

ENVIROMISSION LIMITED
ACN 094 963 238
APPENDIX 4E

PRELIMINARY FINAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities	Down	-42%	to	\$	222,723
Loss from ordinary activities attributable to members	Up	25%	to	\$	1,773,838
Net loss for the period attributable to members	Up	25%	to	\$	1,773,838

No dividend has been paid during the financial year or in the previous corresponding period. No dividend has been proposed or declared since the end of the financial year end.

Revenue from ordinary activities \$222,723 compared to last year's revenue of \$383,013.

Net loss attributable to members \$1,773,838 compared to last year's loss of \$1,420,723.

Loss per share of (0.35 cents) compared with last year's loss of (0.33 cents).

Diluted loss per share of (0.35 cents) compared with last year's loss of (0.33 cents).

REVIEW OF OPERATIONS

EnviroMission's shift to commercialise Solar Tower technology in global markets has again been shown to be prudent in light of the recent decision by Silex Systems to suspend plans for its 100MW Mildura Power Station Project (concentrated solar technology), despite the project having conditional Federal support of AUD\$75M from the Australian Renewable Energy Agency (ARENA), and AUD\$35M conditional support from the Victoria Government under the Energy Technology Innovation Strategy Fund; it was reported the decision was made after a joint review cited uncertainty around the Renewable Energy Target and low wholesale energy prices in Australia.

EnviroMission stands ready to reconsider the commercialisation of Solar Tower development rights in Australia if certainty is restored to the Renewable Energy Target and incentives are created to achieve a level commercial playing field with carbon emitting energy generators and various infrastructure projects that are slated for development in Australia.

EnviroMission's decision to commercialise Solar Tower technology in more viable global markets has enabled EnviroMission to remain relevant and viable and continue to provide EnviroMission's shareholders with opportunity and value beyond the vacuum of the continuing uncertainty of the Australian renewable energy market.

EnviroMission has executed a Heads of Agreement to develop Solar Tower technology in India and has a Memorandum of Understanding for development in the Middle East.

EnviroMission's core strategic intent to commercialise Solar Tower technology to global markets is making strong headway in three key international energy markets.

EVM has a year of strong support from existing and new shareholders (capital) evidenced again with the strong move to exercise options that currently expire in September 2014.

Management continuity in Australia and the US with savings achieved through integrated board and executive management roles.

Arizona

EnviroMission's US based subsidiary, EnviroMission Inc, has reported lobbying and negotiations with earmarked land stakeholders in the La Paz region has stepped up with the necessary development case being supported by feasibility operations and reports that take in geological assessment, analysis of supply chain capability and the potential of transmission access or upgrade to the identified sites.

Agreements with Faithfull and Gould and Hensel Phelps in the US continue to provide expertise to EnviroMission's US team that ensures all development decisions have strong local technical input and analysis.

Texas

Apollo Development, LLC (Apollo) is soon to close the financial transaction that will satisfy the financial terms of a Heads of Agreement with EnviroMission to assign exclusive Solar Tower development rights to Apollo in Texas.

Apollo is also currently undertaking pre-feasibility site analysis for Solar Tower development in the Laredo, Permian Basin, and El Paso regions of Texas, that will satisfy development milestones under the Heads of Agreement.

