Silex Systems Limited

ABN 69 003 372 067

ASX Preliminary final report year ended 30 June 2012 Appendix 4E

Lodged with the ASX under Listing Rule 4.3A

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Results for announcement to the market

				$
Revenue from continuing operations	Down	4.9%	To	9,438,691
Revenue from discontinued operation	Down	57.5%	To	8,192,351
Revenue from ordinary activities	**Down**	**39.6%**	**To**	**17,631,042**
Loss from ordinary activities after tax attributable to members	Up	17.5%	To	36,792,005
Loss for the period attributable to members	Up	17.5%	To	36,792,005

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

Record date for determining entitlements to the dividend: N/A

Explanation of the decrease in revenue
The decrease in revenue from ordinary activities is mainly due to reduced sales by Silex Solar. Sales by Silex Solar were $8,063,520 in the current year compared to $19,136,713 in the previous year. The Australian PV panel market continued to deteriorate during the current year and led to a decision to cease all operations at Sydney Olympic Park.

Interest income increased from $4,576,490 in the prior year to $5,628,912 in the current year. Interest income increased as a result of higher average cash / term deposit holdings in the current year as a consequence of the capital raising completed mid-financial year 2011.

Explanation of the loss from ordinary activities after tax attributable to members
The increased loss for the period was mainly due to an increase in Solar Systems' segment loss. Solar Systems' segment loss increased from $5,731,189 in the prior year to $10,830,614 in the current year as the business ramped up its product development and commercialisation programs. During the year, Solar Systems announced it had built and commissioned Australia's largest concentrating photovoltaic (CPV) solar power station in Bridgewater, central Victoria. Solar Systems has also commenced construction of a demonstration CPV solar power station in Mildura, north-west Victoria.

The loss for the period was also impacted by the decision to cease Silex Solar's manufacturing operations and close the plant at Sydney Olympic Park. Silex Solar's loss from the discontinued operation increased by $237,870 to $18,987,847. The current year loss included the impact of further reductions in selling prices and costs associated with the closure including the negotiated lease settlement, dismantling and decommissioning, further write downs of fixed assets and inventory and redundancy payments.

Explanation of dividends
No dividends have been paid or proposed during the reporting period.

Silex Systems Limited
Preliminary consolidated income statement
for the year ended 30 June 2012

	Note	**2012**	2011
		$	$
Revenue from continuing operations	2	**9,438,691**	9,924,566
Other income	3	**1,504,310**	3,148,904
Research and development materials		**(1,739,738)**	(2,227,726)
Finance costs	4	**(3,127)**	(112,247)
Depreciation and amortisation expense	4	**(2,788,685)**	(2,522,493)
Employee benefits expense		**(16,658,397)**	(12,364,008)
Consultants and professional fees		**(2,761,833)**	(2,795,170)
Printing, postage, freight and stationery		**(260,735)**	(273,312)
Rent, utilities and property outgoings		**(1,748,757)**	(1,439,357)
Travelling expenses		**(1,147,798)**	(1,257,277)
Changes in inventories of finished goods and work in progress		**(11,224)**	33,004
Raw materials and stores used		**(287,198)**	(314,231)
Net foreign exchange losses	4	**-**	(1,110,782)
Share of net loss of associate accounted for using the equity method		**(31,320)**	(5,470)
Other expenses from continuing operations		**(1,486,966)**	(1,416,190)
(Loss) before income tax expense		**(17,982,777)**	(12,731,789)
Income tax expense	5	**-**	-
Net (loss) from continuing operations		**(17,982,777)**	(12,731,789)
Net (loss) from discontinued operation	12	**(18,987,847)**	(18,749,977)
Net (loss) for the year		**(36,970,624)**	(31,481,766)
Net (loss) is attributable to:			
Owners of Silex Systems Limited		**(36,792,005)**	(31,301,061)
Non-controlling interests		**(178,619)**	(180,705)
		(36,970,624)	(31,481,766)

	Cents	Cents
Earnings per share for (loss) from continuing operations attributable to the ordinary equity holders of the company		
Basic earnings per share	**(10.5)**	(7.8)
Diluted earnings per share	**(10.5)**	(7.8)
Earnings per share for (loss) attributable to the ordinary equity holders of the company		
Basic earnings per share	**(21.6)**	(19.6)
Diluted earnings per share	**(21.6)**	(19.6)

The above preliminary consolidated income statement should be read in conjunction with the accompanying notes, the 2011 Annual Report and the full financial report for the year ended 30 June 2011.

