

My Net Fone Limited
ABN 37 118 699 853
ASX Appendix 4D

Current Reporting Period	Half Year Ended 31 December 2012
Previous Corresponding Period	Half Year Ended 31 December 2011

Results for announcement to the market

				\$A'000
				31 Dec 2012
Revenue from ordinary activities – Rendering of services	Down	2.6%	to	18,429
EBITDA	Up	79.5%	to	1,999
Profit from ordinary activities after tax attributable to members	Up	60.9%	to	1,503
Net profit for the period attributable to members	Up	60.9%	to	1,503
Dividends (distributions)		Amount per share		Franked amount per share
Current Year:				
Interim dividend declared Record Date 13/03/13 Payable 27/03/13		1.5 cents		1.5 cents
Previous Corresponding Year:				
Interim dividend declared - franked		0.8 cents		0.8 cents
Final dividend paid - franked		1.5 cents		1.5 cents
Commentary on results for the period				
a) A once-off acquisition cost of \$110,331 which was incurred in the half year has been included in EBITDA and NPAT. Excluding the acquisition costs, EBITDA and NPAT would have been \$2.109M (up 89.4%) and \$1.580M (up 69.2%) respectively.				
Supplementary Information				
1. Net tangible assets per security		31 Dec 2012		31 Dec 2011
Net tangible assets per security (cents)		(3.42) cents		(1.86) cents

2. Details of entities over which control has been gained during the period

On 31 December 2012, the company acquired 100% of the issued capital of Internex Australia Pty Ltd.

Profit resulting from the acquisition of Internex Australia Pty Ltd will be included in the full year report of FY2013.

3. Details of dividend payments

The Directors have recommended an interim dividend of 1.5 cents per share for the period ending 31st December 2012. The interim dividend is fully franked.

4. Dividend re-investment plan

No dividend re-investment plan is in operation for this dividend.

5. Associates or joint ventures

The Group had no associates or joint ventures during or at the end of the period.

6. Audit/review

The financial statements are not subject to dispute or qualification.

My Net Fone Limited
and controlled entities
ABN 37 118 699 853

HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2012

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Directors' Report

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2012.

Directors

The names of directors who held office during or since the end of the half-year:

Name	Period of Directorship
Terry Cuthbertson Chairman Non Executive Director	Director since 2006
Michael John Boorne Non-Executive Director	Director since 2006
Andy Fung Non-Executive Director	Director since 2006 & Non-Executive Director since March 2012
Rene Sugo Executive Director Chief Executive Officer	Director since 2006 & CEO since March 2012

Review of Operations

The company continued to execute its business operations effectively during 2012 maintaining steady organic growth across the business. The MyNetFone and Symbio business operations performed to the management forecast. In addition the company has managed to successfully complete and fund three strategic acquisitions during this time which will deliver strong revenue and earnings growth in the second half of this financial year, and into the future.

Consolidated group earnings before interest, tax, depreciation and amortisation (EBITDA) for the 6 months for 31st December 2012 were \$1,999,206 while net profit after tax (NPAT) was \$1,503,146. This represents a 79.5% and 60.9% increase respectively from the corresponding period last year.

These results do not include any revenue or earnings from the GoTalk or Connexus acquisitions, and only include two month of earnings from the CallStream acquisition. These results also include the absorption of once-off costs relating to acquisition activity. The once-off acquisition costs that were incurred and included in the EBITDA and NPAT total \$110,331. Excluding these acquisition costs, EBITDA and NPAT would have been \$2,109,537 (up 89.4%) and \$1,580,377 (up 69.2%) respectively.

The NPAT figure also includes a considerably higher tax rate paid by the company due to the complete consumption of prior year tax losses as the group continues to operate profitably.

Basic earnings of 2.65 cents per share for the 6 months represent a 48.9% increase on the 1.78 cents for the same period last year. These earnings also include full dilution effects due to funds raised for acquisitions.

As at 31 December 2012, the company finished the period with a cash balance of \$2.37M, after completing full payments for all three acquisitions and once-off costs incurred.

Interim Dividend

With the cash flow growth, the Directors have declared a fully franked interim dividend of 1.5 cents per share, payable on 27th March 2013 to shareholders on the register at 13th March 2013.

