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WATERCO LIMITED

Preliminary Final Report for the Financial Year Ended 30 June 2012

FOR ANNOUNCEMENT TO THE MARKET

WATERCO
water, the liquid of life

WATERCO LTD

Summary of results FY ended 30 June 2012

Sales Revenue	$66.1 million, down 2%
Net Profit After Tax	$2.09 million, down 34%
EBIT (& Goodwill impairment)	$4.49 million, down 26%
Total dividend payout	7c per share (full year)

CEO REVIEW OF OPERATIONS

REVENUE AND PROFITABILITY

The Group reported a Net Profit After Tax (NPAT) of $2.09 million, registering a decrease of 34% on the previous corresponding period (PCP). The main contributory factor to this is the decrease in turnover, as a result of adverse weather events across Australia. The trend of wet weather during the year was reported to be the wettest since records began in 1990. However the weather conditions had improved during the last quarter of the year, enabling sales in Australia operations to better those of the PCP. A significant decline in performance in North America and Europe, as a result of continuing poor market sentiments and the European Debt crisis, also contributed to the decline in the Group’s performance.

Although the NPAT was below the PCP, it is slightly ahead of the last profit guidance and significantly better than the expectations in early May, not long after the start of the last quarter of the financial year.

In line with the drop in NPAT, Earnings Before Interest and Tax (EBIT) for the year (before foreign exchange adjustments on intercompany loans) fell 25% to $4.54 million from $6.07 million and Sales Revenue fell 2% to $66.1 from to $67.7 million.

In the Australian division, which accounts for a major portion of the profitability of the Group, lower Chemical sales to the retail sector accounted for most of the decline in sales.

DIVISIONAL EBIT PERFORMANCE

The breakdown of EBIT contributions (after consolidation adjustments for unrealised forex gains/losses on intercompany loans and intercompany dividends) by division is as follows:

	FY12 ($000)	FY11 ($000)	% Change
Australia and New Zealand	4,195	5,639	-26%
North America and Europe	(1,466)	211	-794%
Asia	1,810	220	+721%
Consolidated Reported EBIT	**4,539**	**6,070**	**-25%**

AUSTRALIA AND NEW ZEALAND

Australian and New Zealand operations, predominantly in the domestic swimming pool industry, form the majority of the Group's activities. As well as selling a wide range of products, including chemicals for swimming pool water treatment, Waterco, as franchisor of the Swimart chain of pool stores, has acquired an extremely good understanding of the factors driving consumer demand in the after-market. The franchise programme has been developed in-house since 1984, with the opening of our first company-owned pool shop in Sydney. Very soon thereafter, the Company converted this to the franchised Swimart Pool and Spa retail system. As a result of this solid foundation, this division has maintained an acceptable, albeit lower, level of profitability through the difficult times of the last few years. The Company is confident that this wealth of knowledge and experience will enable us to emerge stronger in the marketplace, when the business environment and consumer confidence return to better levels.

It has also, in recent years, enabled Waterco to increase sales of the larger filters, for public pools, aquaculture and industrial water treatment, strengthening Waterco's presence beyond and cushioning the significant drop in sales to the domestic swimming pool sector.

Waterco is proud that the Company's Air Scour Filtration system was chosen for the Glen Eira Sports and Aquatic Centre, which features five separate pools, two water slides, and a fully equipped aquatic wellness area. Glen Eira City Council required the very best in commercial swimming pool filtration technology to maximise water and energy savings and chose Waterco, after an extensive selection process. The project was the largest-ever capital works project embarked upon by Glen Eira City Council. The $41.2 million facility has been designed to provide aquatic, recreation and well-being opportunities for all segments of the community.

Waterco's Air Scour Filtration system provides extremely uniform air scour distribution resulting in a saving of between 25 and 35 per cent of the backwash water for all filters. Installed by WJ Pratt Pty Ltd, the filtration system consisted of air scour filters which included nine units of Micron Air Scour Deep Bed Vertical Nozzle Plate filters and 12 units of Micron Air Scour Deep Bed Horizontal filters, which are the first Horizontal Air Scour filters manufactured by Waterco.

