



**AUTODOM**

**AUTODOM LIMITED**

Suite 4 / Henry James Building  
8 Alvan Street  
SUBIACO  
Western Australia

PO Box 1808  
Subiaco 6904  
Western Australia

T +61 8 9381 8888

F +61 8 9381 9888

W [www.autodom.com.au](http://www.autodom.com.au)

E [info@autodom.com.au](mailto:info@autodom.com.au)

27 February 2009

Company Announcements Office  
Australian Securities Exchange Limited

**FIRST HALF RESULTS**

The directors of Autodom advise that the company generated a loss of \$171,000 for the 6 months to the end of December 2008. This was within expectations given the very difficult and deteriorating automotive manufacturing environment the company faced. The loss is also after expensing more than \$650,000 in costs associated with restructuring and improvement initiatives to cope with the operating environment.

A further \$116,000 was expensed with the writing off of accrued expenditure on a research and development project now considered unlikely to progress to commercial application.

The media has reported extensively on the significant decline in demand for vehicles at a global and local level. Since September 2008 the local manufacturers have cut back on production days and daily production rates to match vehicle sales. Autodom's sales have reflected these cuts and the organisation has faced major challenges to adjust its cost structure to remain viable. Several productivity improvement initiatives have been implemented.

The big unknown for all who operate in the industry, however, is when a turnaround can be expected. At this point the consensus would support a continuation of low demand for at least the next 6 months. In such an environment the company must keep costs under control and ensure optimal productivity is achieved.

In January 2009 Autodom was successful in its applications to receive funding of \$6m from the Commonwealth and South Australian Governments. The Commonwealth agreed to a grant of \$3m from the Automotive Industry Structural Adjustment Program. The South Australian Government agreed to provide a \$3m interest free loan repayable over a 3 year period. These funds will be put towards restructuring activities and working capital.

Yours faithfully,

Tony Dale  
Managing Director



**AUTODOM**

**AUTODOM LIMITED  
AND CONTROLLED ENTITIES  
A.B.N. 43 009 123 782**

**APPENDIX 4D  
HALF YEAR REPORT  
31 DECEMBER 2008**

**AUTODOM LIMITED  
A.B.N. 43 009 123 782  
AND CONTROLLED ENTITIES  
RESULTS FOR ANNOUNCEMENT TO THE MARKET**

**APPENDIX 4D  
HALF YEAR REPORT**

<b>Revenue and Net Profit (Loss)</b>	<b>AU\$'000's</b>
Revenue from continuing ordinary activities up 61.2% to	54,256
Loss from ordinary activities after tax attributable to members down by 25.4% to	(171)

**Dividends**

No interim dividend is to be paid for this year.

**COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION  
CONSOLIDATED NET TANGIBLE ASSET BACKING**

	<b>31 DEC 2008</b>	<b>31 DEC 2007</b>
	<b>\$</b>	<b>\$</b>
Net Assets	14,400,901	21,758,497
Less intangible assets	(5,363,963)	(5,359,214)
Less net deferred tax assets	(3,831,213)	(961,558)
Less OEI net tangible assets	(4,135,684)	(4,143,702)
Net tangible assets of the Consolidated Entity	<u>1,070,041</u>	<u>11,294,023</u>
Fully paid ordinary shares on issue at Balance Date	54,346,301	54,825,198
Net tangible asset backing per issued ordinary share as at Balance Date (cents)	2.0 c	20.6 c

**This Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3**

Current Reporting Period: 31st December, 2008  
Previous Corresponding Period: 31st December, 2007

For an on behalf of the Directors



**AJ DALE  
MANAGING DIRECTOR**

Dated: 27 February, 2009

**AUTODOM LIMITED**  
**A.B.N. 43 009 123 782**

**I N D E X**

	<b>Page</b>
Directors Report	3
Lead Auditors Independence Declaration	4
Condensed Consolidated Income Statement	5
Condensed Consolidated Balance Sheet	6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flow	8
Notes to and Forming Part of the Financial Statements	9
Directors' Declaration	15
Independent Review Report	16

The directors of Autodom Limited present their report and the consolidated financial report of the Company for the half-year ended 31 December 2008.

### **Directors**

The names of the persons who have been a director of the Company any time during or since the end of the half year are Anthony John Dale, Robert Paul Martin, Scott Angus Mutton and Zelko Lendich.

### **Review of Operations**

Group loss after tax for the six months ended 31st December 2008 was \$171,201.  
Group loss after tax for the same period last year was \$229,343.

The company experienced a very difficult and deteriorating automotive industry environment in the half. Significant restructuring and improvement initiatives were taken to cope with the challenges created. More than \$650,000 in costs related to implementation of these initiatives was expensed during the 6 months. This included \$320,000 in redundancy payments. A further \$116,000 was expensed with the writing off of accrued expenditure on a research and development project now considered unlikely to progress to commercial application.

In January 2009 the company was successful in its applications to receive funding of \$6m from the Commonwealth and South Australian Governments. The Commonwealth agreed to a grant of \$3m from the Automotive Industry Structural Adjustment Program. The South Australian Government agreed to provide a \$3m interest free loan repayable over a 3 year period. These funds will be put towards further restructuring activities and working capital.

