

## Consolidated Balance Sheets

	(Millions of US dollars)		(Millions of Australian dollars)	
	31 March		31 March	
<b>ASSETS</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
<b>Current assets:</b>			<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cash and cash equivalents	\$ 55.1	\$ 31.1	A\$ 91.2	A\$ 58.5
Accounts and notes receivable, net of allowance for doubtful accounts of \$1.1 million (A\$1.8 million) and \$0.7 million (A\$1.3 million) as of 31 March 2003 and 31 March 2002, respectively	91.4	80.3	151.3	151.0
Inventories	75.2	65.4	124.5	123.0
Refundable income taxes	20.4	9.9	33.8	18.6
Prepaid expenses and other current assets	6.6	7.2	10.9	13.5
Deferred tax assets	23.1	22.6	38.3	42.5
Current assets - discontinued operations	-	41.4	-	77.9
<b>Total current assets</b>	<b>271.8</b>	<b>257.9</b>	<b>450.0</b>	<b>485.0</b>
Long-term receivables	3.7	5.5	6.1	10.3
Investments	6.0	6.7	9.9	12.6
Property, plant and equipment, net	521.3	451.0	863.2	848.2
Intangible assets, net	3.4	3.6	5.6	6.8
Prepaid pension cost	-	8.9	-	16.7
Deferred tax assets	21.4	5.8	35.4	10.9
Non-current assets - discontinued operations	-	228.4	-	429.6
<b>Total assets</b>	<b>\$ 827.6</b>	<b>\$ 967.8</b>	<b>A\$ 1,370.2</b>	<b>A\$ 1,820.1</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$ 75.2	\$ 59.7	A\$ 124.5	A\$ 112.3
Short-term debt	8.8	4.9	14.6	9.2
Accrued payroll and employee benefits	31.7	25.7	52.5	48.3
Accrued product warranties	7.3	7.9	12.1	14.9
Income taxes payable	8.7	18.3	14.4	34.4
Other liabilities	4.9	6.7	8.1	12.6
Current liabilities - discontinued operations	-	19.6	-	36.9
<b>Total current liabilities</b>	<b>136.6</b>	<b>142.8</b>	<b>226.2</b>	<b>268.6</b>
Long-term debt	165.0	325.0	273.2	611.3
Deferred tax liabilities	65.5	23.0	108.5	43.3
Liability to Medical Research and Compensation Foundation	-	50.2	-	94.4
Accrued product warranties	7.5	9.8	12.4	18.4
Other liabilities	18.3	12.0	30.3	22.6
Non-current liabilities - discontinued operations	-	34.3	-	64.5
<b>Total liabilities</b>	<b>392.9</b>	<b>597.1</b>	<b>A\$ 650.6</b>	<b>A\$ 1,123.1</b>
Commitments and contingencies (Note 14)	-	-	-	-
<b>Shareholders' equity:</b>				
Common stock, 2.0 billion shares authorised; Euro 0.64 par value, 457,514,598 shares issued and outstanding at 31 March 2003 and Euro 0.50 par value, 455,438,519 shares issued and outstanding at 31 March 2002	269.7	205.4		
Additional paid-in capital	171.3	323.5		
Retained earnings (accumulated deficit)	44.4	(91.8)		
Employee loans	(4.4)	(4.8)		
Accumulated other comprehensive loss	(46.3)	(61.6)		
Total shareholders' equity	434.7	370.7		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 827.6</b>	<b>\$ 967.8</b>		

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statements of Income (US\$)