In the domestic pool sector, some successful new products, including a wider range of LED underwater lights, the MultiCyclone Plus (which is an integrated cartridge filter combined with Waterco's award-winning MultiCyclone system) and a robotic cleaner for domestic pools, enabled us to contain the impact of adverse conditions on our results.

Unfortunately, our efforts were insufficient to counter the full effects of the weather conditions, which were adverse during the peak of the trading season. This division, therefore, saw a drop in EBIT of 26%, from a reduction in sales revenue of 3%.

NORTH AMERCIA AND EUROPE

Waterco North America and Europe comprises the Group's operations in the USA, Canada, UK and France.

The US market is the largest in the world and **Waterco USA** has made a substantial investment through its acquisition of Baker Hydro in March 2005. Our operations in Augusta, Georgia manufacture larger filters and assemble commercial pumps.

In the United States, sales were flat in local currency terms, with expected improvements from the commercial water treatment market not occurring in the financial year. Waterco USA recorded a higher loss this financial year compared with PCP as a result of this shortfall in the water-treatment industry.

However, sales of water-treatment products are considered promising, with Waterco USA currently having a large quote register, which are expected to result in some sales being realized in the new financial year. Of significance is a small desalination plant project requiring a high pressure seven-bar rated nozzle-plate filter of three metre diameter, which is expected to be delivered in the new financial year. This supply contract was awarded following a successful commissioning of another small desalination plant using a horizontal high pressure seven bar rated filter in Vladivostok.

Waterco Canada (WCI) manufactures and distributes heat pumps mainly into the swimming pool industry. Drawing from a successful history spanning 20 years, including several years prior to WCI's acquisition in 2005, this restructured entity, with a new research and development laboratory and assistance from our research and development division in Sydney, has improved performance of its products in both quality and cost. This was instrumental in the improvement of the results of WCI over the past two years. Under the Waterco umbrella, WCI celebrated the milestone of producing the 50,000th heat pump produced by the business before and after our acquisition. The conversion to a new environmentally friendly refrigerant has been completed. WCI completed the development of the first commercial-rated heat pump and successfully launched this new range in Canada.

For this financial year, sales in WCI declined, as a result of customers clearing inventory held over from the previous season. WCI has had a change in management during the year and it is expected that this will contribute to improved sales in the new financial year.

Waterco Europe (WEL), combining an entity set up in 2003 and the acquisition of Lacron in 2004, enjoys a continuous and successful history of almost 40 years in manufacturing fibreglass filters. The renown of the Lacron name for quality filters, coupled with progressive manufacturing techniques – which were introduced after the acquisition - has enabled WEL to bring to the market filters of quality at acceptable prices. As a result, both the Lacron and the Waterco brands are now well-recognised as quality products in Europe. This recognition continues, even after the manufacturing operations have been transferred to Malaysia and China, because the same high standards have been maintained.

Waterco France (WFR) was set up, as the thrust into Europe from the UK base could be best achieved with complementary facilities in France. WFR is located in Lyon, which is in the heart of the French swimming pool market, with access to convenient transport links. France is one of the largest markets in Europe, reputed to have a market value double that of Australia's. This new office will allow the European base to grow our market share through recognised distribution centres throughout France, as well as service surrounding countries, predominantly those located in Southern Europe. The expenses for establishing an outlet in France were substantial and were written off as they were incurred, in accordance with accounting principles. However, the benefits are expected to be realised commencing from the next financial year.

Sales in WEL and WFR for the year were around the same level as PCP, despite extremely tough trading conditions. This was achieved through various strategic efforts, including improved sales in the Commercial Pool sector, particularly in Eastern Europe.