	2012 **$**	2011 $
Net (loss) for the year	**(36,970,624)**	(31,481,766)
Other comprehensive income		
Exchange differences on translation of foreign operations	**(121,503)**	(471,034)
Other comprehensive income for the year, net of tax	**(121,503)**	(471,034)
Total comprehensive income for the year	**(37,092,127)**	(31,952,800)
Attributable to:		
Owners of Silex Systems Limited	**(36,913,508)**	(31,772,095)
Non-controlling interest	**(178,619)**	(180,705)
Total comprehensive income for the year	**(37,092,127)**	(31,952,800)

The above preliminary consolidated statement of comprehensive income should be read in conjunction with the accompanying notes, the 2011 Annual Report and the full financial report for the year ended 30 June 2011.

Silex Systems Limited
Preliminary consolidated balance sheet
as at 30 June 2012

	Note	**30 June 2012**	30 June 2011
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**3,682,254**	15,470,436
Held to maturity investments - term deposits		**83,912,921**	93,937,500
Trade and other receivables		**6,633,569**	8,550,710
Inventories		**1,887,567**	9,183,917
Total current assets		**96,116,311**	127,142,563
Non-current assets			
Property, plant and equipment		**15,687,753**	14,486,600
Deferred tax assets		**11,337**	20,168
Intangible assets		**20,555,407**	22,037,511
Investments accounted for using the equity method		**98,236**	129,556
Total non-current assets		**36,352,733**	36,673,835
Total assets		**132,469,044**	163,816,398
LIABILITIES			
Current liabilities			
Trade and other payables		**5,070,084**	5,210,593
Provisions		**1,814,642**	811,607
Total current liabilities		**6,884,726**	6,022,200
Non-current liabilities			
Trade and other payables		**4,779,164**	2,334,690
Provisions		**163,789**	124,434
Total non-current liabilities		**4,942,953**	2,459,124
Total liabilities		**11,827,679**	8,481,324
Net assets		**120,641,365**	155,335,074
EQUITY			
Contributed equity	6	**231,068,369**	231,040,738
Reserves		**9,180,044**	6,930,760
Accumulated losses	7	**(119,068,672)**	(82,276,667)
Capital and reserves attributable to owners of Silex Systems Limited		**121,179,741**	155,694,831
Non-controlling interest		**(538,376)**	(359,757)
Total equity		**120,641,365**	155,335,074

The above preliminary consolidated balance sheet should be read in conjunction with the accompanying notes, the 2011 Annual Report and the full financial report for the year ended 30 June 2011.

	Attributable to owners of Silex Systems Limited					
	Contributed equity	Reserves	Accumulated losses	Total	Non-controlling interests	Total
	$	$	$	$	$	$
Balance at 30 June 2010	**122,423,175**	**5,035,839**	**(50,975,606)**	**76,483,408**	**(179,052)**	**76,304,356**
Net (loss) for the year	-	-	(31,301,061)	(31,301,061)	(180,705)	(31,481,766)
Exchange differences on translation of foreign operations	-	(471,034)	-	(471,034)	-	(471,034)
Total comprehensive income for the year	**-**	**(471,034)**	**(31,301,061)**	**(31,772,095)**	**(180,705)**	**(31,952,800)**
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	108,347,195	-	-	108,347,195	-	108,347,195
Employee share options - value of employee services	-	2,637,140	-	2,637,140	-	2,637,140
Transfer from share based payments reserve	271,185	(271,185)	-	-	-	-
Deferred tax credit recognised directly in equity	(817)	-	-	(817)	-	(817)
	108,617,563	2,365,955	-	110,983,518	-	110,983,518
Balance at 30 June 2011	**231,040,738**	**6,930,760**	**(82,276,667)**	**155,694,831**	**(359,757)**	**155,335,074**
Net (loss) for the year	-	-	(36,792,005)	(36,792,005)	(178,619)	(36,970,624)
Exchange differences on translation of foreign operations	-	(121,503)	-	(121,503)	-	(121,503)
Total comprehensive income for the year	**-**	**(121,503)**	**(36,792,005)**	**(36,913,508)**	**(178,619)**	**(37,092,127)**
Transactions with owners in their capacity as owners						
Shares to employees, net of transaction costs	36,462	-	-	36,462	-	36,462
Employee share options - value of employee services	-	2,364,665	-	2,364,665	-	2,364,665
Transactions with non-controlling interests	-	6,122	-	6,122	-	6,122
Deferred tax credit recognised directly in equity	(8,831)	-	-	(8,831)	-	(8,831)
	27,631	2,370,787	-	2,398,418	-	2,398,418
Balance at 30 June 2012	**231,068,369**	**9,180,044**	**(119,068,672)**	**121,179,741**	**(538,376)**	**120,641,365**

