	-	3.0
4.27	Interest bearing liabilities	400.8	515.3	317.3
4.28	Tax liabilities	132.9	170.1	124.7
4.29	Provisions exc. tax liabilities	38.6	38.0	35.5
4.30	Other	-	-	-
4.31	Total non-current liabilities	573.7	723.4	480.5
4.32	Total liabilities	1,075.6	1,531.5	1,172.5
4.33	Net assets	1,213.1	1,177.7	1,203.8

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position (cont)	At end of current period A\$M	As shown in last annual report A\$M	As in last half yearly report A\$M
Equity			
4.34 Capital/contributed equity	1,140.9	1,137.0	1,139.9
4.35 Reserves	12.5	12.3	15.6
4.36 Retained profits (accumulated losses)	59.6	28.3	48.2
4.37 Equity attributable to members of the parent entity	1,213.0	1,177.6	1,203.7
4.38 Outside ⁺ equity interests in controlled entities	0.1	0.1	0.1
4.39 Total equity	1,213.1	1,177.7	1,203.8
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\$M	Previous corresponding period – A\$M
5.1 Opening balance	N/A	-
5.2 Expenditure incurred during current period	N/A	-
5.3 Expenditure written off during current period	N/A	-
5.4 Acquisitions, disposals, revaluation increments, etc.	N/A	-
5.5 Expenditure transferred to Development Properties	N/A	-
5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)	N/A	-

+ See chapter 19 for defined terms.

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period A\$M	Previous corresponding period – A\$M
6.1 Opening balance	N/A	-
6.2 Expenditure incurred during current period	N/A	-
6.3 Expenditure transferred from exploration and evaluation	N/A	-
6.4 Expenditure written off during current period	N/A	-
6.5 Acquisitions, disposals, revaluation increments, etc.	N/A	-
6.6 Expenditure transferred to mine properties	N/A	-
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)	N/A	-

+ See chapter 19 for defined terms.

Condensed consolidated statement of cash flows

		Current period A\$M	Previous corresponding period – A\$M
Cash flows related to operating activities			
7.1	Receipts from customers	3,026.5	2,366.5
7.2	Payments to suppliers and employees	(2,626.8)	(2,107.6)
7.3	Dividends received from associates	-	2.9
7.4	Other dividends received	0.2	0.1
7.5	Interest and other items of similar nature received	4.8	2.7
7.6	Interest and other costs of finance paid	(33.6)	(38.5)
7.7	Income taxes paid	(47.6)	(37.1)
7.8	Other (provide details if material)	15.9	8.3
7.9	Net operating cash flows	339.4	197.3
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(65.8)	(48.5)
7.11	Proceeds from sale of property, plant and equipment	4.9	1.7
7.12 (1)	Payment for purchases of equity investments	-	-
7.12 (2)	Payment for purchases of controlled entities and assets	(24.2)	(118.3)
7.13 (1)	Proceeds from sale of equity investments	-	-
7.13 (2)	Proceeds from sale of controlled entities and assets	197.8	0.3
7.14	Loans to other entities	-	-
7.15	Loans (advanced to)/repaid by other entities	(0.5)	-
7.16	Other (provide details if material)	-	-
7.17	Net investing cash flows	112.2	(164.8)
Cash flows related to financing activities			
7.18	Proceeds from issues of +securities (shares, options, etc.)	2.1	0.5
7.19	Proceeds from borrowings	1,749.6	780.9
7.20	Repayment of borrowings	(2,073.8)	(754.1)
7.21	Dividends paid	(86.7)	(57.0)
7.22 (1)	Other - Loans (repaid to)/received from other persons	(0.2)	(0.4)
7.22 (2)	Other – Principal lease repayments	(0.2)	(1.6)
7.22 (3)	Other – Demerger costs	-	(10.8)
7.23	Net financing cash flows	(409.2)	(42.5)
7.24	Net increase (decrease) in cash held	42.4	(10.0)
7.25 (1)	Cash at beginning of period <i>(see Reconciliation of cash)</i>	90.3	25.6
7.25 (2)	Cash acquired on acquisition of controlled entities	-	63.9
7.26	Exchange rate adjustments to item 7.25.	(24.9)	10.8
7.27	Cash at end of period <i>(see Reconciliation of cash)</i>	107.8	90.3

