

Just Water International Limited

Half-Year Report – For the six months ended 31 December 2004

DIRECTORY

DIRECTORS

Jim McLay
Chairman

Ian Malcolm

Renny Cunnack

Tony Falkenstein

EXECUTIVE MANAGEMENT

Tony Falkenstein
Chief Executive Officer

Michael Fann
*General Manager
Just Water New Zealand*

Raj Chaudhary
*General Manager
Aqua-Cool New Zealand*

Marlon Bridge
Chief Financial Officer

**REGISTERED OFFICE
AND ADDRESS FOR SERVICE**

4th Floor
70 Shortland Street
Auckland
NEW ZEALAND

AUDITORS

PricewaterhouseCoopers

BANKERS

Bank of New Zealand Limited
Westpac Banking Corporation Limited

SOLICITORS

Harmos Horton Lusk
Daniel Overton & Goulding

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*Just Water New Zealand is a division
of Just Water International Limited.*

AQUA-COOL LIMITED

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*Aqua-Cool New Zealand incorporates
the companies Aqua-Cool Limited,
Cool Water Company Limited and
Corporate Water Brands Limited.*

**CORPORATE WATER BRANDS
LIMITED**

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**JUST WATER INTERNATIONAL
ON THE WEB**

www.jwi.co.nz

www.justwater.co.nz

www.aquacool.co.nz

www.cwb.co.nz

Just Water New Zealand is proud
to be major sponsor of the
New Zealand Kidney Foundation



For more information please contact
the New Zealand Kidney Foundation on 0800 KIDNEY (54369)

Just Water

the water you need

at 225

 **Just W**



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HALF-YEAR REVIEW

**From the Chairman and Chief Executive
FIRST HALF TO 31 DECEMBER 2004**

Dear Shareholder,

Just Water International Limited is pleased to present its half-year results for the six months to 31 December 2004.

Summary:

EBITDA:	\$2.94m, versus \$1.29m for the previous year, up 128 percent.
Revenue:	\$9.4m, versus \$4.9m for the previous year, up 92 percent.
Operating expenses:	\$6.45m, versus \$3.58m for the previous year, up 80 percent.
NPAT:	\$1.3m, versus \$0.895m for the previous year, up 45 percent.

- A fully-imputed interim dividend of 2.16 cents (net 1.45 cents) was paid on April 1.
- New product VitaBlast™ launched to current customers in November 2004 – early indications are positive.
- Major Sponsor of National Drink Water Day on 15 March 2005, as precursor to United Nations 'Water for Life' programme which started a week later.

Commentary:

The revenue of \$9.4 million in the December 2004 half year represents an increase of 92 percent on the previous year's half-year result. The new businesses acquired contributed 81 percent of this increase. Proforma accounts including Cool Water and Aqua-Cool were not prepared for the six month period to December 2003.

A fully-imputed interim dividend of 2.16 cents (net 1.45 cents) was paid in April. This is 76 percent of net surplus after tax and falls within the stated dividend payout range of 70 percent to 85 percent of net profit.

Just Water's result reflects the successful integration of Cool Water and Aqua-Cool into the Company's operations in December 2003 and April 2004 respectively. The two companies have consolidated their businesses into one location in Penrose, and are achieving the desired efficiencies.

Just Water recently launched VitaBlast™, a calorie-free, Vitamin C enhanced water, which it is distributing to its current customers. Enhanced waters are showing high growth internationally, and early indications for VitaBlast™ are positive.

The Company will continue to investigate domestic and international acquisition opportunities in the drinking-water sector, and also in other parts of the beverage industry.

Just Water has delivered a strong performance since it listed in June,

and the directors believe that the Company is well placed to continue to grow.