The above preliminary consolidated statement of changes in equity should be read in conjunction with the accompanying notes, the 2011 Annual Report and the full financial report for the year ended 30 June

Silex Systems Limited
Preliminary consolidated statement of cash flows
for the year ended 30 June 2012

	Note	**2012**	2011
		$	$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**16,794,963**	28,955,595
Payments to suppliers and employees (inclusive of goods and services tax)		**(38,846,105)**	(60,903,378)
Transaction costs relating to acquisition of business		**-**	(226,160)
Interest received		**5,897,855**	3,597,163
Interest paid		**(3,127)**	(153,492)
Net cash (outflows) from operating activities	9	**(16,156,414)**	(28,730,272)
Cash flows from investing activities			
Payment for investments accounted for using the equity method		**-**	(135,026)
Payments for held to maturity investments		**-**	(93,937,500)
Proceeds from maturity of held to maturity investments		**10,024,579**	-
Payments for property, plant and equipment		**(6,100,818)**	(7,525,386)
Payments for intangibles		**(126,375)**	(107,979)
Proceeds from sale of property, plant and equipment		**233,911**	6,355
Repayment of loans by employees		**-**	3,731
Net cash inflows/(outflows) from investing activities		**4,031,297**	(101,695,805)
Cash flows from financing activities			
Proceeds from issue of shares		**(1,538)**	106,347,190
Proceeds from issue of shares to non-controlling interest		**6,122**	-
Net cash inflows from financing activities		**4,584**	106,347,190
Net (decrease) in cash held		**(12,120,533)**	(24,078,887)
Cash and cash equivalents at the beginning of the financial year		**15,470,436**	40,731,209
Effects of exchange rate changes on cash		**332,351**	(1,181,886)
Cash and cash equivalents at end of year*		**3,682,254**	15,470,436
*Held to maturity investments excluded from Cash and cash equivalents		**83,912,921**	93,937,500

The above preliminary consolidated statement of cash flows should be read in conjunction with the accompanying notes, the 2011 Annual Report and the full financial report for the year ended 30 June 2011.

Note 1 Basis of preparation of full-year financial report

This preliminary financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001.

This preliminary 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 2011, the full financial report for the year ended 30 June 2011 and any public announcements made by Silex Systems Limited during the 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 year.

	2012	2011
	$	$
Note 2 Revenue		
From continuing operations		
Recoverable project costs	**3,865,756**	5,208,290
Sale of goods	**61,472**	251,877
Interest income	**5,500,081**	4,446,495
Other	**11,382**	17,904
	9,438,691	9,924,566
From discontinued operation		
Sale of goods	**8,063,520**	19,136,713
Interest income	**128,831**	129,995
	8,192,351	19,266,708

	2012	2011
	$	$
Note 3 Other income		
From continuing operations		
Government grants	**1,245,381**	3,127,617
Foreign currency exchange gains (net)	**250,397**	-
Profit on sale of property, plant and equipment	**5,266**	-
Other	**3,266**	21,287
	1,504,310	3,148,904

