

# **COMPUMEDICS LIMITED**

(ACN 006 854 897)

## **ASX Half-year information – 31 December 2008**

Lodged with the ASX under Listing Rule 4.2A.3

This information should be read in conjunction with the  
30 June 2008 Annual Report.

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**Compumedics Limited**  
**Half-year ended 31 December 2008**

(Previous corresponding period:  
Half-year ended 31 December 2007)

**Results for Announcement to the Market**

				<b>\$'000</b>
<b>Revenue</b> from ordinary activities <i>(Appendix 4D item 2.1)</i>	<b>Down</b>	15%	to	\$17,083
<b>Profit</b> for ordinary activities before interest and tax (A\$'000)	<b>Up</b>	44%	To	\$2,806
<b>Profit</b> from ordinary activities after tax attributable to members <i>(Appendix 4D item 2.2)</i>	<b>Up</b>	52%	to	\$2,458
<b>Net profit</b> for the period attributable to members <i>(Appendix 4D item 2.3)</i>	<b>Up</b>	52%	to	\$2,458

<b>Dividends/distributions</b> <i>(Appendix 4D item 2.4)</i>	Amount per security	Franked amount per security
Final dividend (prior year)	n/a	n/a

**Record date** for determining entitlements to the dividend  
*(Appendix 4D item 2.5)*

n/a
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**Explanation of Revenue** *(Appendix 4D item 2.6)*

Revenues from continuing operations were 15% lower at \$17.1m for the half-year to 31 December 2008 compared to \$20.1m for the prior corresponding half-year. Revenues were impacted by the following factors:

- 1 The business not being able to ship all the orders it took through to 31 December 2008. The business took orders of about \$19m for the half-year to 31 December 2008. The business was unable to ship all of these orders by 31 December 2008 in part because of restricted working capital the business has experienced in the later months of calendar 2008; and
- 2 Despite the positive impact of the declining Australian Dollar to the US Dollar and the Euro the Company experienced an unanticipated drop in orders in its key US and European markets, due to the economic circumstances there. The Company considers this a temporary deferral of purchases rather than a permanent reduction in the core medical diagnostic capital equipment businesses of the Company.

The deferral of business in the core medical diagnostic capital equipment businesses of the Company being sleep diagnostics, neuro-diagnostics, brain research (Neuroscan) and trans cranial Doppler (DWL) have all been effected to varying degrees by the current economic environment.

As the Company has and is introducing 3 major new products the Company believes that it will, over the course of calendar 2009, return to revenue growth whilst retaining

profitability. It should also be noted that the orders the Company was unable to ship by 31 December 2008 were not lost, but rather have been, and are being, shipped in 2009.

Importantly the Company is also focused on its annuity style revenues through its supplies, sleep diagnostic services (CardioSleep Services) and technical service and support businesses. Revenues from these activities represented \$3.4m or 20% of total revenues in the half-year ended 31 December 2008, compared to \$2.0m or 10% of total revenues for the prior corresponding half-year.

Revenues from these annuity style business areas will be further enhanced by the Company's introduction of its SomniLink® SPAP® sleep-treatment device and associated consumables.

#### **Explanation of Profit after tax** *(Appendix 4D item 2.6)*

Profit after tax for the half-year to 31 December 2008 was \$2.5m compared to a profit of \$1.6m for the prior corresponding half-year.

The significant improvement in the earnings of the business was driven primarily by the favourable movement in the Australian Dollar to the US dollar and the Euro, which resulted in a foreign currency gain of \$2.5m (before tax). The earnings performance of the business also reflected the continuing control of costs within the business.

The Company will continue its focus on profit growth with expanding revenues. To this end, the Company will continue to reduce expenses where it can and to logically grow revenues from its core medical diagnostic capital equipment businesses by expanding market share in the US, Europe and Asia as well as selling into new markets around the world where the Company currently does not have a presence, or has a small presence relative to the market opportunity.

