

UNDERCOVERWEAR COLLECTION

TRADING & PROFIT STATEMENT											
	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	YTD 30/04/04
TURNOVER	2,811,763	2,753,237	3,349,994	3,239,306	3,025,356	2,649,199	966,353	2,063,735	2,603,343	2,525,486	26,007,772
PROFIT AFTER DIRECT COSTS	629,397	802,767	957,016	1,321,652	852,541	693,328	209,462	531,503	754,130	802,604	7,554,404
Gross Profit % to Turnover	22%	29%	29%	41%	28%	26%	21%	26%	29%	32%	29%
EXPENSES	580,083	517,291	580,326	916,603	597,141	582,595	449,450	515,632	532,961	550,400	5,842,931
SUNDRY INCOME	1,517	1,248	4,091	8,500	9,810	20,771	5,990	5,045	2,241	3,461	62,675
Manufacturing Division Margin	123,927	130,133	118,180	72,246	54,785	-2,882	17,518	-22,653	-37,970	-15,833	447,897
EARNINGS BEFORE INTEREST AND TAX	174,768	416,857	488,961	485,795	319,995	128,622	-216,480	-1,737	185,440	239,832	2,222,045
Interest Expense	8,745	10,778	11,015	10,320	6,272	5,634	5,106	3,950	516	528	62,864
NET PROFIT	166,013	406,079	477,946	475,475	313,723	122,988	-221,586	-5,687	184,924	239,304	2,159,181

UNDERCOVERWEAR COLLECTION

BALANCE SHEET											
	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04
CURRENT ASSETS											
Cash at Bank	464,953	170,717	434,228	743,401	531,505	171,771	-367,923	238,391	-39,595	136,428	
Cash Assets	96,376	152,041	129,378	169,037	102,832	340,441	358,675	130,984	102,554	137,540	
Receivables	354,101	163,997	-48,545	444,328	-22,268	434,111	405,826	193,753	79,621	279,452	
Inventories	4,956,448	5,138,858	4,895,400	4,662,328	4,315,227	4,094,264	4,160,323	3,920,829	4,389,761	3,829,890	
Other	209,697	142,654	914,288	1,094,905	931,058	181,588	101,761	285,398	527,777	469,839	
TOTAL CURRENT ASSETS	5,151,669	5,768,267	6,324,729	7,083,999	5,858,354	5,222,175	4,688,662	4,749,355	5,060,118	4,853,149	
NON-CURRENT ASSETS											
Property, plant and equipment	650,870	688,139	844,798	824,038	804,855	773,045	736,367	703,101	682,310	667,817	
Intangible assets	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	
TOTAL NON-CURRENT ASSETS	1,850,870	1,888,139	2,044,798	2,024,038	2,004,855	1,973,045	1,936,367	1,903,101	1,882,310	1,867,817	
TOTAL ASSETS	7,002,539	7,656,406	8,369,527	9,108,037	7,863,209	7,195,220	6,595,029	6,652,456	6,942,428	6,720,966	
CURRENT LIABILITIES											
Payables	2,547,647	2,509,134	2,685,569	2,769,033	2,026,704	1,727,700	1,292,870	1,590,127	2,639,935	2,292,994	
Interest bearing liabilities	1,051,709	1,299,458	1,300,703	1,299,490	949,017	588,978	588,965	338,910	976,784	867,990	
Provisions	822,370	860,921	918,417	1,099,198	897,450	765,514	819,950	896,518	976,784	867,990	
TOTAL CURRENT LIABILITIES	4,421,726	4,669,513	4,904,689	5,167,721	3,873,171	3,082,192	2,701,785	2,825,555	3,616,719	3,160,984	
NET ASSETS	2,580,813	2,986,893	3,464,838	3,940,316	3,990,038	4,113,028	3,893,244	3,826,901	3,325,709	3,559,982	
PARTNERSHIP EQUITY											
Partners' Capital	2,580,813	2,986,893	3,464,838	3,940,316	3,990,038	4,113,028	3,893,244	3,826,901	3,325,709	3,559,982	
TOTAL PARTNERSHIP EQUITY	2,580,813	2,986,893	3,464,838	3,940,316	3,990,038	4,113,028	3,893,244	3,826,901	3,325,709	3,559,982	

FINAL SIGNED ACCOUNTS - 31/12/2003

UnderCoverWear Collection

ABN 80 460 733 471

Interim Financial Report for the half-year ended 31 December 2003

UNDERCOVERWEAR COLLECTION
ABN: 80 460 733 471

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UNDERCOVERWEAR COLLECTION
ABN: 80 460 733 471