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (*If an amount is quantified, show comparative amount.*)

NIL

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\$M	Previous corresponding Period – A\$M
8.1 Cash on hand and at bank	61.8	83.8
8.2 Deposits at call	51.1	9.8
8.3 Bank overdraft	(5.1)	(3.3)
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	107.8	90.3

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)	5.5%	6.7%
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)	10.1%	9.0%

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
a) Basic EPS	38.2¢	37.2¢
b) Diluted EPS (if materially different from the Basic EPS)	37.9¢	37.0¢
c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	322.1m	283.6m

+ See chapter 19 for defined terms.

NTA backing (see note 7)	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	\$3.11	\$2.99

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

N/A

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	NIL
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13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	N/A
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13.3 Date from which such profit has been calculated	N/A
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13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A
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Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	NIL
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14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
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14.3 Date to which the profit (loss) in item 14.2 has been calculated	N/A
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14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
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14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A
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+ See chapter 19 for defined terms.

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable	19 September 2002
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 +CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHES approved)	27 August 2002
15.3 If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	Yes

Amount per security

		Amount per security	Franked amount per security at applicable tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year (30% tax rate)	14.0¢	10.5¢	-¢
15.5	Previous year (30% tax rate)	14.0¢	14.0¢	-¢
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year (30% tax rate)	13.0¢	13.0¢	N/A
15.7	Previous year (34% tax rate)	13.0¢	13.0¢	N/A

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

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	27.0¢	27.0¢
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\$M	Previous corresponding period – A\$M
15.10 +Ordinary securities <i>(each class separately)</i>	87.2	86.7
Preference +securities <i>(each class separately)</i>	-	-
15.12 Other equity instruments <i>(each class separately)</i>	-	-
15.13 Total	87.2	86.7

+ See chapter 19 for defined terms.

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

N/A

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

N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

N/A

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\$M	Previous corresponding period – A\$M (6 months to 31 December 2000)
16.1 Profit (loss) from ordinary activities before tax	N/A	9.6
16.2 Income tax on ordinary activities	N/A	(3.9)
16.3 Profit (loss) from ordinary activities after tax	N/A	5.7
16.4 (1) Extraordinary items net of tax	-	-
(2) Unrealised profit in inventory adjustment	N/A	(0.4)
16.5 Net profit (loss)	N/A	5.3
16.6 Adjustments	N/A	-
16.7 Share of net profit (loss) of associates and joint venture entities	N/A	5.3

⁺ See chapter 19 for defined terms.

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)	
	Current period	Previous corresponding period	Current period A\$M	Previous corresponding period – A\$M (6 months to 31 December 2000)
17.1 Equity accounted associates and joint venture entities				
Spicers Paper Limited	-	Refer Note (1) below	-	5.3
17.2 Total	-	-	-	5.3
Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period A\$M	Previous corresponding period – A\$M
17.3 Other material interests NIL				
17.4 Total				

(1) Spicers Paper Limited became a controlled entity effective 1 January 2001.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of + securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference + securities (description)	N/A	N/A	N/A	N/A
18.2 Changes during current period				
(a) Increases through issues	N/A	N/A	N/A	N/A
(b) Decreases through returns of capital, buybacks, redemptions	N/A	N/A	N/A	N/A
18.3 +Ordinary securities				
18.4 Changes during current period				
(a) Increases through Employee Share Plan Issues	629,200	629,200	\$2.86	\$2.86
– Exercise of Options	450,000	450,000	\$3.13	\$3.13
– Exercise of Options	125,000	125,000	\$3.32	\$3.32
– Exercise of options	77,500	77,500	\$4.12	\$4.12
(b) Increase through long term incentive plan	118,750	118,750	0	0
(c) Decreases through returns of capital, buybacks	N/A	N/A	N/A	N/A
18.5 +Convertible debt securities (description and conversion factor)	N/A	N/A	N/A	N/A
18.6 Changes during current period				
(a) Increases through Employee Share Plan Issues	N/A	N/A	N/A	N/A
(b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

