



HJ&B GROUP LIMITED

exchange centre, level 12, 20 bridge street, sydney nsw 2000 t:(02) 8248 7000 f:(02) 8248 7200

www.hjb.com.au

STRICTLY PRIVATE & CONFIDENTIAL

Thursday 28th August 2003

**HJ&B Group Limited
ASX Company Announcement
Full Year Profit Announcement & Presentation**

Please find attached the following documents:

- Review of Operations for Year Ended 30th June 2003
- Appendix 4E Preliminary Final Report
- Investor Slide Presentation
- Media Release

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'J E Martin'.

John Edward Martin
Company Secretary

HJ&B Group Limited
For the Year Ended 30th June 2003
ABN 90091 302 975

Review of Operations

During a challenging period for the white collar recruitment industry HJ&B Group Limited has earned a profit after tax for the 12 months to 30th June 2003 of \$1.4 million. This compares to a loss after tax and significant items (consisting of a write down in the value of Goodwill of \$23.15 million) in the previous corresponding period of \$22.92 million.

The increase in profit resulted from solid contributions from both our core businesses and recent acquisitions. Total Gross revenues increased by 32% to \$99.8 million from \$75.5 million. Permanent revenues increased by 41.2% to \$23.3 million and Gross Temporary Revenues by 29.5% to \$75.9 million.

HJ&B Group has successfully pursued its strategy of specialist recruitment. During the past 12 months we have seen strong revenue growth in the Accounting, Legal and Technology sectors while the Banking, Finance and Sales and Marketing sectors have remained relatively flat. Our emerging presence in the Operations and Engineering segment (Light Construction, Manufacturing Logistics and Distribution) has continued to grow with gross revenues from this field increasing by almost 300%.

The Recruitment Industry continues to move towards customer relationships based upon Preferred Supplier Agreements ("PSA's"). PSA's are Tendered Agreements which are often procurement led, by large corporate clients who are seeking to rationalise their recruitment suppliers. The Group is very well positioned in winning and retaining such key accounts and has been successful over the past 12 months winning the following clients:

1. National Australia Bank Limited
2. ING
3. Australian Gas Light Company
4. NSW State Government

The NSW Government PSA win was particularly pleasing as the Group had been pursuing a strategy to expand its Government business over the past 12 months.

The quality of earnings within the Group is well diversified with no single client contributing to more than 4% of net revenue.

Net revenues for the second half were below first half by \$1.7 million which reflects the January holiday and Easter/Anzac holiday periods. However this was largely offset by lower costs of \$1.6 million reflecting the Group's ability to match revenue with expenses.

Acquisitions

HJ&B Group's two most recent acquisitions, Bowden Computer Placements (Queensland) ("Bowdens") and OCG Consulting in New Zealand ("OCG") have performed above our pre-purchase expectations.

HJ&B Group has reviewed several other acquisition opportunities over the past 12 months however, these prospects did not meet our internal criteria guidelines and the Group continues to seek suitable value adding acquisition opportunities.

Balance Sheet

HJ&B Group's balance sheet remains strong with a current ratio of 2.01 and a net cash balance of \$4.45 million.

OCG was acquired for NZ\$4.4 million plus an earn out where actual performance exceeded pre purchase expectations.

An amount of NZ\$2.4 million was paid on acquisition. The remaining NZ\$2.0 million plus the earn-out is to be paid within 2 to 3 years of purchase.

Should OCG continue to perform as it has during the FY03 year, an additional earn-out payment of NZ\$1.8 million would be payable in September 2004 over and above the original purchase consideration of NZ\$4.4 million. This has been reflected in the balance sheet with an associated increase in the value of goodwill and brand names. Total deferred settlement at 30 June was therefore A\$3.4 million with the next installment of A\$0.9 million due at the end of September 2003.

Debtor management remains a strong focus with Debtor days outstanding being a credible 35 days.

New Offices

The Sydney CBD businesses of Hamilton James & Bruce and Priority Personnel moved during the year to a purpose designed single office on levels 11 and 12 Exchange Centre, 20 Bridge Street Sydney.