	2012 $	2011 $
Note 4 Expenses		
(Loss) from continuing operations before income tax includes the following expenses:		
Depreciation of plant and equipment	**1,170,685**	940,883
Depreciation of buildings	**76,400**	76,400
Depreciation of leasehold improvements	**36,051**	11,586
Amortisation of software	**61,891**	19,181
Amortisation of intellectual property	**1,443,658**	1,474,443
Total depreciation and amortisation	**2,788,685**	2,552,493
Finance costs		
Interest and finance charges paid/payable	**3,127**	112,247
Finance costs expensed	**3,127**	112,247
Rental expenses relating to operating leases		
Minimum lease payments	**1,579,020**	1,128,017
Provision for employee entitlements	**262,205**	(24,840)
Defined contribution superannuation expense	**801,005**	547,815
Provision for warranties	**151**	322
Research and development costs	**19,313,114**	16,378,610
Foreign exchange losses (net)	**-**	1,110,782
Loss on disposal of property, plant and equipment	**-**	2,163

	2012 $	2011 $
Note 5 Income tax		
(Loss) before income tax expense	**(36,970,624)**	(31,481,766)
Income tax calculated @ 30%	**(11,091,187)**	(9,444,530)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Amortisation of intangibles	**13,404**	13,739
Share based payments	**720,800**	791,142
Unrealised exchange differences on loan balances	**390,845**	(1,678,007)
Research and development concession/incentive	**(439,878)**	(45,000)
Sundry items	**37,477**	105,000
	(10,368,539)	(10,257,656)
Deferred tax asset and deferred tax liability not recognised	**11,108,872**	10,858,041
Effect of higher rates on overseas income	**(740,333)**	(600,385)
Income tax expense	**-**	-

	Parent entity		Parent entity	
	2012	2011	**2012**	2011
	Shares	Shares	**$**	$
Note 6 Contributed equity				
(a) Share capital				
Ordinary shares				
Fully paid	**170,143,997**	170,133,997	**231,068,369**	231,040,738

(b) Movements in ordinary share capital

Date	**Details**	Number of shares	Issue Price $	**$**
30 June 2010	Balance	149,073,532		122,423,175
Various	Exercise of options - proceeds received	140,000	Various	507,000
Various	Issue of shares	432,859	Various	2,000,005
14 December 2010	Share placement	16,500,000	5.40	89,100,000
4 February 2011	Share purchase plan	3,987,606	5.08	20,257,038
				234,287,218
	Less transaction costs arising on share issue			(3,516,848)
	Transfer from share based payments reserve			271,185
	Deferred tax credit recognised directly in equity			(817)
30 June 2011	Balance	170,133,997		231,040,738
16 March 2012	Issue of shares	10,000	3.80	38,000
				231,078,738
	Less transaction costs arising on share issue			(1,538)
	Deferred tax credit recognised directly in equity			(8,831)
30 June 2012	Balance	**170,143,997**		**231,068,369**

	2012	2011
	$	$
Note 7 Accumulated losses		
Accumulated losses at the beginning of the financial year	**(82,276,667)**	(50,975,606)
Net (loss) attributable to members of Silex Systems Limited	**(36,792,005)**	(31,301,061)
Accumulated losses at the end of the financial year	**(119,068,672)**	(82,276,667)

	2012	2011
	$	$
Note 8 Net tangible asset backing		
Net tangible asset backing per ordinary security	**0.5882**	0.7835

	2012	2011
	$	$
Note 9 Reconciliation of the net (loss) for the year to net cash (outflows) from operating activities		
Net (loss) for the year	**(36,970,624)**	(31,481,766)
Depreciation and amortisation	**6,580,166**	7,750,067
(Profit)/loss on sale of plant and equipment	**(195,467)**	2,163
Non cash employee benefits expense - share based payments	**2,402,665**	2,637,140
Share of loss of associate	**31,320**	5,470
Net exchange differences	**(569,506)**	943,391
(Increase) in prepayments and other current assets	**(767,020)**	(740,678)
Decrease/(increase) in trade and other debtors	**1,450,040**	(3,191,313)
Decrease/(increase) in accrued income	**1,239,307**	(1,466,500)
Decrease/(increase) in inventories	**7,296,350**	(5,961,077)
Increase in trade and other creditors	**2,303,965**	2,706,588
Increase in provisions	**1,042,390**	66,243
Net cash (outflows) from operating activities	**(16,156,414)**	(28,730,272)

	2012	2011
	$	$
Note 10 Non-cash financing and investing activities		
Issue of shares as part consideration for acquisition of business	**-**	2,000,005
	-	2,000,005