(Millions of US dollars, except per share data)	Years Ended 31 March		
	2003	2002	2001
Net sales	\$ 803.7	\$ 606.9	\$ 540.9
Cost of goods sold	(501.9)	(401.6)	(360.8)
Gross profit	301.8	205.3	180.1
Selling, general and administrative expenses	(153.1)	(114.8)	(108.8)
Research and development expenses	(18.1)	(14.1)	(14.5)
Restructuring and other operating income (expense)	1.0	(28.1)	(15.5)
Operating profit	131.6	48.3	41.3
Interest expense	(23.8)	(18.4)	(21.4)
Interest income	3.9	2.4	8.2
Other income (expense), net	0.7	(0.4)	1.6
Income from continuing operations before income taxes	112.4	31.9	29.7
Income tax (expense) benefit	(27.0)	(3.6)	0.3
Income from continuing operations	85.4	28.3	30.0
Discontinued operations:			
Income from discontinued operations, net of income tax expense of (\$0.7) million, (\$0.4) million and (\$16.4) million for 2003, 2002 and 2001, respectively	1.1	0.5	24.0
Gain (loss) on disposal of discontinued operations, net of income tax (expense) benefit of (\$45.3) million, \$1.3 million and \$0.6 million for 2003, 2002 and 2001, respectively	84.0	2.0	(15.1)
Income from discontinued operations	85.1	2.5	8.9
Income before cumulative effect of change in accounting principle	170.5	30.8	38.9
Cumulative effect of change in accounting principle for revenue recognition, net of income tax benefit of \$0.2 million	-	-	(0.3)
<b>Net income</b>	<b>\$ 170.5</b>	<b>\$ 30.8</b>	<b>\$ 38.6</b>
Income per share - basic:			
Income from continuing operations	\$ 0.19	\$ 0.06	\$ 0.07
Income from discontinued operations	0.18	0.01	0.02
Net income per share - basic	\$ 0.37	\$ 0.07	\$ 0.09
Income per share - diluted:			
Income from continuing operations	\$ 0.19	\$ 0.06	\$ 0.07
Income from discontinued operations	0.18	0.01	0.02
Net income per share - diluted	\$ 0.37	\$ 0.07	\$ 0.09
Weighted average common shares outstanding (in millions):			
Basic	456.7	438.4	409.6
Diluted	459.4	440.4	409.6

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statements of Income (A\$ Unaudited)

(Millions of Australian dollars, except per share data)	Years Ended 31 March		
	2003	2002	2001
Net sales	<b>A\$ 1,431.3</b>	A\$ 1,182.4	A\$ 973.0
Cost of goods sold	<b>(893.8)</b>	(782.4)	(649.0)
Gross profit	<b>537.5</b>	400.0	324.0
Selling, general and administrative expenses	<b>(272.7)</b>	(223.7)	(195.7)
Research and development expenses	<b>(32.2)</b>	(27.5)	(26.1)
Restructuring and other operating income (expense)	<b>1.8</b>	(54.7)	(27.9)
Operating profit	<b>234.4</b>	94.1	74.3
Interest expense	<b>(42.4)</b>	(35.8)	(38.5)
Interest income	<b>6.9</b>	4.7	14.8
Other income (expense), net	<b>1.2</b>	(0.8)	2.9
Income from continuing operations before income taxes	<b>200.1</b>	62.2	53.5
Income tax (expense) benefit	<b>(48.1)</b>	(7.0)	0.5
Income from continuing operations	<b>152.0</b>	55.2	54.0
Discontinued operations:			
Income from discontinued operations, net of income tax expense of (A\$1.2) million, (A\$0.8) million and (A\$29.5) million for 2003, 2002 and 2001, respectively	<b>2.0</b>	1.0	43.2
Gain (loss) on disposal of discontinued operations, net of income tax (expense) benefit of (A\$80.7) million, A\$2.5 million and A\$1.1 million for 2003, 2002 and 2001, respectively	<b>149.6</b>	3.9	(27.2)
Income from discontinued operations	<b>151.6</b>	4.9	16.0
Income before cumulative effect of change in accounting principle	<b>303.6</b>	60.1	70.0
Cumulative effect of change in accounting principle for revenue recognition, net of income tax benefit of A\$0.4 million	<b>-</b>	-	(0.5)
<b>Net income</b>	<b>A\$ 303.6</b>	A\$ 60.1	A\$ 69.5
Income per share - basic:			
Income from continuing operations	<b>A\$ 0.33</b>	A\$ 0.13	A\$ 0.13
Income from discontinued operations	<b>0.33</b>	0.01	0.04
Net income per share - basic	<b>A\$ 0.66</b>	A\$ 0.14	A\$ 0.17
Income per share - diluted:			
Income from continuing operations	<b>A\$ 0.33</b>	A\$ 0.13	A\$ 0.13
Income from discontinued operations	<b>0.33</b>	0.01	0.04
Net income per share - diluted	<b>A\$ 0.66</b>	A\$ 0.14	A\$ 0.17
Weighted average common shares outstanding (in millions):			
Basic	<b>456.7</b>	438.4	409.6
Diluted	<b>459.4</b>	440.4	409.6