The Company will also continue to focus on growing its annuity style revenues in its supplies, sleep diagnostic services (CardioSleep Services) and technical services and support businesses. The Company will also focus on its commercialisation of the new products being the Grael PSG, a new generation laboratory based sleep diagnostic system, the SomniLink® SPAP® sleep-treatment device and the Neuvo® long term monitoring (LTM) EEG system.

The Company implemented a new cost reduction program in January 2009 with estimated annual savings of \$2m. The Company believes these further cost reductions will insulate the earnings of the core medical diagnostic capital equipment businesses from the current unpredictable economic environment.

#### **Explanation of Dividends** *(Appendix 4D item 2.6)*

No dividends were declared or paid in the period.

**Compumedics Limited**  
**Half-year report – 31 December 2008**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Compumedics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

# Directors' Report

## Interim Report – 31 December 2008

Your directors present their report on the consolidated entity consisting of Compumedics Limited and the entities it controlled at the end of and during the half-year ended 31 December 2008.

### Directors

The following persons were directors of Compumedics Limited during the whole of the half-year and up to the date of this report.

Mr. D. Burton  
Mr. A. Anderson  
Dr. G. Mitchell

### Review of Operations

A summary of consolidated revenues and results for the half-year is set out below:

	<b>6 mths ended Dec 2008</b>	<b>6 mths ended Dec 2007</b>
Operating revenue (A\$'000)	17,083	20,076
Profit before interest, and tax (A\$'000)	2,806	1,950
Profit for the half-year (A\$'000)	2,458	1,613
Basic earnings per share (cents)	1.5	1.1
Diluted earnings per share (cents)	1.5	1.1

Comments on the operations are as follows:

### **Business / Product Group Performance**

Compumedics achieved a net profit after tax in the half-year to 31 December 2008 of \$2.5m compared with a profit of \$1.6m in the prior corresponding half-year. The overall result benefited from a favourable movement in foreign currencies (USD's and Euro's) in the amount of \$2.5m (before tax). The Company took orders of approximately \$19m for the half-year to 31 December 2008, but could not get all of these orders shipped due to the tight credit environment in the last months of calendar 2008. These orders are being shipped in 2009. In spite of this Compumedics continued to improve its financial metrics over the half-year to 31 December 2008 including:

- EBITDA for the half year to 31 December 2008 was \$2.9m compared to a \$1.8m in the prior corresponding half-year
- Operating cash flow improved significantly to \$2.3m in the half-year to 31 December 2008 from \$1.0m in the prior corresponding half-year
- Borrowings were reduced further from \$2.7 million at June 2008 to \$1.9 million as at 31 December 2008 a 30% reduction over the 30 June 2008 balance
- Cash on hand at 31 December 2008 was \$1.4m compared to \$0.6m at 30 June 2008

The Company has implemented a further \$2m in annualised cost savings as of January 2009 as pro-active step to underpin the Company's earnings over calendar 2009 and until we have a firmer view of the outlook for the core medical diagnostic capital equipment markets in which the Company operates

Whilst the Company has minimal debt, it did experience a far tighter than anticipated credit environment in late calendar 2008 and as a result was had about \$2m in orders that were on hand at 31 December 2008. These orders will ship in the current half-year. The Company is actively working on a number of initiatives to address the constrained working capital at present and will update the market as these initiatives are put in place.

The Company maintained its R&D program and has progressed the SomniLink® SPAP®, through tooling to initial shipments. Further the Company has released its innovative long-term neurological-monitoring product, Neuvo® into the US market and will soon release its next generation sleep laboratory product the Graef PSG.

### **Events subsequent to reporting date**

The Company is not aware of any material matters subsequent to reporting date that would change the financial data presented.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

### **Rounding of amounts**

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the “rounding off” of amounts in the directors’ report and financial report. Amounts in the directors’ report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'D. Burton', with a stylized flourish extending to the right.