The move was at a minimal annual cost increase due to a more efficient utilisation of space. Strong synergies are expected from having all Sydney CBD business operations on one floor.

Non operational costs

During the year, the company changed an accounting policy and undertook management restructuring which resulted in some non-operational expenditures being incurred. The Company changed its accounting policy relating to capitalisation of new consultant costs. In previous years a proportion of new consultant salaries were capitalised until they began to deliver acceptable levels of revenue. Directors have discontinued this policy. This has resulted in a "one off" charge in the current year of \$346,000 (\$242,000 after tax) from writing off the capitalised costs carried forward from the previous year.

During the first half, the Group renegotiated its foreign loan facilities to an Australian dollar facility. The foreign currency facilities were not matched by foreign assets.

This will have the effect of both reducing future interest costs and future exchange fluctuations on these borrowings. This re-negotiation resulted in a one off foreign currency exchange loss charged against the Profit and Loss of \$109,000 in the first half.

The HJ&B Group continues to seek efficiency and deliver consistent sustainable profitability. In order to drive the business towards this outcome, restructuring costs of \$720,000 were incurred in the current year.

Infrastructure

HJ&B Group is upgrading its systems infrastructure to improve efficiencies to:

- Reduce its cost base;
- Improve customer relationships and service;
- Improve data integrity; and
- Make consolidation of acquisitions more efficient

During the year a new payroll system and reporting system were successfully implemented. In addition, new candidate data base/CRM billing and electronic time sheeting systems are being implemented with completion due early in the new year.

All systems are being funded through working capital.

Dividend

HJ&B Group's consistent performance and improved outlook has enabled the Board to declare a 1 cent per share final dividend fully franked as to 30% for the 2nd half. This brings the full year dividend to 2 cents per share, fully franked (previous year 1 cent).

The dividend will be paid on the 16th October 2003 with entitlement to the dividend determined by close of business on 9th October 2003.

Tax

Tax expense was affected in the current year by writing back Future Tax Benefits relating to leasehold improvements on our recently vacated Sydney premises. This, together with the amortisation of Goodwill on consolidation has resulted in an effective tax rate of 44% for the FY03 year.

Outlook

HJ&B Group has delivered a positive result in a market which has been lacking in business confidence.

HJ&B Group has continued to improve efficiencies through infrastructure improvements and is positioning itself well for the future while producing a credible result for shareholders in the current year.

HJ&B Group will continue to pursue its strategies of:

- Strengthening and growing our specialist recruitment strategy;
- Continuing to improve and refine our cost base
- Protecting and servicing our key customer relationships
- Developing and improving the skill levels of our staff.
- Seeing business efficiencies through infrastructure improvements
- Actively seeking growth opportunities through new markets and locations both organically and by acquisition

These strategies are working and HJ&B Group is well placed to take advantage of any improvement in the market place.

Directors are confident that HJ&B Group will continue to improve its performance over the forthcoming 12 months.

HJ&B Group Limited

ASX Preliminary Final Report

30 June 2003

Lodged with the ASX under Listing Rule 4.3A

Contents	Item
Results for announcement to the market	1
Commentary on Results	2
Condensed Consolidated Statement of Financial Performance	3
- Revenue from ordinary activities	3.1
- Expenses from ordinary activities	3.2
- Extraordinary Items	3.3
- Individually Significant Items	3.4
- Amortisation and Impairment Expenses	3.5
- Capitalisation of Borrowing Costs	3.6
- Comparison of Half-Year Profits	3.7
Condensed Consolidated Statement of Financial Position	4
- Consolidated Retained Profits	4.1
- Exploration and Evaluation Expenditure Capitalised	4.2
- Development Properties	4.3
Condensed Consolidated Statement of Cash Flows	5
- Reconciliation of Cash	5.1
- Non-Cash Financing and Investing Activities	5.2
Net tangible assets per ordinary share	6
Details of controlled entities	7
Details of associates and joint venture entities	8
Dividends	9
Accounting Standards	10
Other Information Regarding the Accounts	11
Other Significant Information	12
Supplementary Information	13
- Franking Credits	13.1
- Contingent Liabilities	13.2
- Revisions from that reported in previous periods	13.3
- Ratios	13.4
- Issued and Quoted Securities at end of Current Period	13.5
- Annual Meeting Notice	13.6

Appendix 4E

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

Preliminary Final Report of consolidated economic entity results in accordance with listing rule 4.3A.

