

Appendix 4D

Half yearly report Half year ended 31 December 2003

SWIFTEL LIMITED ACN 009 273 152
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Results for announcement to the market

\$A'000

(2.1)The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities	Up	248%	to	5,815
(2.2)The amount and percentage change up or down from the previous corresponding period of (loss) from ordinary activities after tax attributes to members.	Up	40%	to	(1,213)
(2.3)The amount and percentage change up or down from the previous corresponding period of net (loss) for the period attributable to members.	up	40%	to	(1,213)
(2.4) It is not proposed to declare or pay any dividend in relation to the period.				

Brief explanation of results

The consolidated net loss for the half year was \$1,212,743 (Dec 2002: \$867,673). Adjusting for the effects of interest, depreciation and amortisation, there being no tax payable, results in a loss before interest, tax and depreciation (EBITDA) of \$803,078 (Dec 2002: \$583,457)

The December 2003 results showed the following;

- Strong revenue growth to \$5,815,158, an increase of 248% in sales to the previous corresponding period of (\$1,669,070).
- The revenue of \$5,815,1587 does not take into account income of \$996,536 invoiced in December but relating to January sales.
- The Corporate Division produced \$2,182,863 in sales, an increase of 40% from the previous corresponding period (\$1,554,300). This division produced a \$568,265 profit.
- The ADSL Division produced \$3,614,412 in sales with a \$671,903 loss.

- The net operating cash flow was a positive \$153,773 compared to a negative \$723,224 in the previous corresponding period.

The cash position at the end of the financial period, including funds held on deposit, was \$2,392,571 compared to \$341,187 as at 30 June 2003.

Dividends

There were no dividends declared or paid during the period or planned to be declared in relation to the period.

There are no dividend reinvestment plans in operation.

Net assets

Net tangible assets per security with the comparative figure for the previous corresponding period.

Current period \$A'000	Previous corresponding period - \$A'000
2.3 cents	2.7 cents

Details of entities

There are no entities over which control has been gained or lost during the period.

Details of associates and joint venture entities

There were no associated companies in which equity was held nor joint ventures in which the group participated.

Significant information

During the half-year the company raised \$3,140,000 before costs of issue, by two placements, one of 14 million shares at \$0.06c per share and the other of 20 million shares at \$11.5c per share.

Commentary

The basic loss per ordinary share for the period was 0.7 cents, compared with 2.7 cents per share for the period ending 30 June 2003. At the date of this report there are 82,291,082 options outstanding in relation to the acquisition of an equal number of ordinary shares at exercise prices between \$0.05 and \$0.40. For the period ending 31 December 2003 the company's shares traded at an average of 9.5 cents.

(Signed):

Date: 27 February 2004

Company Secretary

GRAEME BODEN

Independent review report to members of Swiftel Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements for the consolidated entity, comprising both Swiftel Limited ("the company") and the entities it controlled during the period, and the directors' declaration for the company, for the half-year ended 31 December 2003.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, 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 the *Corporations Act 2001*, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company 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.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the consolidated entity, comprising Swiftel Limited and the entities it controlled during the half year ended 31 December 2003 is not in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity at 31 December 2003 and of 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*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



Gavin A. Buckingham
Partner
Perth
27 February 2004