Together, the EBIT in the **North America and Europe Division** showed a significant loss of $1.47m compared with PCP's profit of $211,000.

ASIA

Waterco Far East in Malaysia (WFE) was borne out of Waterco's familiarity with the Southeast Asian market. WFE was initially, a sales operation designed to service Waterco Australia's Southeast Asian customer base. In 1991 WFE added manufacturing operations to its undertakings in Kuala Lumpur, Malaysia. As well as bringing the Group closer to its markets in Southeast Asia, this also gave it costefficiency in its manufacturing operations. Since then, WFE has become the principal manufacturing facility for pumps and filters for the Waterco Group. This year, WFE delivered several new products, notably, the LED Underwater Lights and MultiCyclone Plus, which helped cushion the Australian business from the decline of the market in general.

WFE manufactured the commercial filtration equipment recently installed in the Glen Eira Sports and Aquatic Centre.

WFE recently achieved ISO9001:2008 certification, the internationally recognised standard for the quality management of businesses and demonstrates the existence of an effective and well-designed quality management system, which satisfies the rigours of an independent and external audit. A key criterion of this standard is that the management system can provide confidence in creating products that meet expectations and requirements.

Waterco in China commenced operations in 2000, delivering advantages of low operational costs and a foothold into the huge local market. Today, these operations manufacture filters primarily for the European and the Australian markets. High manufacturing standards have been maintained, further enhancing the acceptance of filters made by Waterco in China, with the Waterco brand, in these markets.
Waterco China has also achieved an internationally recognised quality assurance certificate.

Waterco International in Singapore (WI) focuses on sales in Asia other than Malaysia and China, where we have our own trading entities. WI also provides technical assistance to our Indonesian entity and has been able to contribute to the growth of the latter.

The Asia Division achieved a significantly improved EBIT, through the improvement of sales into local markets, as well as increased manufacturing activity, through intercompany demands.

PRODUCT DEVELOPMENT AND WATER TREATMENT

The company continued to put resources into research and development, expanding further into high pressure filters suitable for water treatment. During the year, following the successful commissioning of the multiple large composite filters installed for pre-filtration of seawater for a desalination plant in Iraq, another set of composite horizontal filters of high-pressure seven-bar rating filter were successfully commissioned in Vladivostok, Russia, extending the acceptance of Watero filters for use in desalination plants. This is encouraging and signifies progress in Waterco's thrust into this relatively new market .

Waterco has recently made a new breakthrough with the range of nozzle plate filters, employing unique manufacturing techniques to further strengthen its nozzle plate design, allowing the manufacture of Nozzle plate filters up to 3 meters in diameter, which can flex on both the horizontal and vertical axes. Waterco is currently patenting the process internationally, ensuring that Waterco will be in the unique position of being able to manufacture the world's largest fibreglass wound nozzle plate filters, giving Waterco's filters a distinct advantage over steel filters, which are less enduring to the degree of flexing experienced .

The patent for MultiCyclone was approved in the previous year, by European authorities; following that, formal acceptances of the patent in Australia and China are now in place. This will further reinforce our marketing of this product globally.

Waterco embraces the growing trend towards energy conservation. To this end, during the year Waterco introduced a power-conserving pump to the market. In addition, Waterco has made available glass beads as filtration media, which, together with progressive design of the internal components (laterals), which guide water through the filter, enables users to conserve water during the filter cleaning or backwashing process. The new MultiCyclone Plus also conserves water through reducing the need for backwashing or cleaning of filter elements. Waterco has won several awards for environmental consciousness in this product design.

The company has also invested in a new patent for measuring Hydrogen Peroxide in pool water, thus automating the process for using a non-chlorine method for sanitizing water for the swimming pool industry as well as the water treatment industry. Before this, the absence of a reliable method of controlling the level of Hydrogen Peroxide has limited the use of Hydrogen Peroxide as a pool sanitation agent. Hydrogen Peroxide is preferred to chlorine for sanitizing pool water as it is more environmentally friendly, decomposing into water and oxygen on being applied. It also offers an alternative to swimmers who are sensitive to chlorine.