Business Outlook

As of the date of this report the directors are of the opinion that the business remains on track to deliver upon the forecast guidance previously published for the full year ending 30th June 2013, for group's organic operations – Symbio and MyNetFone.

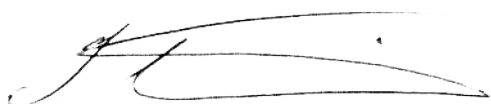
In addition the directors are looking forward to consolidating gains from the three acquisitions – Connexus, GoTalk Wholesale and CallStream. These acquisitions will begin to have a positive revenue and earnings impact in the second half of this financial year, and also present huge synergy opportunities moving forward into the 2014 financial year. The group will be using its national carrier network and extensive proprietary intellectual property to leverage the volume of business consolidated with these acquisitions.

The directors remain open to further acquisition activity in the near future should the correct opportunities present themselves and conform to the strict criteria of low earnings multiple and high synergy potential for the group.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors.

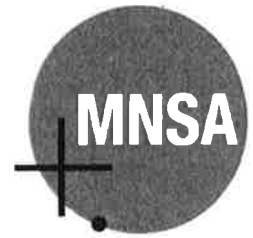


Terry Cuthbertson
Chairman
Sydney



Rene Sugo
Director

27th February 2013



MY NET FONE LIMITED AND CONTROLLED ENTITIES
ABN 37 118 699 853

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001
TO THE DIRECTORS OF MY NET FONE LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2012 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

MNSA Pty Ltd

Phillip Miller
Director

Sydney
Dated this  day of February 2013

My Net Fone Limited ABN 37 118 699 853 and Controlled Entities

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Consolidated Group	
		Half Year ended 31 December 2012	Half Year ended 31 December 2011
		\$	\$
Revenue			
Rendering of services	2	18,428,869	18,912,866
Cost of sales		(11,628,481)	(14,018,616)
Gross profit		6,800,388	4,894,250
Finance revenue	2	80,805	75,526
Other income	2	46,299	169,015
Distribution expenses		(57,607)	(58,238)
Marketing expenses		(457,652)	(281,765)
Occupancy expenses		(140,263)	(139,972)
Employee benefit expenses		(3,603,992)	(2,854,062)
Technology and support expenses		(72,014)	(283,326)
Depreciation expenses		(211,335)	(179,660)
Other administrative expenses		(596,757)	(407,478)
Profit/(Loss) before income tax		1,787,872	934,290
<i>Income tax (expense)/benefit</i>		(284,726)	-
Profit from continuing operations		1,503,146	934,290
Profit for the year		1,503,146	934,290
Other comprehensive income		-	-
Total comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		1,503,146	934,290
Earnings per share			
- Basic (cents per share)		2.65	1.78
- Diluted (cents per share)		2.63	1.69

The accompany notes form part of these financial statements

My Net Fone Limited ABN 37 118 699 853 and Controlled Entities

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2012

	Consolidated Group	
	31 December 2012	30 June 2012
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	2,371,905	5,980,464
Trade and other receivables	3,448,453	4,772,871
Inventory	326,877	170,810
Other financial assets	147,252	147,128
Total Current Assets	6,294,487	11,071,273
Non-current Assets		
Property, plant and equipment	1,017,037	807,944
Deferred income tax assets	-	161,284
Other intangible assets	5 1,985,000	-
Goodwill	6 9,159,055	4,626,417
Formation cost	1,178	1,178
Total Non-current Assets	12,162,270	5,596,823
TOTAL ASSETS	18,456,757	16,668,096
LIABILITIES		
Current Liabilities		
Trade and other payables	5,256,174	6,957,689
Deferred revenue	1,096,917	1,053,754
Deferred consideration	2,350,000	2,350,000
Income tax payable	20,264	11,012
Provisions	442,325	1,174,271
Total Current Liabilities	9,165,680	11,546,726
Non-current Liabilities		
Deferred consideration	-	2,350,000
Provisions	264,681	216,609
Total Non-current Liabilities	264,681	2,566,609
TOTAL LIABILITIES	9,430,361	14,113,335
NET ASSETS	9,026,396	2,554,761
EQUITY		
Issued Capital	9,335,755	4,360,515
Share based payment reserve	1,099,309	1,099,309
Accumulated losses	(1,408,668)	(2,905,063)
TOTAL EQUITY	9,026,396	2,554,761