This Statement has been prepared under accounting policies which comply with Accounting Standards as defined in the Corporations Law and gives a true and fair view of the matters disclosed.

This Statement is based on accounts which are in the process of being audited.

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

		<u>\$A'000</u>		<u>\$A'000</u>
Revenues from ordinary activities	up by	32.2%	to	99,827
Profit from ordinary activities after tax attributable to members	Last year profit	(22,920)	to	1,403
Net profit for the period attributable to members	Last year profit	(22,920)	to	1,403

Dividends per share

	Amount per share	Franked amount per share at 30% tax
This period		
Interim dividend paid	1 cent	1 cent
Final dividend declared in this period	1 cent	1 cent
Previous Corresponding Period		
Interim dividend paid	Nil	Nil
Final dividend paid	1 cent	1 cent

Record date for determining entitlements to the final dividend

9 October, 2003

Explanations

During the previous corresponding period the Company wrote down the value of its Goodwill on Consolidation by \$23.15 million

Short details of any bonus or cash issue or other item(s) of importance not previously released to the Market .

Nil

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

2. COMMENTARY ON RESULTS

Overview

See attached Review of Operations.

Accounting Policies, Estimation Methods and Measurement Bases

The following changes in accounting policies, estimation methods and measurement bases have occurred since the last annual report:

During the year, the company changed its accounting policy in relation to the capitalisation of new consultant costs. In previous years, a portion of new consultant salaries were capitalised. This was based on the premise that new consultants took 6 months to settle, re-establish contact with clients and produce acceptable levels of revenue. This policy was cancelled during the year. This resulted in a charge against current period profits of \$346k. In the previous period an amount of \$381k was capitalised.

Reports for Industry and Geographical Segments

	Current Period \$A'000	Previous Corresponding Period \$A'000
The Company operates in one industry segment being the recruitment industry.		
The Recruitment Industry:		
Total Revenue	99,827	75,536
Segment Result (Profit before income tax)	2,506	(22,400)
Segment Assets	35,126	26,535
The Company operates in only two geographic areas, being Australia and New Zealand:		
Australia		
Total Revenue	86,679	75,536
Segment Result (Profit before income tax)	1,958	(22,400)
Segment Assets	27,153	26,535
New Zealand		
Total Revenue	13,148	-
Segment Result (Profit before income tax)	548	-
Segment Assets	7,973	-

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

3. CONDENSED CONSOLIDATES STATEMENT OF FINANCIAL PERFORMANCE

	Current Period \$A'000	Previous Corresponding Period \$A'000
Revenues from ordinary activities (Refer 3.1)	99,827	75,536
Expenses from ordinary activities	(97,065)	(74,687)
Capital loss on write off of goodwill (Refer 3.4)	-	(23,150)
Borrowing costs	(256)	(99)
Share of net profits (losses) of associates and joint venture entities	-	-
Profit (Loss) from ordinary activities before tax	2,506	(22,400)
Income tax on ordinary activities	(1,103)	(520)
Profit (Loss) from ordinary activities after tax	1,403	(22,920)
Profit (Loss) from extraordinary items after tax	-	-
Net profit (loss)	1,403	(22,920)
Net profit (loss) attributable to outside equity interests	-	-
Net profit (loss) for the period attributable to members	1,403	(22,920)
Non-owner transaction changes in equity		
Non-Owner Changes in Equity		
Increase (decrease) in revaluation reserves	-	-
Net exchange differences on translation of financial report of foreign controlled entity	(4)	-
Net amount of each revenue, expense or valuation adjustment, recognised directly in equity in accordance with Accounting Standards	-	-
Net amount of each initial adjustment recognised directly in equity in accordance with transitional provisions of UIG Consensus Views	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	(4)	-
Total changes in equity other than those resulting from transactions with owners as owners	1,399	(22,920)

Earnings per security (EPS)

Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per share.