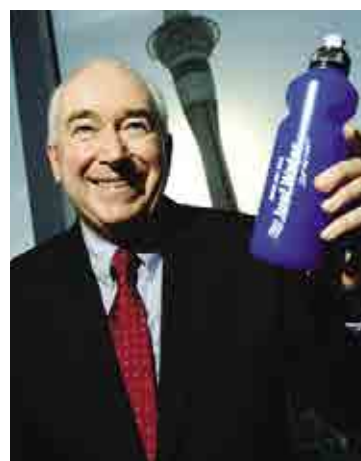
The company will adopt International Financial Reporting Standards for the financial year ended 30 June 2006.

The directors remain confident of the long-term growth prospects for Just Water International Limited, and thank you for your continued support as a valued shareholder.

Yours sincerely

Jim McLay
Chairman

Tony Falkenstein
Chief Executive Officer



JIM McLAY, CHAIRMAN, JUST WATER INTERNATIONAL LIMITED.



TONY FALKENSTEIN, CHIEF EXECUTIVE, JUST WATER INTERNATIONAL LIMITED.

Just Water International Limited Consolidated Statement of Financial Performance FOR THE SIX MONTHS ENDED 31 DECEMBER 2004

	Group 6 Months ended 31 December 2004 Unaudited \$'000	Group 12 Months ended 30 June 2004 Audited \$'000
Rental & sales	9,198	13,137
Interest income	–	6
Net foreign exchange gain	58	62
Gain on sale of property, plant and equipment	130	27
Revenue	9,386	13,232
Earnings before interest, tax, depreciation & amortisation	2,939	4,466
Depreciation	796	1,220
Earnings before interest, tax & amortisation	2,143	3,246
Interest expense	55	219
Earnings before tax & amortisation	2,088	3,027
Amortisation	128	73
Operating surplus before taxation	1,960	2,954
Taxation expense	690	764
Net surplus	1,270	2,190
Net surplus attributable to:		
Minority interest	–	19
Parent shareholders	1,270	2,171

The accompanying "Notes to the Financial Statements" are an integral part of, and should be read in conjunction with, this "Statement of Financial Performance".

Just Water International Limited Consolidated Statement of Movements in Equity FOR THE SIX MONTHS ENDED 31 DECEMBER 2004

	Group 6 Months ended 31 December 2004 Unaudited \$'000	Group 12 Months ended 30 June 2004 Audited \$'000
Net surplus comprising		
Parent shareholders' interest	1,270	2,171
Minority interest	–	19
Total recognised revenues and expenses	1,270	2,190
Contributions from owners		
Shares issued	–	8,008
Total contributions from owners	–	8,008
Distribution to owners		
Minority interest	–	(19)
Dividends paid	–	(1,600)
Total distribution to owners	–	(1,619)
Total movements in equity	1,270	8,579
Equity at beginning of period	11,990	3,411
Equity at end of period	<u>13,260</u>	<u>11,990</u>

The accompanying "Notes to the Financial Statements" are an integral part of, and should be read in conjunction with, this "Statement of Movements in Equity".

Just Water International Limited Consolidated Statement of Financial Position AS AT 31 DECEMBER 2004

	Group 31 December 2004 Unaudited \$'000	Group 30 June 2004 Audited \$'000
Equity		
Share capital (66,436,600 shares fully paid)	9,008	9,008
Retained earnings	4,252	2,982
Total equity	<u>13,260</u>	<u>11,990</u>
Current liabilities		
Commercial bills	800	2,400
Bank overdraft	-	-
Employee entitlements	315	487
Payables and accruals	2,113	1,728
Related party payables	-	-
Provision for taxation	83	-
Provisions	-	38
Total current liabilities	<u>3,311</u>	<u>4,653</u>
Total equity and liabilities	<u>16,571</u>	<u>16,643</u>
Non-current assets		
Property, plant, & equipment	7,422	7,488
Investment in subsidiaries	-	-
Deferred tax asset	21	46
Goodwill	4,937	5,172
Total non-current assets	<u>12,380</u>	<u>12,706</u>
Current assets		
Cash & bank balances	638	1,220
Receivables and prepayments	2,024	1,863
Inventories	1,529	731
Provision for taxation	-	123
Total current assets	<u>4,191</u>	<u>3,937</u>
Total assets	<u>16,571</u>	<u>16,643</u>

The accompanying "Notes to the Financial Statements" are an integral part of, and should be read in conjunction with, this "Statement of Financial Position".