The accompany notes form part of these financial statements

My Net Fone Limited ABN 37 118 699 853 and Controlled Entities

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Consolidated Group			
	<i>Issued Capital</i>	<i>Share Based Payment Reserve</i>	<i>Accumulated Losses</i>	<i>Total</i>
	\$	\$	\$	\$
CONSOLIDATED GROUP				
As at 1 July 2011	3,990,515	1,099,309	(4,703,301)	386,523
Profit for the period	-	-	934,290	934,290
Total comprehensive income for the year	-	-	-	-
Total recognised income and expense for the year	-	-	934,290	934,290
Dividends paid and provided	-	-	-	-
As at 31 December 2011	3,990,515	1,099,309	(3,769,011)	1,320,813
 As at 1 July 2012	 4,360,515	 1,099,309	 (2,905,063)	 2,554,761
Profit for the year	-	-	1,503,146	1,503,146
Total comprehensive income for the year	-	-	-	-
Total recognised income and expense for the year	-	-	1,503,146	1,503,146
Dividends paid and provided	-	-	(6,751)	(6,751)
Proceeds from issue of shares	4,975,240	-	-	4,975,240
As at 31 December 2012	9,335,755	1,099,309	(1,408,668)	9,026,396

The accompany notes form part of these financial statements

My Net Fone Limited ABN 37 118 699 853 and Controlled Entities

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	Half Year ended 31 December 2012	Half Year ended 31 December 2011
	\$	\$
Cash flows from operating activities		
Receipts from customers	22,058,590	22,511,795
Payments to suppliers and employees	(20,796,942)	(21,448,356)
Interest received	80,681	75,526
Borrowing costs	-	(10,804)
Income tax paid	9,252	-
Net cash provided by/(used in) operating activities	1,351,581	1,128,161
Cash flows from investing activities		
Payment for intangibles assets	(1,985,000)	-
Payment for subsidiary, net of cash acquired	(4,460,493)	-
Acquisition of other financial assets	-	1,719,543
Purchase of property, plant and equipment	(304,303)	(190,222)
Net cash provided by/(used in) investing activities	(6,749,796)	1,529,321
Cash flows from financing activities		
Proceeds from issue of shares	4,975,240	-
Dividends paid	(835,584)	(420,444)
Payment of deferred consideration	(2,350,000)	-
Repayment of Loans	-	(100,000)
Net cash provided by/(used in) financing activities	1,789,656	(520,444)
Net increase/(decrease) in cash and cash equivalents	(3,608,559)	2,137,038
Cash and cash equivalents at beginning of financial year	5,980,464	2,452,732
Cash and cash equivalents at end of financial year	2,371,905	4,589,770

The accompanying notes form part of these financial statements

My Net Fone Limited ABN 37 118 699 853 and Controlled Entities

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of My Net Fone Limited and its controlled entities (referred to as the consolidated group or group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012, together with any public announcements made during the following half-year.

(b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to matters discussed below.

(c) Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2012 annual report.

(d) New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period.

The Group adopted AASB 2011-9: *Amendments to Australian Accounting Standards Presentation of Items of Other Comprehensive Income* on 1st July 2012. AASB 2011-9 is mandatorily applicable from 1 July 2012 and amends AASB 101: *Presentation of Financial Statements*.

AASB 2011-9 amends the presentation of other comprehensive income. It requires items of other comprehensive income to be grouped between:

items that will not be reclassified subsequently to profit or loss; and

those that will be reclassified subsequently to profit or loss when specific circumstances occur.

It also requires, when items of other comprehensive income are presented before the related tax effects with a single amount shown for the aggregate amount of income tax relating to those items, the amount of tax effect to be allocated between:

items that will not be reclassified subsequently to profit or loss; and

those that might be reclassified subsequently to profit or loss.

The adoption of AASB 2011-9 only changed the presentation of the Group's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the Group's financial statements.

(e) Going Concern

The Directors believe that the Group will be able to continue as a going concern and, as a consequence, the financial report has been prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities will occur in the normal course of business.

The Directors believe that the going concern basis of accounting is appropriate due to the expected cash flows to be generated by the Group over the next twelve months and that the company will be able to pay its debts as and when they fall due.