DIVIDEND AND OUTLOOK

The results for the year are disappointing. It is recognised that profitability has yet to return to normal levels, with the North America and Europe Division incurring an EBIT loss. However, Waterco has been working hard to mitigate the effects of adverse conditions and remains profitable. Waterco believes that trading conditions globally and the weather conditions in Australia will improve, facilitating better performance ahead.

Accordingly, Waterco declares a final dividend payment of 4 cents per share, payable to shareholders on 14 December 2012. This brings the total dividend payout to 7 cents per share for the year, a satisfactory outcome in the environment of poor global economic conditions.

The Board will provide a profit guidance at a later stage for the financial year ended 30 June 2013, as more information becomes available during the year.

WATERCO LIMITED
Preliminary Final Report for the Financial Year Ended 30 June 2012

SUMMARY OF RESULTS

				$A'000
Revenues	Down	2.4.%	to	66,140
Profit (loss) after tax attributable to members	Down	36.6%	to	2,031

Dividends	Amount per security	Franked amount per security
Final dividend	4¢	4¢
Previous corresponding period	5¢	5¢
Date for determining entitlements to the dividend	16th November 2012	

Statement of Comprehensive Income

	Current period - $A'000	Previous corresponding period - $A'000
Revenues	66,555	68,204
Expenses		
Goodwill (on acquisition) Impairment Losses	(6)	(6)
Finance costs	(1,636)	(1,588)
Other Expenses	(62,011)	(62,127)
Profit (loss) before tax	**2,902**	**4,483**
Income tax *(see Annexure A)*	814	1,303
Profit (loss) after tax	**2,088**	**3,180**
Net profit (loss) attributable to non controlling interests	57	(24)
Net profit (loss) for the period attributable to members	**2,031**	**3,204**
Non-owner transaction changes in equity		
Net exchange differences recognised in equity		
Other revenue, expense and initial adjustments recognised directly in equity	1,557	(7,549)
Total transactions and adjustments recognised directly in equity	1,557	(7,549)

Total changes in equity not resulting from transactions with owners as owners	3,588	4,345

Earnings per security (EPS)	Current period	Previous corresponding Period
Basic EPS	6.1c	9.8c
Diluted EPS	6.1c	9.8c

Calculation of Earnings per security (EPS)

Dividends	Amount per security	Franked amount per security
Net Profit ($000)	2,088	3,180
Net Profit/(Loss) attributable to non controlling interests ($000)	57	(24)
Earnings used in calculation of basic EPS ($000)	2,031	3,204
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	33,464,447	32,683,116

Notes to the statement of comprehensive income

Profit (loss) attributable to members

	Current period - $A'000	Previous corresponding period - $A'000
Profit (loss) after tax	2,088	3,180
Less (plus) non controlling interests	57	(24)
Profit (loss) after tax, attributable to members	**2,031**	**3,204**

Revenue and Expenses - SEE ANNEXURE A

Capitalised outlays		
Interest costs capitalised in asset values	-	-
Outlays capitalised in intangibles (excluding those arising from acquisition of a business)	-	-

Operating Segments – SEE ANNEXURE A

Movement in Retained Profits

	Current period - $A'000	Previous corresponding period - $A'000
Retained profits (accumulated losses) at the beginning of the financial period	11,167	10,899
Net profit (loss) attributable to members	2,031	3,204
Transfer from Asset Revaluation Reserve	1,257	-
Adjustment relating to AASB 121	-	-
Dividends paid	2,671	2,936
Retained profits (accumulated losses) at end of financial period	**11,784**	**11,167**