18.7 Options <i>(description and conversion factor)</i>	Total number	Number quoted	Exercise price	Expiry Date (if any)
18.8 Issued during current period	390,100	Nil	\$4.12	N/A
	240,000	Nil	\$4.18	N/A
18.9 Exercised during current period	450,000	Nil	\$3.13	N/A
	125,000	Nil	\$3.32	N/A
	77,500	Nil	\$4.12	N/A
18.10 Expired during current period	N/A	N/A		
18.11 Debentures <i>(description)</i>				
18.12 Changes during current period				
(a) Increases through issues	N/A	N/A		
(b) Decreases through securities matured, converted	N/A	N/A		
18.13 Unsecured notes <i>(description)</i>				
18.14 Changes during current period				
(a) Increases through issues	N/A	N/A		
(b) Decreases through securities matured, converted	N/A	N/A		

+ See chapter 19 for defined terms.

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.)

	SEGMENT RESULT (3)	SEGMENT SALES	CONSOLIDATED SEGMENT OTHER REVENUE (4)	TOTAL SEGMENT REVENUE	SEGMENTS ASSETS
	\$m	\$m	\$m	\$m	\$m
<u>SEGMENT REPORTING</u>					
For the year ended 30 June 2002					
<u>BUSINESS SEGMENTS</u>					
Merchanting & Paper Trading	57.9	2,220.2	6.0	2,226.2	918.4
Communication Papers	134.8	828.3	1.1	829.4	854.5
Packaging Papers	43.2	285.4	5.3	290.7	283.7
Investments/Other (8)	(22.8)	259.4	3.5	262.9	194.6
Profit before net interest, and income tax	213.1				
Net interest (1)	(36.2)				
Profit before income tax	176.9				
Inter-segment sales (2)		(632.7)		(632.7)	
Unallocated revenue (4)			209.9	209.9	
Unallocated assets (deferred tax balances)					37.5
	176.9	2,960.6	225.8	3,186.4	2,288.7

⁺ See chapter 19 for defined terms.

SEGMENT REPORTING (cont'd)

	SEGMENT RESULT (3)	SEGMENT SALES	CONSOLIDATED SEGMENT OTHER REVENUE (4)	TOTAL SEGMENT REVENUE	SEGMENTS ASSETS
	\$m	\$m	\$m	\$m	\$m
<u>SEGMENT REPORTING</u>					
For the year ended 30 June 2001					
<u>BUSINESS SEGMENTS</u>					
Merchanting & Paper Trading	43.0	1,398.9	6.4	1,405.3	928.6
Communication Papers	97.2	794.0	0.3	794.3	893.6
Packaging Papers	53.5	275.4	-	275.4	309.2
Investments/Other (8)	6.7	468.7	1.6	470.3	533.1
Profit before net interest, and income tax	200.4				
Net interest (1)	(42.9)				
Profit before income tax	157.5				
Inter-segment sales (2)		(584.2)		(584.2)	
Unallocated revenue (4)			5.4	5.4	
Unallocated assets (deferred tax balances)					44.7
	157.5	2,352.8	13.7	2,366.5	2,709.2

+ See chapter 19 for defined terms.