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statements of Cash Flows (US\$)

(Millions of US dollars)	Years Ended 31 March		
	2003	2002	2001
<b>Cash flows from operating activities:</b>			
Net income	\$ 170.5	\$ 30.8	\$ 38.6
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on disposal of subsidiaries and businesses	(84.8)	(2.0)	(2.3)
(Gain) loss on disposal of investments and negotiable securities	(0.4)	1.3	(2.4)
Property, plant and equipment impairment	–	–	7.5
Depreciation and amortisation	28.7	39.9	37.7
Deferred income taxes	(10.6)	(0.6)	4.0
Prepaid pension cost	(0.3)	(0.7)	(0.2)
Tax benefit from stock options exercised	0.8	0.2	–
Stock compensation	1.9	1.8	0.2
Other	–	(0.4)	0.3
Changes in operating assets and liabilities:			
Accounts receivable	(10.8)	(32.1)	18.0
Prepays and other current assets	(9.9)	3.0	(9.3)
Inventories	(8.5)	16.4	(22.1)
Accounts payable	14.5	(4.7)	27.5
Accrued liabilities and other liabilities	(26.3)	23.7	(2.9)
<b>Net cash provided by operating activities</b>	<b>64.8</b>	<b>76.6</b>	<b>94.6</b>
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	(90.2)	(52.4)	(121.9)
Proceeds from sale of property, plant and equipment	49.0	0.3	2.7
Payments for subsidiaries and businesses, net of cash acquired	–	(40.8)	(9.9)
Proceeds from disposal of subsidiaries and businesses, net of cash invested	334.4	7.3	(11.8)
Proceeds from sale and maturity of investments	1.1	4.4	1.9
Collections on loans receivable	0.7	4.0	7.3
Cash transferred on establishment of ABN 60 Foundation	(57.1)	–	–
Cash transferred and payments of other costs on establishment of the Medical Research and Compensation Foundation	–	–	(31.2)
<b>Net cash provided by (used in) investing activities</b>	<b>237.9</b>	<b>(77.2)</b>	<b>(162.9)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings	5.5	230.4	188.0
Repayments of borrowings	(160.0)	(342.3)	(143.7)
Proceeds from issuance of shares	4.2	113.9	–
Repayments of capital	(94.8)	(22.5)	–
Dividends paid	(34.3)	(20.3)	(43.0)
<b>Net cash (used in) provided by financing activities</b>	<b>(279.4)</b>	<b>(40.8)</b>	<b>1.3</b>
Effects of exchange rate changes on cash	0.7	(2.6)	(12.1)
Net increase (decrease) in cash and cash equivalents	24.0	(44.0)	(79.1)
Cash and cash equivalents at beginning of period	31.1	75.1	154.2
<b>Cash and cash equivalents at end of period</b>	<b>55.1</b>	<b>31.1</b>	<b>75.1</b>
<b>Components of cash and cash equivalents:</b>			
Cash at bank and on hand	40.2	11.1	2.4
Short-term deposits	14.9	20.0	72.7
<b>Cash and cash equivalents at end of period</b>	<b>\$ 55.1</b>	<b>\$ 31.1</b>	<b>\$ 75.1</b>
<b>Supplemental disclosure of cash flow activities:</b>			
Cash paid during the period for interest, net of amounts capitalised	\$ 28.1	\$ 25.8	\$ 20.2
Cash paid (refunded) during the period for income taxes, net	\$ 77.3	\$ (10.2)	\$ 22.6