Basic Earnings Per Share

Diluted Earnings Per Share

Dividends Per Share

	Current Period	Previous Corresponding Period
Basic Earnings Per Share	\$0.023	(\$0.395)
Diluted Earnings Per Share	\$0.023	(\$0.395)
Dividends Per Share	2 cents	1 cent

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

3.1 Revenue from Ordinary Activities

	Current Period \$A'000	Previous Corresponding Period \$A'000
Revenue from sales or services		
Permanent placements	23,277	16,424
Temporary placements	75,896	58,546
Human Resources services	114	-
Interest	171	134
Other relevant revenue		
Advertising Rebates	353	423
Other sundry	16	9
Total Revenue	99,827	75,536

3.2 Expenses from Ordinary Activities

	Current Period \$A'000	Previous Corresponding Period \$A'000
If disclosing by "nature"		
Depreciation and amortisation expense (including intangibles)	1,008	1,589
- Cost of temporary placements	61,333	47,066
- Employment costs	26,549	18,937
- Other expenses from ordinary activities	6,617	5,484
- Operating lease rental	1,814	1,710
- Capital Write off of Goodwill	-	23,150
	97,321	97,936

3.3 Extraordinary Items

Nil

3.4 Individually Significant Items

	Current Period \$A'000	Previous Corresponding Period \$A'000
- Capital Write off of Goodwill	-	(23,150)
	-	(23,150)

3.5 Amortisation and Impairment Expenses

	Consolidated Current Year			Amount (after tax) attributable to members \$A'000
	Before Tax \$A'000	Related Tax \$A'000	Related outside Equity interest \$A'000	
Amortisation of goodwill	269	-	-	269
Amortisation of other intangibles	-	-	-	-
Total amortisation of intangibles	269	-	-	269
Impairment of goodwill	-	-	-	-
Impairment of other intangibles	-	-	-	-
Impairment of other assets	-	-	-	-
	-	-	-	-

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

3.6 Capitalisation of Borrowing Costs

Borrowing costs capitalised that are not included in borrowing cost expenses disclosed above include:

Nil

3.7 Comparison of Half-Year Profits

Consolidated operating profit(loss) from ordinary activities after tax attributable to members reported for the 1st half yearly report
(Previous year includes write down of Goodwill on Consolidation of \$23,150,000)

Consolidated operating profit(loss) from ordinary activities after tax attributable to members reported for the 2nd half year

Current Period \$A'000	Previous Corresponding Period \$A'000
753	(22,825)
650	(95)

PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003

4. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Current Period	Previous Corresponding Period
	\$A'000	\$A'000
Current Assets		
Cash	4,449	5,107
Receivables	11,211	9,723
Other debtors and prepayments	343	105
Total Current Assets	16,003	14,935
Non Current Assets		
Receivables	-	-
Property, plant and equipment (net)	3,767	1,490
Intangibles		
Database, & brand names	11,537	8,256
Goodwill on acquisition	3,049	1,031
Tax Assets	768	820
Other	2	3
Total Non Current Assets	19,123	11,600
TOTAL ASSETS	35,126	26,535
Current Liabilities		
Payables	6,895	5,660
Interest bearing liabilities	90	-
Non-Interest bearing liabilities	873	-
Tax Liabilities	240	342
Provisions (excluding tax liabilities)	759	647
Other	-	329
Total Current Liabilities	8,857	6,978
Non Current Liabilities		
Interest bearing liabilities	3,268	2,000
Non-Interest bearing liabilities	4,500	-
Tax Liabilities	3	12
Provisions (excluding tax liabilities)	483	418
Total Non Current Liabilities	8,254	2,430
TOTAL LIABILITIES	17,111	9,408
NET ASSETS	18,015	17,127
Equity		
Capital/Contributed equity	17,876	17,164
Reserves	(4)	-
Retained Profits/(Accumulated losses)	143	(37)
Equity Attributable to Members of the Parent Entity	18,015	17,127
Outside equity interests in controlled entities	-	-
Total Equity	18,015	17,127
Preference Capital included as part of Capital/Contributed Equity above	-	-