Intangibles – Impairment/Amortisation

	Consolidated - current period			
	Before tax $A'000 (a)	Related tax $A'000 (b)	Related non controlling interests $A'000 (c)	Amount (after tax) attributable to members $A'000 (d)
Impairment of goodwill	6	-	-	
Amortisation of other intangibles	-	-	-	
Total Impairment/ amortisation of intangibles	6	-	-	

Comparison of half year profits

	Current year - $A'000	Previous year - $A'000
Consolidated profit (loss) after tax attributable to members reported for the *1st* half year	1,595	2,634
Consolidated profit (loss) after tax attributable to members for the *2nd* half year	436	570

Consolidated Statement of Financial Position

	At end of current period $A'000	As shown in last annual report $A'000	As in last half yearly report $A'000
Current assets			
Cash and cash equivalents	1,998	2,795	2,457
Trade and other receivables	8,452	8,260	12,717
Inventories	25,292	25,837	27,994
Other	583	570	685
Total current assets	**36,325**	**37,462**	**43,853**
Non-current assets			
Other property, plant and equipment (net)	36,846	34,691	36,353
Intangibles (net)	25	31	29
Deferred tax assets	578	(37)	134
Other	378	355	345
Total non-current assets	**37,827**	**35,040**	**36,861**
Total assets	**74,152**	**72,502**	**80,714**
Current liabilities			
Trade and other payables	6,517	6,955	12,308
Interest bearing liabilities	3,056	3,410	3,033
Current tax liabilities	(257)	378	490
Provisions exc. tax liabilities	1,333	1,506	1,694
Total current liabilities	**10,649**	**12,249**	**17,525**
Non-current liabilities			
Trade and other payables	-	-	-
Interest bearing liabilities	20,989	19,802	21,112
Deferred tax liabilities	524	235	347
Provisions exc. tax liabilities	171	110	103
Total non-current liabilities	**21,684**	**20,147**	**21,562**
Total liabilities	**32,333**	**32,396**	**39,087**
Net assets	**41,819**	**40,106**	**41,627**

Equity			
Issued Capital	35,562	34,841	35,291
Employee share loans	(85)	(103)	(94)
Reserves	(5,718)	(6,019)	(4,931)
Retained Earnings	11,784	11,167	11,100
Parent entity Interest	**41,543**	**39,886**	**41,366**
Non controlling interests in controlled entities	276	220	261
Total equity	**41,819**	**40,106**	**41,627**

Consolidated Statement of Cashflows

	Current period $A'000	Previous corresponding period - $A'000
Cash flows related to operating activities		
Receipts from customers	70,382	73,236
Payments to suppliers and employees	(64,003)	(63,699)
Interest and other items of similar nature received	56	32
Interest and other costs of finance paid	(1,637)	(1,588)
Income taxes paid	(1,507)	(1,304)
Other	234	521
Net operating cash flows	**3,525**	**7,198**
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment	(3,309)	2,462
Proceeds from sale of property, plant and equipment	26	73
Proceeds from sale of business	-	-
Investments	-	-
Payment for intangibles	-	-
Net investing cash flows	**(3,283)**	**2,535**
Cash flows related to financing activities		
Proceeds from issues of shares	722	973
Proceeds from borrowings	1,039	183
Repayment of borrowings		
Dividends paid	(2,671)	(2,948)
Net financing cash flows	**(910)**	**(1,792)**
Net increase (decrease) in cash held	(668)	7,941
Cash at beginning of period *(see Reconciliation of cash)*	2,381	3,505
Exchange rate adjustments.	119	(9,065)
Cash at end of period *(see Reconciliation of cash)*	1,832	2,381

Non-cash financing and investing activities

During the year, the economic entity acquired plant and equipment with an aggregate fair value of $58,800 (2011-$236,446) by means of finance leases. These financing activities are not reflected in the statement of cash flows.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period $A'000	Previous corresponding period - $A'000
Cash on hand and at bank	1,998	2,795
Bank overdraft	(166)	(414)
Other (provide details)		
Total cash at end of period	**1,832**	**2,381**