Note 11 Segment information

2012	Silex Systems	Translucent	ChronoLogic	Solar Systems	Total
	$	$	$	$	$
Total segment revenue	10,327,364	2,082,430	19,015	62,839	12,491,648
Inter-segment revenue	(982,048)	(2,070,909)	-	-	(3,052,957)
Revenue from external customers	**9,345,316**	**11,521**	**19,015**	**62,839**	**9,438,691**
Segment result	**2,275,255**	**(5,362,564)**	**(1,720,243)**	**(10,830,614)**	**(15,638,166)**
Total segment assets	88,113,766	2,987,328	305,912	29,565,459	120,972,465
Total segment liabilities	1,715,089	330,330	243,832	4,007,021	6,296,272

2011	Silex Systems	Translucent	ChronoLogic	Solar Systems	Total
	$	$	$	$	$
Total segment revenue	10,440,020	2,702,959	38,398	242,592	13,423,969
Inter-segment revenue	(815,186)	(2,684,217)	-	-	(3,499,403)
Revenue from external customers	**9,624,834**	**18,742**	**38,398**	**242,592**	**9,924,566**
Segment result	**1,077,843**	**(4,351,375)**	**(1,759,477)**	**(5,731,189)**	**(10,764,198)**
Total segment assets	107,706,026	1,539,538	366,300	25,532,081	135,143,945
Total segment liabilities	1,538,358	238,263	237,454	2,188,363	4,202,438

The Board of Directors assess the performance of the operating segments based on a result that excludes share based payments, exchange gains and losses on intercompany loans which eliminate on consolidation and amortisation of intellectual property on consolidation. A reconciliation of the segment result to net (loss) from continuing operations is provided as follows.

	2012	2011
	$	$
Segment result	**(15,638,166)**	(10,764,198)
Amortisation of intellectual property on consolidation	**(797)**	(1,913)
Share based payments expense in continuing operations	**(2,343,814)**	(1,965,678)
Net (loss) from continuing operations	**(17,982,777)**	(12,731,789)

Segment assets are reconciled to total assets as follows:

	2012	2011
	$	$
Segment assets	**120,972,465**	135,143,945
Discontinued operation - Silex Solar	**3,007,623**	20,173,869
Unallocated:		
Intellectual property on consolidation	**-**	797
Goodwill	**8,477,619**	8,477,619
Deferred tax assets	**11,337**	20,168
Total assets as per the balance sheet	**132,469,044**	163,816,398

Segment liabilities are reconciled to total liabilities as follows:

	2012	2011
	$	$
Segment liabilities	**6,296,272**	4,202,438
Discontinued operation - Silex Solar	**5,531,407**	4,278,886
Unallocated	**-**	-
Total liabilities as per the balance sheet	**11,827,679**	8,481,324

Note 12 Discontinued Operation

The Australian PV panel market continued to deteriorate during the year and led to a decision to cease all manufacturing operations at Sydney Olympic Park in May 2012. Subsequent to this, a decision to cease all activities was made.

The current year loss included the impact of further reductions in selling prices and provision for costs associated with the closure, including the negotiated lease settlement cost, dismantling and decommissioning costs, further write downs of fixed assets and inventory, redundancy payments and other costs totalling $13.4 million.

A summary of the results of the discontinued operation is provided below.

	2012	2011
	$	$
Revenue (note 2)	**8,192,351**	19,266,708
Other income	**269,657**	271,761
Expenses	**(27,449,855)**	(38,288,446)
(Loss) before income tax	**(18,987,847)**	(18,749,977)
Income tax expense	**-**	-
(Loss) after income tax of discontinued operation	**(18,987,847)**	(18,749,977)

	2012	2011
	$	$
Net cash (outflow) from operating activities	**(3,411,963)**	(20,886,780)
Net cash inflow / (outflow) from investing activities	**180,912**	(2,392,935)
Net cash (outflow) from financing activities	**-**	-
Net cash (outflow) from the discontinued operation	**(3,231,051)**	(23,279,715)

Note 13 Events occurring after reporting date

The consolidated entity is not aware of any matters or circumstances which are not otherwise dealt with in the financial statements that have significantly or may significantly, affect the operations of the consolidated entity, the results of its operations or the state of the consolidated entity in subsequent years other than those referred to in the Results and Operational Update released to the ASX at the same time as this document.