EnviroMission's Chief Executive and Chair, Mr Roger Davey, accepted the role of interim Chair of the Apollo board of director, to facilitate strong communication and intent between both parties.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated Group	
	2014	2013
	\$	\$
Revenue from ordinary activities	222,723	383,013
Business expenses	(428,792)	(319,738)
Contracting & consulting expenses	(990,644)	(1,133,614)
Depreciation and amortisation	(6,054)	(300)
Employee expenses	(95,996)	(85,487)
Finance cost	(47,737)	(3,240)
Loss on sale of investment	-	-
Occupancy expenses	(122,215)	(79,313)
Other administration expense	(299,617)	(170,700)
Travel expenses	(5,506)	(11,344)
Loss before income tax expense	(1,773,838)	(1,420,723)
Income tax expense	-	-
Loss after Income tax	(1,773,838)	(1,420,723)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Exchange difference on translating foreign controlled entities	6,498	(62,326)
	6,498	(62,326)
Items that will be reclassified to profit or loss	-	-
Other comprehensive income for the period, net of tax	6,498	(62,326)
Total comprehensive income for the period	(1,767,340)	(1,483,049)
Loss attributed to:		
Members of EnviroMission Limited	(1,773,838)	(1,420,723)
Non-controlling interest	-	-
	(1,773,838)	(1,420,723)
Total comprehensive income attributed to:		
Members of EnviroMission Limited	6,498	(62,326)
Non-controlling interest	-	-
	6,498	(62,326)
Earnings per share		
Basic loss per share (cents)	(0.35)	(0.33)
Diluted loss per share (cents)	(0.35)	(0.33)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Consolidated Group	
	2014	2013
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	972,549	232,776
Trade and other receivables	1,505,521	1,826,756
Prepayments	-	4,807
TOTAL CURRENT ASSETS	2,478,070	2,064,339
NON-CURRENT ASSETS		
Property, plant and equipment	56,018	477
Other non-current assets	11,767	8,807
Intangibles	1,120,920	1,127,188
TOTAL NON-CURRENT ASSETS	1,188,705	1,136,472
TOTAL ASSETS	3,666,775	3,200,811
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	465,176	1,059,782
Deferred income	1,483,208	1,804,067
Borrowings	-	66,487
TOTAL CURRENT LIABILITIES	1,948,384	2,930,336
NON-CURRENT LIABILITIES		
Trade and other payables	1,091,868	1,107,425
Borrowings	268,287	-
TOTAL CURRENT LIABILITIES	1,360,155	1,107,425
TOTAL LIABILITIES	3,308,539	4,037,761
NET ASSETS	358,236	(836,950)
EQUITY		
Issued capital	37,862,172	34,899,648
Reserves	404,662	398,165
Accumulated losses	(37,908,598)	(36,134,763)
TOTAL EQUITY	358,236	(836,950)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Ordinary Share Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Total \$
Consolidated Group				
Balance as at 1 July 2012	33,035,811	(34,714,040)	460,490	(1,217,739)
Share issued during the year	1,863,837	-	-	1,863,837
Loss attributable to members of parent entity		(1,420,723)	-	(1,420,723)
Other comprehensive income for the year	-	-	(62,326)	(62,326)
Balance at 30 June 2013	34,899,648	(36,134,763)	398,164	(836,951)
Balance as at 1 July 2013	34,899,648	(36,134,763)	398,164	(836,951)
Share issued during the year	2,962,524	-	-	2,962,524
Loss attributable to members of parent entity		(1,773,838)	-	(1,773,838)
Other comprehensive income for the year	-	-	6,498	6,498
Balance at 30 June 2014	37,862,172	(37,908,598)	404,662	358,234

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated 2014 \$	Consolidated 2013 \$
Net cash flows from operating activities		
Interest income	1,135	985
Development right fees received	222,092	383,179
Payments to suppliers & employees	(2,044,683)	(1,423,155)
Interest paid	(15)	-
Net cash inflow/ (outflow) from operating activities	<u>(1,821,471)</u>	<u>(1,038,991)</u>
Cash flows from investing activities		
Payments for property, plant & equipment	<u>(63,116)</u>	-
Net cash inflow/ (outflow) from investing activities	<u>(63,116)</u>	-
Cash flows from financing activities		
Proceeds from the issue of shares	2,169,319	1,010,000
Proceeds from borrowings	470,565	18,047
Repayment of borrowings	(4,198)	(85,590)
Net cash inflow/ (outflow) from financing activities	<u>2,635,686</u>	<u>942,457</u>
Net increase in cash and cash equivalents	751,099	(96,533)
Cash and cash equivalents at the beginning of the financial year	232,776	341,112
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	(11,326)	(11,803)
Cash and cash equivalents at the end of the financial year	<u>972,549</u>	<u>232,776</u>
Notes to the condensed consolidated statement of cash flows		
Reconciliation of cash		
Cash on hand and at bank	<u>972,549</u>	<u>232,776</u>

SEGMENT INFORMATION

The Company has one business segment, being the development of Solar Towers as a source of renewable energy and operates in two geographical segments, Australia and the United States of America.

ACCUMULATED LOSSES

	Consolidated Group	
	2014	2013
	\$	\$
Accumulated losses at beginning of the financial period	(36,134,763)	(34,714,040)
Net loss attributable to members	(1,773,838)	(1,420,723)
Accumulated losses at end of financial period	<u>(37,908,598)</u>	<u>(36,134,763)</u>

EARNINGS PER SHARE

Loss used to calculate basic and dilutive EPS	(1,773,838)	(1,420,723)
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	504,402,741	429,525,494
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	<u>504,402,741</u>	<u>429,525,494</u>
Basic earnings/(loss) per share (cents)	(0.35)	(0.33)
Diluted earnings/(loss) per share (cents)	(0.35)	(0.33)

Potential ordinary shares not considered dilutive

At 30 June 2014, the Company had on issue 173,084,254 unlisted options over unissued capital and had incurred a net loss of \$1,773,838 (2013: \$1,420,723). Unlisted options are not considered dilutive and have not been included in the calculations of diluted earnings per share.

NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share at 30 June 2014, (0.151 cents), and at previous corresponding period, (0.457 cents).

EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to 30 June 2014 that have had a material effect on the Company.

COMPLIANCE STATEMENT

The financial information provided in the Appendix 4E is based on the annual financial report, which is being prepared in accordance with Australian accounting standards or standards acceptable to ASX.

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

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

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

The financial report is not likely to be the subject of dispute or qualification.



Signed:

Roger C. Davey
Director

Melbourne, 29 August 2014