Other notes to the condensed financial statements

Ratios

	Current period	Previous corresponding Period
Profit before tax / revenue Consolidated profit (loss) before tax as a percentage of revenue	4.4%	6.6%
Profit after tax /equity interests Consolidated net profit (loss) after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	4.9%	8.0%

NTA PER SHARE

	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	$1.23	$1.21

Final Dividend Declared

Date the dividend is payable	14th December 2012
Record date to determine entitlements to the dividend	16th November 2012

Dividend per share

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
Final dividend:	Current year	4¢	4¢	¢
	Previous year	5¢	5¢	¢

Total dividend per share (interim *plus* final)

	Current year	Previous year
+Ordinary securities	7¢	9¢

Dividend Plans in operation

Waterco Dividend Reinvestment Plan
- Shares to be issued at 7.5% discount to average market price of the dividend record date and the four prior trading days.

The last date for receipt of election notices for the dividend	16th November 2012

Issued and quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Ordinary securities	33,895,279	33,895,279		
Changes during current period				
(a) Increases through issues	373,089	373,089	$1.21	$1.21
	278,907	278,907	$0.97	$0.97
(b) Decreases through returns of capital, buybacks				
Options			*Exercise price*	*Expiry Date*
Directors and Senior Executives option plan	90,000	-	$1.35	1/7/2013
Issued during current period	-	-		
Exercised during current period	-	-		
Expired during current period	-	-		

Annual meeting

The annual meeting will be held as follows:

Place	36 SOUTH ST RYDALMERE NSW 2116
Date	30th OCTOBER 2012
Time	3PM
Approximate date the annual report will be available	27th SEPTEMBER 2012

Compliance statement

1. This report has been prepared in accordance with the Corporations Act 2001 including complying with Australian Accounting Standards, including the Interpretations, and the Corporations Regulations 2001

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

3. This report does give a true and fair view of the matters disclosed.

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

5. The entity has a formally constituted audit committee.

Soon Sinn Goh
Chief Executive Officer

27th August 2012

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Notes:

1. **Reconciliation of income tax *prima facie* payable on the profit before tax to income tax expense where prima facie tax payable differs by more than 15% from income tax expense**.

2. **Rounding of figures:** Some of the information in this report have been rounded to the nearest $1,000 (where stated).

3. **Comparative figures:** When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

WATERCO LIMITED ABN 62 002 070 733 AND CONTROLLED ENTITIES

PRELIMINARY FINAL REPORT 30 JUNE 2011

ANNEXURE A

REVENUE AND EXPENSES

	Consolidated Group 2012 $	2011 $
Revenues	66,555,228	68,203,500
Changes in inventories of finished goods and work in progress	676,921	(1,040,701)
Raw materials and consumables used	(35,884,592)	(33,843,892)
Employee benefits expense	(13,047,318)	(12,578,413)
Depreciation, impairment and amortisation expense	(1,325,900)	(1,379,709)
Finance costs	(1,636,511)	(1,587,878)
Advertising expense	(1,388,194)	(1,435,333)
Discounts allowed	(95,583)	(106,694)
Outward freight expense	(1,483,096)	(1,598,852)
Rent expense	(2,156,172)	(2,209,001)
Contracted staff expense	(236,888)	(399,522)
Warranty expense	(406,803)	(469,778)
Commission expense	(361,657)	(362,924)
Other expenses	(6,306,907)	(6,708,212)
Profit before income tax expense	2,902,528	4,482,591
Income tax expense	814,539	1,302,486
Profit for the year	2,087,989	3,180,105

PRELIMINARY FINAL REPORT 30 JUNE 2012
ANNEXURE A

Operating Segments
Segment Information

Identification of reportable segments
The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group is managed primarily on the basis of location since the group's operations have similar risk profiles and performance criteria. Operating segments are therefore determined on the same basis.