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	31 December 2003 \$
Sales revenue	17,623,461
Cost of goods sold	<u>(6,659,239)</u>
Gross profit	10,964,222
Other revenue from operating activities	45,938
Distribution expenses	(759,863)
Marketing expenses	(4,254,306)
Occupancy expenses	(391,810)
Administration expenses	(2,772,138)
Borrowing costs expense	(52,764)
Other expenses from ordinary activities	<u>(817,051)</u>
Profit from ordinary activities	<u>1,962,228</u>

UNDERCOVERWEAR COLLECTION
ABN: 80 460 733 471

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003

	31 December 2003 \$
Current Assets	513,329
Cash assets	450,935
Receivables	4,065,610
Inventories	196,172
Other	<u>5,226,046</u>
Total Current Assets	
Non-Current Assets	773,045
Property, plant and equipment	1,200,000
Intangible assets	<u>1,973,045</u>
Total Non-Current Assets	
	<u>7,199,091</u>
Total Assets	
Current Liabilities	1,517,805
Payables	590,005
Interest bearing liabilities	629,550
Provisions	212,740
Other	<u>2,950,100</u>
Total Current Liabilities	
Non-Current Liabilities	135,963
Provisions	<u>135,963</u>
Total Non-Current Liabilities	
	<u>3,086,063</u>
Total Liabilities	
	<u>4,113,028</u>
Net Assets	
Partnership Equity	3,828,983
Undercoverwear Unit Trust	284,045
Hybrid Investments No.2 Pty Limited	<u>4,113,028</u>
Total Partnership Equity	

The financial statements should be read in conjunction with the accompanying notes.

UNDERCOVERWEAR COLLECTION

ABN: 80 460 733 471

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

NOTE 1: BASIS OF PREPARATION

The interim financial report is a special purpose financial report that has been prepared for use by the partners. The partners have determined that the partnership is not a reporting entity.

It is recommended that this report be read in conjunction with the annual financial report for the year ended 30 June 2003.

The accounting policies have been consistently applied by the partnership and are consistent with those applied in the 30 June 2003 financial report. The 30 June 2003 financial report was prepared in accordance with the following Accounting Standards:

AAS1:	Statement of Financial Performance
AAS5:	Materiality
AAS8:	Events Occurring After Reporting Date
AAS36:	Statement of Financial Position
AAS37:	Financial Report Presentation and Disclosures

The requirements of these standards were applied to the extent applicable to financial reporting for a partnership. No other Australian Accounting Standards or mandatory professional reporting requirements were applied for 30 June 2003. The half-year report does not include full disclosures of the type normally included in an annual financial report and hence does not comply with the presentation and disclosure requirements of the above standards applied for 30 June 2003.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

As no half-year financial report has been prepared in prior years, no comparatives have been presented in this half-year financial report.

NOTE 2: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 3: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since 31 December 2003 which significantly affected or may significantly affect the operations of the partnership, the results of those operations, or the state of affairs of the partnership in future financial periods.

UNDERCOVERWEAR COLLECTION
ABN: 80 460 733 471

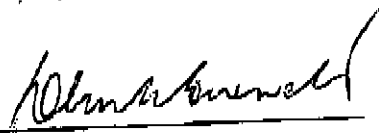
PARTNERS' DECLARATION

The partners have determined that the partnership is not a reporting entity. The partners have determined that this special purpose half-year financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The partners of the entity declare that:

1. The financial statements and notes, as set out on pages 1 to 4, present fairly the partnership's financial position as at 31 December 2003 and its performance for the six months ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the partners' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the partners and is signed on behalf of the partners by:



John Everett
Director
Undercoverwear Pty Limited

Chris Hadley
Director
Hybrid Investments No.2 Pty Limited

Dated this 13th day of May 2004

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF UNDERCOVERWEAR COLLECTION

Scope

The half-year financial report and directors' responsibility

The half-year financial report, being a special purpose financial report, comprises the statement of financial position, statement of financial performance, accompanying notes to the financial statements, and the partners' declaration for UnderCoverWear Collection (the partnership), for the half-year ended 31 December 2003.

The partners of the partnership are responsible for the preparation and true and fair presentation of the half-year financial report. 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 half-year financial report. The partners have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet their needs.

The half-year financial report has been prepared for distribution to partners for the purpose of fulfilling their responsibilities in relation to the due diligence process being undertaken with a view to the business being floated on the Australian Stock Exchange as part of an Initial Public Offering.

Review approach

We have performed an independent review of the half-year 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 half-year financial report is not presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the partnership's financial position and performance as represented by the results of its operations.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of partnership 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 provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements.

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**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF UNDERCOVERWEAR COLLECTION (cont)**

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 UnderCoverWear Collection does not present fairly, in accordance with the accounting policies described in Note 1, the financial position of UnderCoverWear Collection as at 31 December 2003 and the results of its operations for the six months there ended.

GRANT THORNTON NSW
Chartered Accountants

M A ADAM-SMITH
Partner

Sydney

13 May 2004