D. Burton  
Executive Chairman

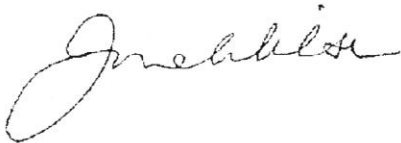
Melbourne  
26 February, 2009

## Auditor's Independence Declaration to the Directors of Compumedics Limited

In relation to our review of the financial report of Compumedics Limited for the half-year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



June Wilson  
Partner  
Melbourne  
27 February 2009



**Compumedics Limited**  
**Consolidated income statement**  
**for the half-year ended 31 December 2008**

Notes	Half-year 2008 \$'000	Half-year 2007 \$'000
<b>Revenue from continuing operations</b>	<b>17,083</b>	<b>20,076</b>
Cost of sales	(6,651)	(7,459)
Administration	(2,449)	(2,469)
Sales & Marketing	(5,132)	(5,658)
Research & Development	(2,564)	(2,281)
Finance costs	(348)	(337)
Foreign exchange gains/(losses)	2,519	(259)
<b>Profit before income tax</b>	<b>2,458</b>	<b>1,613</b>
Income tax expense	3	-
<b>Net profit for the period</b>	<b>2,458</b>	<b>1,613</b>
Profit attributable to members of Compumedics Limited	2,458	1,613
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:</b>	Cents	Cents
Basic earnings per share	1.5	1.1
Diluted earnings per share	1.5	1.1

The above consolidated income statement should be read in conjunction with the accompanying notes.

**Compumedics Limited**  
**Consolidated balance sheet**  
**as at 31 December 2008**

	Notes	31 Dec 2008 \$'000	30 June 2008 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,457	571
Trade and other receivables		10,664	12,166
Inventories		5,275	4,684
<b>Total current assets</b>		<b>17,396</b>	<b>17,421</b>
<b>Non current assets</b>			
Property, plant and equipment		1,034	693
Intangible assets	4	2,961	2,028
<b>Total non current assets</b>		<b>3,995</b>	<b>2,721</b>
<b>Total assets</b>		<b>21,391</b>	<b>20,142</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		5,265	5,934
Interest bearing liabilities		1,892	2,745
Income tax payable		-	-
Provisions		1,923	1,760
Deferred revenues		1,116	975
<b>Total current liabilities</b>		<b>10,196</b>	<b>11,414</b>
<b>Non current liabilities</b>			
Interest bearing liabilities		37	16
Provisions		29	16
Deferred revenues		201	189
<b>Total non current liabilities</b>		<b>267</b>	<b>221</b>
<b>Total liabilities</b>		<b>10,463</b>	<b>11,635</b>
<b>Net assets</b>		<b>10,928</b>	<b>8,507</b>
<b>EQUITY</b>			
Contributed equity	5	31,007	30,752
Reserves		(1,498)	(1,206)
Retained earnings		(18,581)	(21,039)
<b>Total equity</b>		<b>10,928</b>	<b>8,507</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

**Compumedics Limited**  
**Consolidated statement of changes**  
**in equity for the half-year**  
**ended 31 December 2008**

	Half-year 2008 \$'000	Half-year 2007 \$'000
Total equity at the beginning of the half-year	8,507	6,914
Exchange differences on translation of foreign operations	(292)	10
<b>Net income/(losses) recognised directly in equity</b>	<b>(292)</b>	<b>10</b>
Profit for the half-year	2,458	1,613
<b>Total recognised income and expenses for year</b>	<b>2,166</b>	<b>1,623</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>		
New shares issued	255	-
<b>Total equity at the end of the half-year</b>	<b>10,928</b>	<b>8,537</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Compumedics Limited**  
**Consolidated cash flow statement**  
**for the half-year ended 31 December 2008**

	Half-year 2008 \$'000	Half-year 2007 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	18,972	17,817
Payments to suppliers and employees (inclusive of goods and services tax)	(16,612)	(16,825)
Receipts from other income	261	234
Interest received	1	3
Interest paid	(347)	(260)
<b>Net cash inflow from operating activities</b>	<b>2,275</b>	<b>969</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(132)	(330)
Payments for intangible assets	(934)	(334)
<b>Net cash (outflow) from investing activities</b>	<b>(1,066)</b>	<b>(664)</b>
<b>Cash flows from financing activities</b>		
Contributed equity	255	-
Repayments of finance leases	-	(28)
Repayment of borrowings	(602)	(375)
<b>Net cash (outflow) from financing activities</b>	<b>(347)</b>	<b>(403)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>862</b>	<b>(98)</b>
Cash and cash equivalents at the beginning of the half-year	90	(555)
Net foreign exchange differences	262	(44)
Cash and cash equivalents at the end of the half-year	1,214	(697)
Add back overdraft presented as current interest bearing liabilities in the consolidated balance sheet	243	918
Cash and cash equivalents at the end of the period	1,457	221

