

MULTISPARES HOLDINGS LIMITED

A.C.N. 003 135 680

HALF-YEAR REPORT

31 DECEMBER 2000

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MULTISPARES HOLDINGS LIMITED
CORPORATE DIRECTORY

DIRECTORS

H R Forsyth
H M O Anderson
G T Lingard
G D H Stewart

MANAGING DIRECTOR

G D H Stewart

COMPANY SECRETARY

P W Gill

REGISTERED OFFICE

151 Fairfield Road
Guildford NSW 2161

Telephone (02) 9722 2020
Facsimile (02) 9722 2095
E-mail admin@multispares.com.au

AUDITORS

Arthur Andersen

BANKERS

ANZ Banking Group Limited

SOLICITORS

Blake Dawson Waldron

SHARE REGISTRY

Computershare Registry Services Pty Ltd

STOCK EXCHANGE LISTING

Multispares Holdings Limited shares are
quoted on the Australian Stock Exchange

MULTISPARES HOLDINGS LIMITED

DIRECTORS' REPORT

The Board of Directors of Multispares Holdings Limited has pleasure in submitting its report in respect of the financial half year ended 31 December 2000.

DIRECTORS

The names of directors in office during or since the end of the financial year are

H R Forsyth (Chairman)
H M O Anderson
G T Lingard
G D H Stewart (appointed 2 Nov 2000)

Unless otherwise indicated, all directors held their position as a director throughout the entire half year and up to the date of this report.

PRINCIPAL ACTIVITIES

The principal continuing activity of the consolidated entity during the half year was the provision of after market parts to the commercial vehicle (truck, bus and coach) industry.

RESULTS

The consolidated profit of the consolidated entity for the half year was \$122,000 after providing for income tax and outside equity interests.

REVIEW OF OPERATIONS

The consolidated entity's sales revenue for the period increased by 1% over the same period last year. The first quarter, after the introduction of GST in Australia, saw sales revenue increasing but the second quarter encountered more difficult trading conditions which resulted in decline in sales trends.

The weakening Australian dollar coupled with difficult trading conditions continues to place pressure on gross margins. Ongoing cost controls have ensured overheads remain within expectations and at similar levels to last year.

The operating profit after tax of \$122,000 is an increase of \$307,000 on last year which included an abnormal item of \$288,000 (refer details note 2 accounts).

ROUNDING OF AMOUNTS

The parent entity is a company of the kind specified in Australian Securities and Investments Class Order 98/0100. In accordance with that class order, amounts in the consolidated financial statements and Directors' report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

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

H R Forsyth
Director

H M O Anderson
Director

Sydney
22 February 2001

MULTISPARES HOLDINGS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2000

	CONSOLIDATED		
	DECEMBER 2000 \$000	JUNE 2000 \$000	DECEMBER 1999 \$000
Current Assets			
Cash	331	12	126
Receivables	2,954	3,091	2,790
Inventories	7,265	6,744	6,407
Other	67	12	83
Total Current Assets	10,617	9,859	9,406
Non-Current Assets			
Property, plant and equipment	1,402	1,466	1,519
Other	375	356	361
Total Non-Current Assets	1,777	1,822	1,880
Total Assets	12,394	11,681	11,286
Current Liabilities			
Accounts payable	3,547	3,064	3,318
Borrowings	739	290	1,575
Provisions	814	724	640
Total Current Liabilities	5,100	4,078	5,533
Non-Current Liabilities			
Borrowings	1,065	1,497	-
Provisions	224	238	61
Total Non-Current Liabilities	1,289	1,735	61
Total Liabilities	6,389	5,813	5,594
Net Assets	6,005	5,868	5,692
Shareholders' Equity			
Share capital	4,837	4,837	4,837
Reserves	(82)	(97)	(79)
Retained profits	1,250	1,128	934
Total Shareholders' Equity	6,005	5,868	5,692

The accompanying notes form an integral part of this balance sheet.

MULTISPARES HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2000

		CONSOLIDATED	
		DECEMBER 2000	DECEMBER 1999
		\$000	\$000
	Note		
Operating profit before depreciation, amortisation and interest		434	392
Depreciation and amortisation		(153)	(209)
Borrowing costs		<u>(83)</u>	<u>(80)</u>
Operating profit before abnormal item		198	103
Abnormal item	2	<u>-</u>	<u>(288)</u>
Operating profit (loss)	2	198	(185)
Income tax attributable to operating profit	3	<u>(76)</u>	<u>-</u>
Operating profit (loss) after income tax		122	(185)
Retained profits at the beginning of the financial period		<u>1,128</u>	<u>1,119</u>
Total available for appropriation		1,250	934
Dividends provided for or paid		<u>-</u>	<u>-</u>
Retained profits at the end of the financial period		<u>1,250</u>	<u>934</u>
Basic and diluted earnings (loss) per share excluding abnormal item (cents per share)		<u>0.63</u>	<u>0.53</u>
Basic and diluted earnings (loss) per share including abnormal item (cents per share)		<u>0.63</u>	<u>(0.96)</u>

The accompanying notes form an integral part of this profit and loss account.