SEGMENT REPORTING (cont'd)

	SEGMENT SALES	CONSOLIDATED SEGMENT OTHER REVENUE (4)	TOTAL SEGMENT REVENUE	SEGMENT ASSETS
	\$m	\$m	\$m	\$m
<u>SEGMENT REPORTING</u>				
For the year ended 30 June 2002				
<u>GEOGRAPHIC SEGMENTS</u>				
Australia	1,535.5	10.3	1,545.8	1,683.3
New Zealand	244.2	0.1	244.3	96.1
North America	931.1	0.3	931.4	404.9
Europe	57.9	1.3	59.2	2.9
Asia	191.9	3.9	195.8	64.0
Unallocated revenue (4)		209.9	209.9	
Unallocated assets (deferred tax assets)				37.5
	2,960.6	225.8	3,186.4	2,288.7

	SEGMENT SALES	CONSOLIDATED SEGMENT OTHER REVENUE (4)	TOTAL SEGMENT REVENUE	SEGMENT ASSETS
	\$m	\$m	\$m	\$m
<u>SEGMENT REPORTING</u>				
For the year ended 30 June 2001				
<u>GEOGRAPHIC SEGMENTS</u>				
Australia	1,566.6	6.6	1,573.2	2,092.8
New Zealand	175.7	-	175.7	95.4
North America	425.7	0.1	425.8	382.3
Europe	31.9	0.7	32.6	7.9
Asia	152.9	0.9	153.8	86.1
Unallocated revenue (4)		5.4	5.4	
Unallocated assets (deferred tax assets)				44.7
	2,352.8	13.7	2,366.5	2,709.2

+ See chapter 19 for defined terms.

SEGMENT REPORTING (cont'd)

	DEPRECIATION & AMORTISATION	NON CASH EXPENSES	ACQUISITION OF NON CURRENT ASSETS	SEGMENT LIABILITIES
	(5)	(6)		
	\$m	\$m	\$m	\$m
<u>SEGMENT REPORTING</u>				
For the year ended 30 June 2002				
<u>BUSINESS SEGMENTS</u>				
Merchanting & Paper Trading	16.8	9.1	12.3	233.3
Communication Papers	31.8	13.8	17.7	88.6
Packaging Papers	17.7	6.4	13.9	57.0
Investments/Other	6.5	7.7	30.2	106.4
Unallocated liabilities (7)				590.3
	72.8	37.0	74.1	1,075.6
	72.8	37.0	74.1	1,075.6

	DEPRECIATION & AMORTISATION	NON CASH EXPENSES	ACQUISITION OF NON CURRENT ASSETS	SEGMENT LIABILITIES
	(5)	(6)		
	\$m	\$m	\$m	\$m
<u>SEGMENT REPORTING</u>				
For the year ended 30 June 2001				
<u>BUSINESS SEGMENTS</u>				
Merchanting & Paper Trading	11.5	7.6	254.9	255.8
Communication Papers	31.5	11.9	10.1	83.8
Packaging Papers	17.4	5.1	9.0	42.7
Investments/Other	2.9	(1.3)	18.3	158.3
Unallocated liabilities (7)				990.9
	63.3	23.3	292.3	1,531.5
	63.3	23.3	292.3	1,531.5

+ See chapter 19 for defined terms.

SEGMENT REPORTING (cont'd)

Notes

- (1) Interest is not allocated internally to the segments but held centrally.
 (2) Inter-segment sales comprise sales of paper, which are priced on an arm's length basis.
 (3) Profit before net interest and income tax.

	2002 <u>\$m</u>	2001 <u>\$m</u>
(4) Segment other revenue allocated comprises:		
Rendering of services – commission	8.0	8.3
Other revenue from outside operating activities	7.9	-
	15.9	8.3
Segment other revenue unallocated comprises:		
Other revenue from outside operating activities	209.9	5.4
	225.8	13.7

- (5) The non cash expenses above comprise the following items:

	2002 <u>\$m</u>	2001 <u>\$m</u>
• Provisions charge	38.3	27.8
• Net movement in standing timber	(0.6)	(4.0)
• Net profit/(loss) on disposal of property, plant and equipment	0.6	0.4
• Net profit/(loss) on disposal of controlled entities and businesses	1.7	-
• Other non cash items	(3.0)	(0.9)
	37.0	23.3

- (6) The acquisition of non current assets above comprises the following items:

	2002 <u>\$m</u>	2001 <u>\$m</u>
• Addition of property, plant and equipment	68.6	40.4
• Goodwill acquired on acquisition of controlled entities	5.3	169.1
• Property, plant and equipment acquired on acquisition of controlled entities	0.2	82.8
	74.1	292.3

+ See chapter 19 for defined terms.