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

**Compumedics Limited**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2008**

## **1 Basis of preparation and accounting policies**

### **(a) Basis of preparation**

The general purpose condensed financial report for the half-year ended 31 December 2008 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included within the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Compumedics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### **(b) Going Concern assumption**

During the half-year ended 31 December, 2008 the consolidated entity (Compumedics) generated an operating profit of \$2.5m and positive cash flows from operations of \$2.3m. In the prior half-year period Compumedics generated an operating profit of \$1.6m and positive cash flows from operations of \$1.0m.

The continuing improvement in the trading position of Compumedics is a result of the on-going cost containment measures and has also been helped in this half-year by the considerable depreciation of the Australian dollar to the US dollar and the Euro.

Notwithstanding the above, Compumedics is likely to require access to additional working capital from time to time and is also dependent in part on the on-going support of either its existing bank funding or alternate debt or equity funding to meet its operating and investment needs.

As noted in the annual report for the year ended 30 June 2008, Compumedics facilities with its existing primary lender are repayable on demand. Consequently, as at the reporting date, the Directors view the ability of the Company and the consolidated entity to continue as a going concern requires:

- Access to adequate and appropriate banking facilities
- Improvement in the terms under which a portion of accounts receivables are collected in order to fund on-going operations, which will alleviate the need for access to short term debt facilities
- The raising of additional equity capital should debt become unavailable or not the preferred source of funds

The Directors are well advanced in their discussions regarding new banking facilities and other equity raising options for the Company but as they have not been finalised as at the date of this report there is material uncertainty as to whether the Company will be able to continue as a going concern and realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

The Directors do believe they will be successful in achieving the required outcomes from their discussions regarding new banking facilities and other equity raising options for the Company and therefore have prepared the accounts on a going-concern basis.

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2008**

**Note 2. Segment information**

**Primary reporting format – business segments**  
**Half-year 2008**

	Sleep	Neuroscan (Brain Research)	Neuroscience (Clinical EEG + DWL)	Supplies	Intersegment Elimination	<b>\$'000</b>
						<b>Group</b>
<b>Total segment revenue</b>	6,442	3,697	4,181	2,502	-	16,822
<b>Unallocated revenue</b>						261
<b>Total revenue and other income</b>						17,083
<b>SEGMENT RESULT</b>	980	930	(478)	1,144	-	2,576
<b>Unallocated revenue less unallocated expenses</b>						(118)
<b>Profit before income tax</b>						2,458

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2008**

**Note 2. Segment information**

**Primary reporting format– business segments**  
**Half-year 2007**

	Sleep	Neuroscan (Brain Research)	Neuroscience (Clinical EEG + DWL)	Supplies	Intersegment Elimination	<b>\$'000</b>
						<b>Group</b>
<b>Total segment revenue</b>	8,601	5,904	3,295	2,042	-	19,842
<b>Unallocated revenue</b>						234
<b>Total revenue and other income</b>						20,076
<b>SEGMENT RESULT</b>	944	1,312	(967)	571	-	<b>1,860</b>
<b>Unallocated revenue less unallocated expenses</b>						(247)
<b>Profit before income tax</b>						<b>1,613</b>

**Note 3. Income tax expense**

The Company and the consolidated entity did not incur any income tax expense as the Company and its controlled entities are in a carried forward tax loss position.