MULTISPARES HOLDINGS LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2000

	CONSOLIDATED	
	DECEMBER 2000 \$000	DECEMBER 1999 \$000
	Inflow / (Outflow)	
Cash flows from operating activities		
Receipts from customers	10,760	10,432
Payments to suppliers and employees	(10,213)	(10,314)
Interest received	8	6
Interest and other costs of finance paid	(82)	(66)
Income taxes paid	-	30
Net operating cash flows	473	88
Cash flows from investing activities		
Payments for property, plant and equipment	(191)	(57)
Proceeds from sale of property, plant and equipment	103	-
Repayment of loans by others	-	30
Net investing cash flows	(88)	(27)
Cash flows from financing activities		
Proceeds from borrowings	250	-
Repayment of borrowings	(57)	(50)
Dividends paid	(97)	-
Net financing cash flows	96	(50)
Net increase/(decrease) in cash held	481	11
Cash at the beginning of the financial period	(163)	118
Exchange rate variations on foreign cash balances	13	(3)
Cash at the end of the financial period	331	126

The accompanying notes form an integral part of this statement of cash flows.

MULTISPARES HOLDINGS LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

NOTE 1. Basis of Preparation

These general purpose consolidated financial statements have been prepared for the half-year ended 31 December 2000 in accordance with Australian accounting standard AASB1029 "Half-Year Accounts and Consolidated Accounts". It is recommended that this report should be read in conjunction with the 30 June 2000 Annual Report and any public announcements made by Multispares Holdings Limited and its controlled entities during the half-year in accordance with the continuous disclosure obligations of the Corporations Law and Australian Stock Exchange Listing Rules.

NOTE 2. Operating Profit

	CONSOLIDATED	
	DECEMBER 2000 \$000	DECEMBER 1999 \$000
Operating profit (loss) is after crediting the following revenues:		
Sales revenue - sale of goods	10,572	10,463
Other operating revenues:		
Interest from other persons	8	6
Other revenue items in total	70	74
Total other operating revenues	78	80
Operating profit (loss) is after charging the following expenses:		
Interest paid or payable to other persons	83	80
Abnormal item:		
Goodwill written off (income tax effect nil)	-	288

MULTISPARES HOLDINGS LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

NOTE 3. Income Tax Expense

	CONSOLIDATED	
	DECEMBER	DECEMBER
	2000	1999
	\$000	\$000
<hr/>		
<p>The income tax expense charged in the profit and loss account is reconciled to prima facie tax payable on operating profit (loss) before income tax as follows:</p>		
Operating profit (loss) before income tax	198	(185)
	<hr/>	<hr/>
Prima facie tax payable (benefit) at 34% (1999 - 36%)	67	(67)
Add (Deduct) tax effect of permanent differences:		
Amortisation of goodwill	-	23
Goodwill written off	-	104
Other items not deductible	9	(1)
Tax losses not previously brought to account	-	(59)
	<hr/>	<hr/>
Income tax expense	76	-
	<hr/>	<hr/>

MULTISPARES HOLDINGS LIMITED

DIRECTORS' DECLARATION

The directors' declare that:

- (a) The financial statements and associated notes comply with accounting standards and Urgent Issues Group Consensus Views,
- (b) The financial statements and notes give a true and fair view of the financial position as at 31 December 2000 and performance of the consolidated entity for the half-year then ended; and
- (c) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable, and the companies and the parent entity who are party to the deed of cross guarantee will as an economic entity be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee dated 5 June 1992.

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

H R Forsyth
Director

H M O Anderson
Director

Sydney
22 February 2000

INDEPENDENT REVIEW REPORT

To the Members of Multispare Holdings Limited:

Scope

We have reviewed the financial report of Multispare Holdings Limited for the half-year ended 31 December 2000 as set out on pages 4 to 9. The financial report includes the consolidated financial statements of the consolidated entity comprising the company 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 performed 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 AASB1029 "Half year accounts and consolidated accounts", other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, 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. The review is limited primarily to inquiries of the company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multispare Holdings Limited is not in accordance with:

- (a) the Corporations Law, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2000 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB1029 "Half year accounts and consolidated accounts" and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

Arthur Andersen
Chartered Accountants

A. P. Davies
Partner

Sydney
22 February 2001