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

4.1 Consolidated Retained Profits

	Current Period \$A'000	Previous Corresponding Period \$A'000
Retained profits (accumulated losses) at beginning of financial period	(37)	586
Change in accounting policy adjustments	-	-
Aggregate of amounts transferred from reserves	-	-
Net profit (loss) attributable to members	1,403	(22,920)
Transfers from accumulated losses to Contributed equity	-	23,150
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	(1,223)	(853)
Retained profits (accumulated losses) at end of financial period	143	(37)

4.2 Exploration and Evaluation Expenditure Capitalised

Nil

4.3 Development Properties

Nil

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Period \$A'000	Previous Corresponding Period \$A'000
Cash Flows Related to Operating Activities		
Receipts from customers	101,370	81,131
Payments to suppliers and employees	(97,746)	(76,400)
Interest and other items of similar nature received	171	134
Interest and other costs of finance paid	(294)	(9)
Income taxes paid	(1,317)	(359)
Other taxes paid	-	-
Net Operating Cash Flows	2,184	4,497
Cash Flows Related to Investing Activities		
Payment for purchases of property, plant and equipment	(1,149)	(300)
Proceeds from sale of property, plant and equipment	-	65
Payment for purchases of investments & businesses (net): Bowden Computer Placements & OCG Consulting Limited	(1,828)	(1,509)
Other	-	-
Net Investing Cash Flows	(2,977)	(1,744)
Cash Flows Related to Financing Activities		
Proceeds from issues of securities	-	-
Payment of expenses related to the issue of shares	-	-
Proceeds from borrowings	1,521	2,000
Repayment of borrowings	(163)	(71)
Dividends paid	(1,223)	(853)
Other	-	-
Net Financing Cash Flows	135	1,076
Net Increase / (Decrease) in Cash Held	(658)	3,829
Cash at beginning of period	5,107	1,278
Exchange rate adjustments to cash at beginning of period	-	-
Cash at End of Period (Refer 5.1 below)	4,449	5,107

5.1 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 as follows:

Cash on hand and at bank
Deposits at call
Bank overdraft
Other

Total cash at end of period

	Current Period \$A'000	Previous Corresponding Period \$A'000
Cash on hand and at bank	4,411	5,065
Deposits at call	38	42
Bank overdraft	-	-
Other	-	-
Total cash at end of period	4,449	5,107

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

5.2 Non-Cash Financing and Investing Activities

Details of financing and investing transactions which have had a material effect on entity assets and liabilities but did not involve cash flows:

A\$1,747,000 - Acquisition of OCG - Deferred settlement to be paid by 2007
A\$712,000 - Issue of shares as part of the OCG Acquisition
A\$1,626,000 - Estimated Deferred Settlement OCG Consulting Earn Out

6. NTA Backing

Net tangible asset backing per ordinary security - cents

Current Period	Previous Corresponding Period
4.36	12.00

7. DETAILS OF CONTROLLED ENTITIES

7.1 Control gained over entities having material effect

Name of entity

OCG Consulting Limited

Date control acquired, i.e. date from which profit(loss) has been calculated

01-Jul-02

Profit/(loss) after management fees from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period since the date on which control was acquired

\$295,832

Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

N/A

7.2 Loss of control of entities having material effect

Not Applicable

8. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not Applicable

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

9. DIVIDENDS

Date the dividend is payable	16 October 2003
Record date to determine entitlements to dividend	9 October 2003
If it is a final dividend, has it been declared?	Yes

9.1 Dividends per Share

	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign source dividend
Final Dividend:			
Current period	1 cent	1 cent	Nil
Previous corresponding period	1 cent	1 cent	Nil
Interim Dividend:			
Current period	1 cent	1 cent	Nil
Previous corresponding period	Nil	Nil	Nil

9.2 Total Dividends

	Current Period \$A'000	Previous Corresponding Period \$A'000
Ordinary securities		
Interim - paid on 14 March 2003	611	-
Final - payable on 16 October 2003	611	611
Preference securities	-	-
Total	1,222	611

9.3 Dividend Reinvestment Plan

The Company does not have a dividend reinvestment plan.

