



SUPPLY NETWORK LIMITED

ABN 12 003 135 680

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20 March 2003

The Manager
Companies Announcements Office
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir

RE: Shareholder Update 31 December 2002

Please find attached a copy of Supply Network Limited Shareholder Update 31 December 2002 which is being sent to shareholders.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Gill', written in a cursive style.

Peter Gill
Company Secretary

Supply Network Limited
Condensed Statement of Financial Performance
Half-year ended 31 December 2002

	Consolidated	
	2002	2001
	\$000	\$000
Revenues from ordinary activities	15,187	13,033
Expenses from ordinary activities	(14,528)	(12,766)
Profit from ordinary activities before income tax expense	659	267
Income tax expense relating to ordinary activities	(223)	(89)
Profit from ordinary activities after income tax expense	436	178
Net profit attributable to members of Supply Network Limited	436	178
Net exchange difference on translation of financial statements of foreign controlled entity	75	15
Total revenues, expenses and valuation adjustments attributable to members of Supply Network Limited and recognised directly in equity	75	15
Total changes in equity other than those resulting from transactions with owners as owners	511	193
Basic and diluted earnings per share (cents per share)	2.10	0.92
Weighted average number of ordinary shares used in the calculation of basic earnings per share	20,699,396	19,345,845

Supply Network Limited
Condensed Statement of Financial Position
Half-year ended 31 December 2002

	Consolidated	
	December 2002	June 2002
	\$000	\$000
Current Assets		
Cash assets	221	292
Receivables	4,037	3,950
Inventories	9,792	9,305
Other	144	15
Total Current Assets	14,194	13,562
Non-Current Assets		
Property, plant and equipment	825	661
Deferred tax assets	474	465
Total Non-Current Assets	1,299	1,126
Total Assets	15,493	14,688
Current Liabilities		
Payables	4,682	4,729
Interest bearing liabilities	158	162
Current tax liabilities	203	168
Provisions	793	800
Total Current Liabilities	5,836	5,859
Non-Current Liabilities		
Interest bearing liabilities	1,893	1,893
Deferred tax liabilities	44	17
Provisions	204	165
Total Non-Current Liabilities	2,141	2,075
Total Liabilities	7,977	7,934
Net Assets	7,516	6,754
Equity		
Contributed equity	5,282	4,837
Reserves	69	(6)
Retained profits	2,165	1,923
Total Equity	7,516	6,754

Supply Network Limited
Condensed Statement of Cash Flows
Half-year ended 31 December 2002

	Consolidated	
	2002	2001
	\$000	\$000
Cash flows from operating activities		
Receipts from customers	16,568	14,322
Payments to suppliers and employees	(16,311)	(14,036)
Borrowing costs	(90)	(103)
Income taxes paid	(171)	(277)
Net cash flows from/(used in) operating activities	(4)	(94)
Cash flows from investing activities		
Payments for property, plant and equipment	(313)	(205)
Proceeds from sale of property, plant and equipment	-	5
Net cash flows from/(used in) investing activities	(313)	(200)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	445	-
Proceeds from borrowings	149	510
Repayment of borrowings	(153)	(140)
Payment of dividend on ordinary shares	(195)	(97)
Net cash flows from/(used in) financing activities	246	273
Net increase (decrease) in cash held	(71)	(21)
Add opening cash brought forward	292	(202)
Closing cash carried forward	221	(223)

Dear Shareholder

As you will notice this is the first communication under our new name which was approved at the last Annual General Meeting together with all other agenda items.

I am pleased to provide details of the recently announced results for the six months ended 31 December 2002.

In comparison with the corresponding period last year, sales revenues increased 17% to \$15.2m and net profit after tax increased 145% to \$436,000. This equates to 2.1 cents per share, which was slightly ahead of expectations.

These figures reflect steady growth in our core business across all Multispares outlets including the new outlets recently opened in Christchurch (April 2002) and Newcastle (August 2002).

This underlying growth is balanced in the short-term against difficulties being experienced in some of our regional markets as a result of the drought and rising fuel prices. In view of this Directors reaffirm previous advice that they expect full-year after tax earnings of 4 cents per share on the increased number of shares on issue.

A fully franked interim dividend of 0.75 cents per share payable on 28 March 2003 has also been declared

A summary of the financial data from our announcement to the Australian Stock Exchange is presented overleaf for your information. The details and any future announcements will be available on our website at www.supplynetwork.com.au.

HARRY FORSYTH
CHAIRMAN



Supply Network Limited

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Supply Network Limited

(formerly Multispares Holdings Limited)

A.B.N. 12 003 135 680

Shareholder Update

31 December 2002