The group operates predominantly in one industry being the manufacture and wholesale of swimming pool chemicals, accessories and equipment, manufacture and sale of solar pool heating systems and as a franchisor of swimming pool outlets retailing swimming pool accessories and equipment.

Basis of accounting for the purposes of reporting by operating segments
Accounting Policies Adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions
An internally determined transfer price is set for all inter-entity sales. The price is reviewed annually (unless special circumstances arise) and is based on what would be realised in the event the sale was made to an external party at arm's length under the same terms and conditions. All such transactions are eliminated on consolidation for the Group's financial statements.

Corporate charges are allocated to reporting segments based on the services provided to those reporting segments

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair valued based on market interest rates.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where is a direct nexus between the incurrence of the liability and the operations of the segment.

Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

– other revenues

Comparative information
This is the first reporting period in which AASB8: Operating Segments has been adopted. Comparative information has been stated to confirm to the requirements of the Standard.

PRELIMINARY FINAL REPORT 30 JUNE 2012
ANNEXURE A
Operating Segments

Geographical Segments

	2012			
	AUSTRALIA & NEW ZEALAND $	ASIA $	NORTH AMERICA &EUROPE $	CONSOLIDATED GROUP $
REVENUE				
Sales to customers outside the consolidated group	46,160,589	6,886,857	13,092,317	66,139,763
Intersegment sales	1,346,310	16,628,258	1,687,707	19,662,275
Total segment revenue	47,506,899	23,515,115	14,780,024	85,802,038
Reconciliation of segment revenue to group revenue				
Other revenue				415,465
Intersegment elimination				(19,662,275)
Total group revenue				66,555,228
Segment net profit/(loss) from continuing operations before tax	3,226,535	1,541,455	(1,449,997)	3,317,993
Reconciliation of segment result to group net profit/loss before tax				
Unallocated items				
- other				(415,465)
Net profit/(loss) before tax from continuing operations				2,902,528
Segment assets	70,763,714	36,573,098	(3,099,160)	104,237,652
Segment asset increases for the period				
Capital expenditure	1,660,892	1,878,516	211,098	3,750,506
Reconciliation of segment assets to group assets				
Intersegment eliminations				(30,085,708)
Total group assets				74,151,944
Segment liabilities	29,037,270	23,628,594	5,184,106	57,849,970
Reconciliation of segment liabilities to group liabilities				
Intersegment eliminations				(25,517,415)
Total group liabilities				32,332,555

PRELIMINARY FINAL REPORT 30 JUNE 2012
ANNEXURE A
Operating Segments

Geographical Segments

	2011			
	AUSTRALIA & NEW ZEALAND $	ASIA $	NORTH AMERICA &EUROPE $	CONSOLIDATED GROUP $
REVENUE				
Sales to customers outside the consolidated group	47,067,148	6,265,669	14,406,520	67,739,337
Intersegment sales	1,899,483	16,014,630	1,164,735	19,078,848
Total segment revenue	48,966,631	22,280,299	15,571,255	86,818,185
Reconciliation of segment revenue to group revenue				
Other revenue				464,163
Intersegment elimination				(19,078,848)
Total group revenue				68,203,500
Segment net profit/(loss) from continuing operations before tax	4,798,965	(65,268)	213,057	4,946,754
Reconciliation of segment result to group net profit/loss before tax				
Unallocated items				
- other				(464,163)
Net profit/(loss) before tax from continuing operations				4,482,591
Segment assets	69,945,505	32,557,702	(3,078,852)	99,424,355
Segment asset increases for the period				
Capital expenditure	1,404,768	(2,411,700)	649,595	(357,337)
Reconciliation of segment assets to group assets				
Intersegment eliminations				(26,922,611)
Total group assets				72,501,744
Segment liabilities	28,880,595	21,520,058	3,658,300	54,058,953
Reconciliation of segment liabilities to group liabilities				
Intersegment eliminations				(21,662,847)
Total group liabilities				32,396,106