The last date for receipt of election notices for the dividend plan:

Not Applicable

Any other disclosures in relation to dividends:

None

10. ACCOUNTING STANDARDS

The information contained in this Appendix 4E has been compiled in accordance with applicable Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issue Group Consensus Views and the *Corporations Act 2001*.

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

11. OTHER INFORMATION REGARDING THE ACCOUNTS

11.1 The information contained in this Appendix 4E is based on accounts which are in the process of being audited.

11.2 Audit Disputes or Qualifications

Not Applicable

12. OTHER SIGNIFICANT INFORMATION

Not Applicable

13. SUPPLEMENTARY INFORMATION

13.1 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year:

<p>Franking credits available at 30 June 2003, prior to payment of the final dividend, are \$5,639,000 based on the 30% tax rate.</p> <p>The Company's ability to fully frank future dividends depends upon future Australian taxable profits of the Group.</p>

13.2 Contingent Liabilities

None

13.3 Revisions from that reported in previous periods

None

13.4 Ratios

Profit before tax / revenue

Consolidated profit/(loss) from ordinary activities before tax as a percentage of revenue.

Profit after tax / equity interests

Consolidated net profit/(loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period.

Current Period	Previous Corresponding Period
2.5%	-29.7%
7.79%	-133.8%

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

13.5 Issued and Quoted Securities at end of Current Period

Category of securities	Total number	Number Quoted	Issue price per security (cents)	Amount paid up per security (cents)
Ordinary Securities				
	56,879,200	56,879,200	71	71
	1,599,500	1,599,500	24	24
	121,690	121,690	34	34
	2,541,295	2,541,295	28	28
	61,141,685	61,141,685		
Issued during current period (relating to OCG acquisition)		2,541,295	28	28
		2,541,295		
			Exercise Price	Expiry Date (if any)
Options (description and conversion factor) (Total on issue at 30 June 2003 were 1,145,000)	2,230,000	2,230,000	\$ 1.00	17 December, 2005
	2,230,000	2,230,000		
Issued during current period	-	-		
	-			
Exercised during current period	-			
	-			
Expired during current period	734,000	734,000	\$ 1.00	

**PRELIMINARY FINAL REPORT
HJ&B GROUP LIMITED
ABN: 90 091 302 975
For the year ended 30 June 2003**

13.6 Annual Meeting

The annual meeting will be held as follows:

Place:	The Shangri-La Hotel 176 Cumberland Street, The Rocks, NSW 2000
Date:	Wednesday 19th November 2003
Time:	10.00am
Approximate date the annual report will be available:	17 October 2003

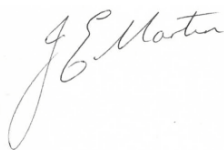
Nominations for the position of Director must be received by the Company by 5pm Wednesday 1 October 2003.

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 the ASX.
- 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 .
- 4 This report is based on financial statements to which one of the following applies:

- The accounts have been audited
- The accounts have been subject to review
- The accounts are in the process of being audited or subject to review
- The accounts have not yet been audited or reviewed

- 5 The entity has a formally constituted audit committee.