Notwithstanding the above, the directors acknowledge that there are a number of risk factors that could materially affect the Group's future profitability and cash flows. These risk factors were fully disclosed in the June 2012 annual financial statements.

Notes to the Financial Statements (Continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

(f) Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

With respect to non-depreciable items of property, plant and equipment measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

My Net Fone Limited ABN 37 118 699 853 and Controlled Entities

Notes to the Financial Statements (Continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	Half Year ended 31	Half Year ended 31
	December 2012	December 2011
	\$	\$
2 PROFIT FOR THE PERIOD		
(a) Revenue		
Rendering of services	18,428,869	18,912,866
Finance revenue	80,805	75,526
	<u>18,509,674</u>	<u>18,988,392</u>
<i>Breakdown of finance revenue:</i>		
Bank interest receivable	80,805	75,526
	<u>80,805</u>	<u>75,526</u>
(b) Other income		
Rent Received	-	-
Other	46,299	169,015
	<u>46,299</u>	<u>169,015</u>

3 DIVIDENDS

The directors have recommended a fully franked interim dividend of 1.5 cents per fully paid ordinary share (2012: 0.8 cents) to be paid on 27 March 2013. The aggregate amount of the fully franked dividend for the year 2012 was 2.3 cents per share.

4 BUSINESS ACQUISITIONS

(a) Internex (Australia) Pty Ltd

On 31 December 2012, the Group acquired 100% of the issued capital of Internex (Australia) Pty Ltd, a Melbourne based Internet Service Provider, for a potential purchase consideration of \$4,750,000.

The acquisition is part of the Group's overall strategy to expand its operations by acquiring profitable customer bases in the small to medium business segments. This acquisition compliments the current established MyNetFone Business segment as well as providing additional intellectual property in the hosted ISP services space, and considerable cross selling opportunities and synergies.

The purchase price is based on 2.9 times the net profit after tax (NPAT) of Internex (Australia) Pty Ltd over an historical 12 month period from the date of acquisition. The consideration was paid in two instalments with the final installment paid on the 31 December 2012. The payment was made in part from a capital raising of \$3M from institutional and sophisticated investors by issuing 4,167,000 shares at 72 cents each. The remaining \$1.75M was funded from free cash flow.

	Fair Value
	\$
Purchase consideration	
Consideration	<u>4,750,000</u>
Less:	
Cash	289,507
Receivables	368,328
Inventory	69,887
Prepayments	74,215
Plant and Equipment	135,867
Payables	(650,500)
Employee Entitlements	(69,942)
Identifiable assets acquired and liabilities assumed	<u>217,362</u>
Goodwill	<u>4,532,638</u>
	<u>4,750,000</u>
Purchase consideration to be settled in cash	4,460,493
Cash acquired	<u>289,507</u>
	<u>4,750,000</u>

The directors believe the receivables are fully recoverable and no provision for impairment is required.

The goodwill is attributable to the forecast earnings growth of Internex due to its strong position and competitive advantage in the VoIP market. No amount of the goodwill is deductible for tax purposes.

No profit or revenue resulting from the acquisition of Internex Pty Pty has been included in the consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2012.

The consideration amount recognised at acquisition date was \$4,750,000.

Included in other expenses in the consolidated statement of profit or loss and other comprehensive income are acquisition related costs totalling \$28,355. The costs include advisory, legal, accounting and other professional fees.

My Net Fone Limited ABN 37 118 699 853 and Controlled Entities

Notes to the Financial Statements (Continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

(b) Callstream

On the 14 November 2012, the Group acquired the customer base and business operations of Callstream, a specialist inbound call service provider, for a maximum purchase consideration of \$600,000.

The acquisition is part of the Group's overall strategy to expand its operations by acquiring profitable customer bases in the small to medium business segments. This acquisition compliments the current established MyNetFone Business segment as well as providing strong synergies once the business is migrated to the Group's carrier network.

The purchase price was based on approximately 2.0 times the gross profit of the customer base over an historical 12 month period from the date of acquisition. The consideration was paid in two instalments with the final instalment paid on the 28 December 2012. The payment was made entirely from free cash flow.