Commentary on results

For more details on the consolidated entity's activities refer to the Results and Operational Update which will be released to the ASX at the same time as this document.

Earnings per share and significant features of operating performance

Earnings per share from continuing operations

Basic earnings per share and diluted earnings per share from continuing operations both moved from (7.8) cents in the previous year to (10.5) cents in the current year mainly caused by the increased loss from continuing operations in the current year. The loss increased in the current period mainly due to an increase in Solar Systems' segment loss. Solar Systems' segment loss increased from $5,731,189 in the prior year to $10,830,614 in the current year as the business ramped up its product development and commercialisation programs.

Earnings per share

Basic earnings per share and diluted earnings per share both moved from (19.6) cents in the previous year to (21.6) cents in the current year mainly caused by the increased loss in the current year as mentioned above.

The loss for the period was also impacted by the decision to cease Silex Solar's manufacturing operations and close the plant at Sydney Olympic Park. The loss from this discontinued operation increased by $237,870 to $18,987,847. The current year loss included the impact of further reductions in selling prices and costs associated with the closure including the negotiated lease settlement, dismantling and decommissioning, further write downs of fixed assets and inventory and redundancy payments.

Interest income increased from $4,576,490 to $5,628,912 as a result of higher average cash / term deposit holdings during the year as a consequence of the capital raising completed mid-financial year 2011.

Income tax expense was nil for the year (nil last year).

Returns to shareholders

No dividends have been declared or proposed during the year.

Results of segments and trends

Silex Systems

The segment result for the parent company Silex Systems was a profit of $2.3 million compared to a profit of $1.1 million in the prior year. The result in the current year was impacted by higher interest income as Silex's average cash / term deposits balances were higher in the current year as a consequence of the capital raising completed mid-financial year 2011.

Translucent

The segment result for Translucent, based in the United States, was a loss of $5.4 million compared to a loss of $4.4 million in the prior year, as development activities increased.

ChronoLogic

The segment result for ChronoLogic was a loss of $1.7 million compared to a loss of $1.8 million in the previous year.

Solar Systems

The segment result for Solar Systems was a loss of $10.8 million compared to a loss of $5.7 million for the prior year, as the business ramped up its product development and commercialisation programs. During the year, Solar Systems announced it had built and commissioned Australia's largest concentrating photovoltaic (CPV) solar power station in Bridgewater, central Victoria. Solar Systems has also commenced construction of a demonstration CPV solar power station in Mildura, north-west Victoria. Sites for demonstration plants (of up to 1MW each) have been secured in Beaumont California, USA, and at the Nofa Resort near Riyadh, Saudi Arabia. Manufacturing and construction has commenced for these plants, which are the first off-shore demonstration facilities using the CS500 Dense Array Dish CPV System.

Details of Associates

Silex Systems Limited has a 20% interest in Meehan Greene Technologies Ltd (prior year 20%). The equity accounted share of losses of Meehan Greene Technologies for the current year was $31,320 (prior year $5,470).

Other factors that affected results in the period or which are likely to affect results in the future

Positive results in the Uranium Enrichment Project in future years could result in milestone payments and royalties under the Agreement signed with General Electric.

Silex Solar has undertaken a significant restructure involving operational and managerial changes in light of the adverse Australian PV panel market conditions. These changes, including the ceasing of manufacturing operations and the decision to not pursue any further commercial PV opportunities, are expected to produce an improved result for the 2013 financial year.

In due course, positive developments from Translucent, Solar Systems and ChronoLogic have the potential to create significant value and earnings for the consolidated entity.

For further information on other factors that have affected results in the period or which are likely to affect results in the future, please refer to the Results and Operational Update which will be released to the ASX at the same time as this document.

Compliance and Audit

This report has been prepared in accordance with AASB Standards, Interpretations issued by the Australian Accounting Standards Board or other standards acceptable to ASX.

This report and the accounts upon which the report is based use the same accounting policies.

This report gives a true and fair view of the matters disclosed.

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

The entity has a formally constituted audit committee.

Signed Date: 24 August 2012

Dr Michael Goldsworthy