SEGMENT REPORTING (cont'd)

Notes (cont'd)

The segment reporting of the acquisition of non current assets by geographic region are as follows:

	2002 <u>\$m</u>	2001 <u>\$m</u>
• Australia	67.3	122.7
• New Zealand	0.8	22.4
• North America	5.9	131.3
• Europe	-	0.2
• Asia	0.1	15.7
	<u>74.1</u>	<u>292.3</u>

(7) The unallocated segment liabilities comprise the following items:

	2002 <u>\$m</u>	2001 <u>\$m</u>
• Current interest bearing liabilities	43.6	269.0
• Current tax liabilities	13.0	36.5
• Non current interest bearing liabilities	400.8	515.3
• Non current deferred tax	132.9	170.1
	<u>590.3</u>	<u>990.9</u>

(8) Investments/Other includes the businesses divested, stationery, converting and corporate costs. In the year ended 30 June 2001 it also includes the equity accounted share of Spicers Paper Limited for the period from 1 July 2000 to 31 December 2000.

+ See chapter 19 for defined terms.

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 attached news release

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).

Refer attached news release

+ See chapter 19 for defined terms.

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

The balance of the consolidated franking account as at 30 June 2002 was \$20.8 million (last year \$5.9 million).

After taking into account the estimated income tax payable as at 30 June 2002, and the payment of the final dividend for the year ended 30 June 2002, the balance of the consolidated franking account is estimated to be \$0.8 million (last year \$27.9 million).

The balance of the consolidated franking account at 30 June 2002 is stated at 30% (2001 30%).

The final dividend will be franked to 75% at a 30% tax rate out of existing franking credits and those arising from the payment of income tax during the year ending 30 June 2003.

It is expected that the interim dividend for the following year will be partly franked.

From 1 July 2002, the New Business Tax System (Imputation) Act 2002 requires measurement of franking credits based on the amount of income tax paid, rather than on profits upon which tax has been paid.

This change in the basis of measurement does not change the value of franking credits to shareholders who may be entitled to franking credit benefits.

As a result the balance of the consolidated franking account as at 30 June 2002 was converted from \$20.8 million to \$8.9 million on 1 July 2002.

- 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*).

Not applicable

- 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.

Not applicable

+ See chapter 19 for defined terms.

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

The major increase in contingent liabilities since the last annual report relates to a bank guarantee for \$373 million (GBP 138 million) issued in relation to the purchase of Bunzl Fine Paper Ltd. This guarantee expired on 2 July 2002.

Additional disclosure for trusts

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

Not applicable

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Not applicable

Identify:

- initial service charges
- management fees
- other fees

⁺ See chapter 19 for defined terms.

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	Melbourne Park
Date	23 October 2002
Time	11.00 am
Approximate date the ⁺ annual report will be available	20 September 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 ASX (see note 12).

Identify other standards used Not applicable

- 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 (see note 2).

- 4 This report is based on ⁺accounts to which one of the following applies.

(Tick one)

- | | | | |
|-------------------------------------|---|--------------------------|---|
| <input checked="" type="checkbox"/> | The ⁺ accounts have been audited. | <input type="checkbox"/> | The ⁺ accounts have been subject to review. |
| <input type="checkbox"/> | The ⁺ accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The ⁺ accounts have <i>not</i> 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 a formally constituted audit committee.



Sign here:
(Company Secretary)

Date: 13 August 2002

Print name: Richard Hobson

⁺ See chapter 19 for defined terms.