Purchase consideration

Cash	600,000
Contingent Consideration	(15,000)
Settled in cash	<u>585,000</u>

Revenue generated from the customer base of Callstream included in the consolidated revenue since acquisition date on 14 November 2012 amounted to \$131,375.

Included in other expenses in the consolidated statement of profit or loss and other comprehensive income are legal costs relating to the acquisition totalling \$53,835.

(c) The Wholesale Business and Network Operations of GoTalk

On the 31 December 2012, the Group acquired the wholesale customer base and network operations of GoTalk, a wholesale voice provider and retail calling card operator which was a wholly owned subsidiary of Tel.Pacific Limited (ASX:TPC).

The acquisition is part of the Group's overall strategy to expand its operations by acquiring profitable customer bases in the wholesale carriage and wholesale-hosted services segments. The acquisition compliments the current established Symbio Wholesale business segment as well as providing very strong synergies once the business is migrated to the Group's carrier networks.

The purchase price was based on approximately 1.0 times the gross profit of the customer base over a forecast of 12 month period from the date of acquisition. The consideration was paid in one instalment on the 31 December 2012. The payment was made in cash from a capital raising of \$2M from sophisticated and institutional investors by issuing 2,127,660 shares at 94 cents each. The balance of the raising is to be used to fund restructure costs associated with integration of the business.

Purchase consideration	Settled in cash	<u>1,400,000</u>
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No profit or revenue resulting from the acquisition has been included in the consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2012.

5 OTHER INTANGIBLE ASSETS

	Customer Bases \$
Additions - Callstream	<u>585,000</u>
Additions - Gotalk	<u>1,400,000</u>
As at 31 December 2012	<u><u>1,985,000</u></u>

6 GOODWILL

Symbio Group - balance at 30 June 2012	4,626,417
Internex (Australia) Pty Ltd	<u>4,532,638</u>
As at 31 December 2012	<u><u>9,159,055</u></u>

My Net Fone Limited ABN 37 118 699 853 and Controlled Entities

Notes to the Financial Statements (Continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

7 EARNINGS PER SHARE

The following reflects the income and share data used in the basic earnings per share computations:

	<i>Consolidated Group</i>	
	<i>2012</i>	<i>2011</i>
Net profit/(loss) attributable to ordinary equity holders of the parent (used in calculating basic EPS)	1,503,146	934,290
Net profit/(loss) attributable to ordinary equity holders of the parent (used in calculating diluted EPS)	1,503,146	934,290
Weighted average number of ordinary shares for basic earnings per share	56,673,763	52,555,555
Effect of dilution:		
Share options	500,000	2,800,000
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>57,173,763</u>	<u>55,355,555</u>

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

8 OPERATING SEGMENTS

The Group operates in one business segment being telecommunications. The geographical segments are defined based on operating business location being Australia and Singapore.

9 CONTINGENT LIABILITIES

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

10 EVENTS AFTER THE END OF THE INTERIM PERIOD

The dividend as recommended by the Board will be paid subsequent to the balance date.

Since the reporting date, there have been no other significant events, other than those mentioned above, which would impact on the financial position of the Company as disclosed in the Statement of Financial Position as at 30 June 2012, and on the cash flow of the Company for the year ended on that date.

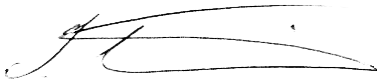
My Net Fone Limited ABN 37 118 699 853 **and Controlled Entities**

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 5 to 13, are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standard AASB 134 "Interim Financial Reporting"; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of the performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.



Terry Cuthbertson
Chairman



Rene Sugo
Director

Sydney, 27th February 2013



MY NET FONE LIMITED AND CONTROLLED ENTITIES
ABN 37 118 699 853

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
MY NET FONE LIMITED
ABN 37 118 699 853

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of My Net Fone Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of My Net Fone Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the My Net Fone Limited's financial position as at 31 December 2012 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 auditor of My Net Fone Limited, 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 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.

While we consider the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.



Matters Relating to Electronic Publication of the Audited Financial Report

This review report relates to the financial report of My Net Fone Limited for the half-year ended 31 December 2012 included on the website of My Net Fone Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

- (i) giving a true and fair view of My Net Fone Limited's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

MNSA 8/c

MNSA Pty Ltd

Phillip Miller
Director

Sydney
Dated this

day of February 2013