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statements of Cash Flows (A\$ Unaudited)

(Millions of Australian dollars)	Years Ended 31 March		
	2003	2002	2001
<b>Cash flows from operating activities:</b>			
Net income	A\$ 303.6	A\$ 60.1	A\$ 69.5
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on disposal of subsidiaries and businesses	(151.0)	(3.9)	(4.1)
(Gain) loss on disposal of investments and negotiable securities	(0.7)	2.5	(4.3)
Property, plant and equipment impairment	–	–	13.5
Depreciation and amortisation	51.1	77.7	67.8
Deferred income taxes	(18.9)	(1.2)	7.2
Prepaid pension cost	(0.5)	(1.4)	(0.4)
Tax benefit from stock options exercised	1.4	0.4	–
Stock compensation	3.4	3.5	0.4
Other	–	(0.9)	0.5
Changes in operating assets and liabilities:			
Accounts receivable	(19.2)	(62.5)	32.4
Prepays and other current assets	(17.6)	5.8	(16.7)
Inventories	(15.1)	32.0	(39.8)
Accounts payable	25.8	(9.2)	49.5
Accrued liabilities and other liabilities	(46.8)	46.2	(5.2)
<b>Net cash provided by operating activities</b>	<b>115.5</b>	<b>149.1</b>	<b>170.3</b>
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	(160.6)	(102.1)	(219.3)
Proceeds from sale of property, plant and equipment	87.3	0.6	4.9
Payments for subsidiaries and businesses, net of cash acquired	–	(79.5)	(17.8)
Proceeds from disposal of subsidiaries and businesses, net of cash invested	595.5	14.2	(21.2)
Proceeds from sale and maturity of investments	2.0	8.6	3.4
Collections on loans receivable	1.2	7.8	13.1
Cash transferred on establishment of ABN 60 Foundation	(94.5)	–	–
Cash transferred and payments of other costs on establishment of the Medical Research and Compensation Foundation	–	–	(56.1)
<b>Net cash provided by (used in) investing activities</b>	<b>430.9</b>	<b>(150.4)</b>	<b>(293.0)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings	9.8	448.9	338.2
Repayments of borrowings	(284.9)	(666.9)	(258.5)
Proceeds from issuance of shares	7.5	221.9	–
Repayments of capital	(168.8)	(43.8)	–
Dividends paid	(61.1)	(39.6)	(77.4)
<b>Net cash (used in) provided by financing activities</b>	<b>(497.5)</b>	<b>(79.5)</b>	<b>2.3</b>
Effects of exchange rate changes on cash	(16.2)	(14.0)	19.8
Net increase (decrease) in cash and cash equivalents	32.7	(94.8)	(100.6)
Cash and cash equivalents at beginning of period	58.5	153.3	253.9
<b>Cash and cash equivalents at end of period</b>	<b>91.2</b>	<b>58.5</b>	<b>153.3</b>
<b>Components of cash and cash equivalents:</b>			
Cash at bank and on hand	66.5	20.9	4.9
Short-term deposits	24.7	37.6	148.4
<b>Cash and cash equivalents at end of period</b>	<b>A\$ 91.2</b>	<b>A\$ 58.5</b>	<b>A\$ 153.3</b>
<b>Supplemental disclosure of cash flow activities:</b>			
Cash paid during the period for interest, net of amounts capitalised	A\$ 50.0	A\$ 50.3	A\$ 36.3
Cash paid (refunded) during the period for income taxes, net	A\$ 137.7	A\$ (19.9)	A\$ 40.7

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statements of Changes in Shareholders' Equity