JE Martin (Company Secretary)

28 August 2003
Date

HJ&B Group Limited

“Consistent Underlying Performance”

Results for 12 Months Ended
30 June 2003



Contents



1. Financial Performance Highlights
2. Financial Performance - Revenue and Mix
3. Financial Performance - Profit after Tax
4. Balance Sheet
5. Operational Highlights
6. Infrastructure
7. Infrastructure Benefits
8. Acquisitions
9. Our Strategy - Short to Medium Term

“Consistent Underlying Performance”

Financial Performance Highlights



- Gross Revenue (including Other Revenue) ↑ 32.2% to \$99.8m
- Net Revenue ↑ 34.4% to \$38.3m
- Like for Like Net Revenues(excluding OCG & Bowden) ↑ 8.1% to \$30.6m
- EBITDA up ↑ 56.5% to \$3.6m
- Full Year Dividend Payout 2 cents fully franked
(last year: 1 cent)
- EPS 2.3 cents

“Consistent Underlying Performance”

Revenue & Mix



	12 mths Jun 03		12 mths Jun 02		Variation
	\$AM	Mix	\$AM	Mix	%
Gross Revenue					
Permanent Placements	23.3	23.5%	16.4	21.9%	42.0
Temporary Placements	<u>75.9</u>	76.5%	<u>58.6</u>	78.1%	29.5
	<u>99.2</u>		<u>75.0</u>		32.2
Net Revenue					
Permanent Placements	23.3	61.5%	16.4	58.8%	42.0
Temporary Placements	<u>14.6</u>	38.5%	<u>11.5</u>	41.2%	27.0
Net Margin	<u>37.9</u>		<u>27.9</u>		35.8
Other Revenue (excluding Interest)	<u>0.4</u>		<u>0.4</u>		-
Total Net Revenue	<u>38.3</u>		<u>28.3</u>		35.3
Like for Like Revenues (excluding Bowden & OCG)	<u>30.6</u>		<u>28.3</u>		8.1

“Consistent Underlying Performance”

Profit After Tax

(excluding prior year adjustments for Goodwill Write Down)



	12 Mths Jun 03*	12 Mths Jun 02	Variation
	<u>\$M</u>	<u>\$M</u>	<u>%</u>
Total Net Revenue	38.3	28.3	35.3%
Less			
Operating Expenses	<u>(34.7)</u>	<u>(26.2)</u>	(32.4%)
EBITDA	3.6	2.3	56.5%
Depreciation & Amortisation	(0.7)	(0.8)	
Amortisation of Goodwill	(0.3)	(0.8)	-
Interest (expense) / Income	<u>(0.1)</u>	<u>-</u>	-
Profit Before Tax	2.5	0.7	257%
Tax	<u>(1.1)</u>	<u>(0.5)</u>	-
Profit After Tax	1.4	0.2	600%
	=====	=====	

* All FY03 figures include OCG and Bowden results for the full year.

“Consistent Underlying Performance”

Balance Sheet - as at 30 Jun 2003



Debtor Management

- Days outstanding - 35 days

Cash Flow

- Have maintained controls over working capital
- \$2.2 million net operating cash flow
- Current year operating cash flows are affected by working capital funding for OCG and Bowden \$0.9 million

“Consistent Underlying Performance”

Operational Highlights



- Revenue continues to trend upwards
- Strong diverse client base:

	<u>% of net rev</u>
– top 10 customers	18 %
– top 20 customers	26 %
– no single customer more than 4% of net revenue	
- Industry specialisation showing benefits
 - strong growth in Legal, Accounting, Operations & Engineering and Technology
- Margin maintenance
- Strong contribution from acquisitions

“Consistent Underlying Performance” Operational Highlights



- Major account wins - PSAs
 - ING Australia
 - National Australia Bank
 - AGL
 - NSW State Government

“Consistent Underlying Performance”

Infrastructure



- Reporting Package - *Implemented*
- Payroll System - *Implemented*
- Website - *September 2003*
- Candidate Database - *First Quarter 2004*
- Billing System - *First Quarter 2004*
- E-Time Sheeting - *First Quarter 2004*

Total Expected Cost = \$1.5 million
(funded by working capital)

“Consistent Underlying Performance” Infrastructure Benefits



- Improved Revenues
- Reduced Cost Base
- Improved Data Integrity
- More Creative Solutions for Clients
- Simplify Back Office for Future Acquisitions

“Consistent Underlying Performance”