**Note 4. Intangible assets**

	<b>31 Dec 08</b>	<b>30 Jun 08</b>
	<b>\$'000</b>	<b>\$'000</b>
Intangible asset	\$2,961	\$2,028

Intangible assets comprise capitalised development costs associated with the SomniLink® SPAP® sleep-treatment device. \$933k of development costs were capitalised in the half-year to 31 December 2008. Amortisation of these costs will commence with the first commercial shipments of the SomniLink® SPAP® sleep treatment device, which shipped at the end of December 2008. The asset will be amortised over a period of 5 years.

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2008**

**Note 5. Equity securities issued**

During the half-year to 31 December 2008 the following new ordinary shares in the Company were issued:

- 1,801,667 ordinary shares at an average price per share of 14.17 cents for total consideration of \$255,250
- The new ordinary shares issued during the half-year to 31 December 2008 represented 1.2% of total issued equity of the Company at that time

**Note 6. Events occurring after balance date**

The Company is not aware of any material matters subsequent to reporting date that would change the financial data presented.



**Compumedics Limited  
Directors' Declaration  
for the half-year ended 31 December 2008**

In accordance with a resolution of the Directors of Compumedics Limited I state that:

In the opinion of the directors':

(a) the financial statements and notes set out on pages 9 to 16 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Compumedics Limited 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 directors.



David Burton  
Executive Chairman

Melbourne  
26 February 2009

## Independent review report

To the members of Compumedics Limited

### ***Report on the condensed half-year financial report***

We have reviewed the accompanying half-year financial report of Compumedics Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving true and fair view of the consolidated entity's financial positions as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the audit of Compumedics Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review we have met the independence requirements of *the Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Compumedics Limited is not in accordance with the *Corporations Act 2001*, including:

1. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date
2. Comply with accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001

### **Material uncertainty regarding continuation as a going concern**

Without qualification to the opinion expressed above, attention is drawn to the following matter.

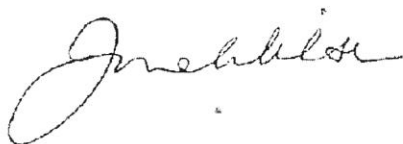
As outlined in Note 1(b) to the financial statements, the ability of the consolidated entity to continue as a going concern is dependent on the consolidated entity being able to generate sufficient funds from its operational activities, debt facilities and/or equity raisings.

As noted in Note 1(b), new banking facilities and other equity raising options for the Company have not been finalised as at the date of this report. Accordingly, without these in place, there would be material uncertainty whether the company will be able to continue as a going concern, and the Company therefore may not be able to pay its debts as and when they become due and payable, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include adjustments relating to the recoverability and classification of recorded amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'June Wilson'.

June Wilson  
Partner  
Melbourne  
27 February 2009

**Compumedics Limited**  
**Supplementary Appendix 4D information**  
**for the half-year ended 31 December 2008**

**NTA Backing** *(Appendix 4D item 3)*

	2008	2007
Net tangible asset backing per ordinary share	5.0cents	5.3 cents

**Additional dividend/distribution information** <sup>2</sup> *(Appendix 4D item 5)*

Details of dividends/distributions declared or paid during or subsequent to the year ended 31 December 2007 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Dividend/distribution reinvestment plans** *(Appendix 4D item 6)*

**NOT APPLICABLE**

**Compumedics Limited**  
**Supplementary Appendix 4D information**  
**for the half-year ended 31 December 2008**

**Material factors affecting the revenues and expenses of the economic entity for the current period**

The major impacts to the revenues and expenses of the economic entity in the half-year to 31 December 2008 have already been disclosed elsewhere in this document.

**Material factors affecting the assets, liabilities and equity of the economic entity for the current period**

The major factors impacting the assets and liabilities of the Company relate to the on-going focus of the Company on enhancing its financial performance. In this half year period as noted the movement in the Australian dollar to the US dollar and the Euro has also impacted the assets and liabilities of the Company.

**Material factors affecting the cash flows of the economic entity for the current period**

The major factors impacting the cash flows of the Company relate to the on-going focus of the Company on enhancing its financial performance. In this half year period as noted the movement in the Australian dollar to the US dollar and the Euro has also impacted the assets and liabilities of the Company.