Just Water International Limited Consolidated Statement of Cash Flows FOR THE SIX MONTHS ENDED 31 DECEMBER 2004

	Note	Group 6 Months ended 31 December 2004 Unaudited \$'000	Group 12 Months ended 30 June 2004 Audited \$'000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		9,038	12,053
Interest received		-	6
Cash was applied to:			
Payments to suppliers and employees		(7,012)	(7,685)
Interest paid		(55)	(219)
Taxation expense paid		(460)	(115)
Net cash inflow from operating activities	2	<u>1,511</u>	<u>4,040</u>
Cash flows from investing activities			
Cash was provided from:			
Sale of property, plant & equipment		1,143	-
Cash was applied to:			
Purchase of property, plant & equipment		(1,636)	(4,390)
Acquisition of assets of subsidiaries		-	(7,202)
Net cash outflow in investing activities		<u>(493)</u>	<u>(11,592)</u>
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowings		-	2,400
Share capital raised		-	8,008
Cash was applied to:			
Dividends paid to shareholders		-	(1,600)
Repayment of borrowings		(1,600)	-
Net cash inflow/ (outflow) from financing activities		<u>(1,600)</u>	<u>8,808</u>
Net increase/ (decrease) in cash held		<u>(582)</u>	<u>1,256</u>
Add cash balance at beginning of period		1,220	(36)
Cash balance at end of period		<u>638</u>	<u>1,220</u>
Comprises:			
Cash balances		638	1,220

The accompanying "Notes to the Financial Statements" are an integral part of, and should be read in conjunction with, this "Statement of Cash Flows".

Financial Statements

Just Water International Limited

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004

1. STATEMENT OF ACCOUNTING POLICIES

Just Water International Limited is a public company registered under the Companies Act 1993 and is listed with the New Zealand Stock Exchange on the NZAX.

The Group comprises Just Water International Limited and its wholly-owned subsidiaries Aqua-Cool Limited, Cool Water Company Limited and Corporate Water Brands Limited.

These Financial Statements are prepared and presented in accordance with Financial Reporting Standard No. 24 and should be read in conjunction with the 30 June 2004 Annual Report.

The accounting policies used in the preparation of these Financial Statements are consistent with those used in the 30 June 2004 Annual Report.

2. RECONCILIATION OF NET SURPLUS AFTER TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group 6 Months ended 31 December 2004 Unaudited \$'000	Group 12 Months ended 30 June 2004 Audited \$'000
Net surplus	<u>1,270</u>	<u>2,190</u>
Add/(less) non-cash items		
Depreciation	796	1,220
Amortisation of goodwill	128	73
Increase in estimated doubtful debts	19	25
Movement in provisions	(38)	38
Movement in deferred tax	25	(25)
Add/(less) movements in working capital items		
Payables and accruals	384	888
Employee entitlements	(172)	309
Related party payables	-	(19)
Receivables and prepayments	(179)	(1,198)
Inventory	(798)	(20)
Provision for tax	206	540
Items classified as investing activities		
Net loss/ (gain) on sale of property, plant and equipment	(130)	19
Net cash inflow from operating activities	<u>1,511</u>	<u>4,040</u>

3. CAPITAL COMMITMENTS

The Group has no significant capital commitments at 31 December 2004.

4. CONTINGENT LIABILITIES

The Group has no significant contingent liabilities at 31 December 2004.

5. POST BALANCE DATE EVENTS

On 18 February 2005, the directors declared a fully-imputed interim dividend of 2.16 cents per share (net 1.45 cents). This will be paid to shareholders on April 1. This has not been adjusted for in the financial statements.