Acquisitions



- OCG (Consulting) Limited (New Zealand) (OCG)
 - Acquired 4th July 2002
 - Second largest Executive Recruitment firm in New Zealand
- Bowden Computer Placements (Queensland) Pty Ltd (Bowdens)
 - Acquired 18th June 2002
 - Queensland’s largest IT & Government Specialist
- Continuing to review potential acquisition opportunities
- Bowdens now physically integrated
- OCG continues to act as a stand alone with cross fertilisation - Candidate, Clients and Training

“Consistent Underlying Performance”

Our Strategy - Short to Medium Term



- Grow market share
- Manage margins and business mix
- Broaden income streams (New Clients, New Products)
- Closely monitor costs and cash flow
- Improve consultant productivity/yield through better training and systems
- Review strategic acquisition opportunities



THANK YOU



HJ&B GROUP LIMITED

level 12, 20 bridge street, sydney nsw 2000 t:(02) 8248 7000 f:(02) 8248 7200

www.hjb.com.au

28 August 2003

STRONG UNDERLYING PERFORMANCE DRIVES HJ&B GROUP FUTURE GROWTH

HJ&B Group Limited today announced a profit after tax of \$1.4 million for the year ending 30th June 2003, proving its market resilience in a challenging year for white-collar recruitment.

HJ&B Group Chief Executive Officer, Mr Allan Marks said recent strategies, acquisitions, a commitment to improving infrastructure efficiencies and sticking to core business had driven the positive result.

“HJ&B Group has successfully pursued its strategy of specialist recruitment, producing a strong result in a market lacking in business confidence,” Mr Marks said.

“We have continued to improve our internal efficiencies and positioned ourselves to take advantage of future market improvements, while producing a credible result for shareholders.”

The Board declared a fully franked final dividend of 1 cent per share, bringing the total fully franked dividend for the year to 2 cents per share (previous year 1 cent).

Mr Marks said strong revenue growth had been experienced in the Accounting, Legal and Technology sectors during the past twelve months, while the Banking, and Sales and Marketing sectors had remained relatively flat. The Operations and Engineering segment has grown by over 300% from a relatively low base.

“Solid contributions from both our core businesses and recent acquisitions have resulted in our total gross revenues increasing by 32% to \$99.8 million from \$75.5 million,” Mr Marks said.

Permanent revenues increased by 41% to \$23.3 million and gross temporary revenues increased by 29.5% to \$75.9 million.

Mr Marks also highlighted the success of recent acquisitions within Australia and New Zealand.

“Our acquisitions of Bowden Computer Placements (Queensland) and OCG Consulting in New Zealand performed above pre-purchase expectations,” Mr Marks said.

“We are committed to continuing to pursue growth opportunities through new markets and locations both organically and by acquisition in the year ahead.”

HJ&B Group’s balance sheet remains strong with a current ratio of 2.01 and a net cash balance of \$4.45 million.

Mr Marks said the Group was well positioned to continue winning and retaining Preferred Supplier Agreements (PSA's) with leading corporate clients over the next twelve months, having recently secured key accounts with National Australia Bank Limited, ING, Australian Gas Light Company and the NSW State Government.

"The quality and diversity of our earnings are extremely positive across the Group, with no single client contributing to more than 4% of net revenue," Mr Marks said.

Despite second-half net revenues falling below first-half by \$1.7 million, it was largely offset by lower costs of \$1.6 million, reflecting the Group's ability to match revenue with expenses.

"By continuing to improve and refine our cost base, protect and service our key customer relationships and improve the skill levels of our staff, we are confident HJ&B Group will continue to improve its performance over the forthcoming 12 months," Mr Marks said.

HJ&B Group is currently upgrading its systems infrastructure to improve efficiencies across all areas, with systems being funded through working capital of \$1.5 million.

Today's profit announcement of \$1.4 million is a significant improvement on the comparable profit after tax earned last year (before write down in the value of Goodwill of \$23.15 million) of \$230,000.

END

Further media information:

James Rickards
Corporate Communication Manager
Phone: 8248 7064
Mobile: 0419 731 371