(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Employee Loans	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balances as of 31 March 2000</b>	\$ 418.8	\$ –	\$ (98.7)	\$ (9.1)	\$ (66.3)	\$ 244.7
Comprehensive income:						
Net income	–	–	38.6	–	–	38.6
Other comprehensive income:						
Foreign currency translation gain	–	–	–	–	22.2	22.2
Unrealised loss on available-for-sale securities	–	–	–	–	(0.1)	(0.1)
Other comprehensive income	–	–	–	–	22.1	22.1
Total comprehensive income						60.7
Dividends paid	–	–	(43.0)	–	–	(43.0)
Issuance of common stock	17.3	–	–	–	–	17.3
Stock compensation	0.2	–	–	–	–	0.2
Employee loans repaid	–	–	–	1.2	–	1.2
Other	(0.8)	–	0.8	–	–	–
<b>Balances as of 31 March 2001</b>	435.5	–	(102.3)	(7.9)	(44.2)	281.1
Comprehensive income (loss):						
Net income	–	–	30.8	–	–	30.8
Other comprehensive income (loss):						
Effect of adopting SFAS No. 133:						
Unrealised transition loss on derivative instruments classified as cash flow hedges	–	–	–	–	(4.9)	(4.9)
Amortisation of unrealised transition loss on derivative instruments	–	–	–	–	1.1	1.1
Foreign currency translation loss	–	–	–	–	(14.9)	(14.9)
Unrealised gain on available-for-sale securities	–	–	–	–	1.3	1.3
Other comprehensive loss	–	–	–	–	(17.4)	(17.4)
Total comprehensive income						13.4
Dividends paid	–	–	(20.3)	–	–	(20.3)
Conversion of JHIL no par common shares to JHI NV Euro 0.50 par value common shares	(333.4)	333.4	–	–	–	–
Issuance of common stock	103.1	9.9	–	–	–	113.0
Return of capital of \$0.05 per share	–	(22.5)	–	–	–	(22.5)
Stock compensation	–	1.8	–	–	–	1.8
Tax benefit from stock options exercised	–	0.2	–	–	–	0.2
Employee loans repaid	–	–	–	3.1	–	3.1
Stock options exercised	0.2	0.7	–	–	–	0.9
<b>Balances as of 31 March 2002</b>	\$ 205.4	\$ 323.5	\$ (91.8)	\$ (4.8)	\$ (61.6)	\$ 370.7

The accompanying notes are an integral part of these consolidated financial statements.

(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Employee Loans	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balances as of 31 March 2002</b>	\$ 205.4	\$ 323.5	\$ (91.8)	\$ (4.8)	\$ (61.6)	\$ 370.7
Comprehensive income:						
Net income	-	-	170.5	-	-	170.5
Other comprehensive income:						
Amortisation of unrealised transition loss on derivative instruments	-	-	-	-	1.1	1.1
Foreign currency translation gain	-	-	-	-	21.9	21.9
Additional minimum pension liability adjustment	-	-	-	-	(7.7)	(7.7)
Other comprehensive income	-	-	-	-	15.3	15.3
Total comprehensive income						185.8
Dividends paid	-	-	(34.3)	-	-	(34.3)
Conversion of common stock from Euro 0.50 par value to Euro 0.85 par value	157.9	(157.9)	-	-	-	-
Conversion of common stock from Euro 0.85 par value to Euro 0.64 par value and subsequent return of capital	(94.8)	-	-	-	-	(94.8)
Stock compensation	-	1.9	-	-	-	1.9
Tax benefit from stock options exercised	-	0.8	-	-	-	0.8
Employee loans repaid	-	-	-	0.4	-	0.4
Stock options exercised	1.2	3.0	-	-	-	4.2
<b>Balances as of 31 March 2003</b>	<b>\$ 269.7</b>	<b>\$ 171.3</b>	<b>\$ 44.4</b>	<b>\$ (4.4)</b>	<b>\$ (46.3)</b>	<b>\$ 434.7</b>

The accompanying notes are an integral part of these consolidated financial statements.