### **Lead Auditors Independence Declaration**

The lead auditors independence declaration is set out on page 2 and forms part of the directors report for the half year ended 31 December 2008.



---

**AJ DALE  
MANAGING DIRECTOR**

DATED at PERTH this 27th day of February, 2009

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9101  
www.rsml.com.au

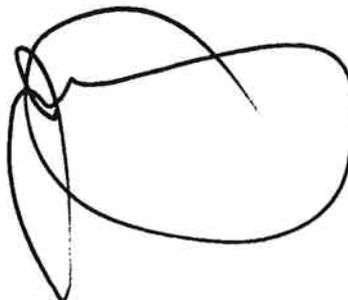
## AUDITOR'S INDEPENDENCE DECLARATION TO THE BOARD OF DIRECTORS OF AUTODOM LIMITED

As lead audit partner for the review of the financial report of Autodom Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



J A KOMNINOS  
Partner

Perth, WA  
Dated: 27 February 2009

# AUTODOM LIMITED

## Condensed Consolidated Income Statement

For The Half-Year Ended 31 December 2008

	Note	2008 \$	2007 \$
<b>Revenue from continuing operations</b>	3	54,255,782	33,192,051
Other income	4	909,622	495,010
Changes in inventories of finished goods and work in progress		45,203	(49,215)
Raw materials and consumables used		(38,477,842)	(23,244,721)
Employee benefits expense		(11,876,457)	(6,661,570)
Depreciation and amortisation expense	5	(1,738,292)	(1,246,259)
Finance costs - net	5	(551,286)	(137,406)
Other expenses		(3,116,684)	(2,491,884)
<b>Profit/(loss) from continuing operations before income tax expense</b>	2	<b>(549,956)</b>	<b>(143,994)</b>
Income tax benefit/(expense)		370,687	33,116
<b>Profit/(loss) from continuing operations</b>		<b>(179,269)</b>	<b>(110,878)</b>
<b>Profit/(loss) from discontinued operations</b>	8	<b>-</b>	<b>(122,967)</b>
<b>Profit/(loss) for the year</b>		<b>(179,269)</b>	<b>(233,845)</b>
(Profit)/loss attributable to minority interests		8,068	4,502
<b>Profit/(loss) attributable to members of Autodom Limited</b>	2	<b>(171,201)</b>	<b>(229,343)</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company</b>			
Basic earnings per share (Cents)		(0.32)	(0.20)
Diluted earnings per share (Cents)		(0.32)	(0.20)
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>			
Basic earnings per share (Cents)		(0.32)	(0.42)
Diluted earnings per share (Cents)		(0.32)	(0.42)

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

# AUTODOM LIMITED

## Condensed Consolidated Balance Sheet As at 31 December 2008

	31 December 2008	30 June 2008
	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	74,380	737,241
Trade and other receivables	7,145,664	12,800,055
Inventories	10,789,193	12,522,900
Other assets	3,478,422	2,585,169
<b>Total Current Assets</b>	<b>21,487,659</b>	<b>28,645,365</b>
<b>Non-Current Assets</b>		
Receivables	3,925,000	3,925,000
Property, Plant and Equipment	13,956,731	15,441,903
Deferred Tax Assets	4,847,425	4,710,948
Intangibles	5,363,963	5,530,122
Other Assets	25,948	109,835
<b>Total Non-Current Assets</b>	<b>28,119,067</b>	<b>29,717,808</b>
<b>Total Assets</b>	<b>49,606,726</b>	<b>58,363,173</b>
<b>Current Liabilities</b>		
Trade and other payables	19,014,502	27,210,420
Interest Bearing Liabilities	12,267,153	12,100,464
Provisions	1,439,547	1,801,427
<b>Total Current Liabilities</b>	<b>32,721,202</b>	<b>41,112,311</b>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	1,016,212	1,016,212
Provisions	1,468,411	1,654,530
<b>Total Non-Current Liabilities</b>	<b>2,484,623</b>	<b>2,670,742</b>
<b>Total Liabilities</b>	<b>35,205,825</b>	<b>43,783,053</b>
<b>Net Assets</b>	<b>14,400,901</b>	<b>14,580,120</b>
<b>Equity</b>		
Contributed Equity	17,916,202	17,916,202
Reserves	440,858	440,858
Accumulated Losses	(8,091,843)	(7,920,642)
<b>Parent Entity Interest</b>	<b>10,265,217</b>	<b>10,436,418</b>
Outside Equity Interest	4,135,684	4,143,702
<b>Total Equity</b>	<b>14,400,901</b>	<b>14,580,120</b>

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

# AUTODOM LIMITED

## Condensed Consolidated Statement of Changes in Equity

For The Half-Year Ended 31 December 2008

	Ordinary Share Capital \$	Option Reserve \$	Foreign Currency Translation Reserve \$	Dividend Reserve \$	Retained Earnings/ (Accumulated Losses) \$	Minority Equity Interests \$	Total \$
<b>Balance at 1 July 2007</b>	<b>18,007,651</b>	<b>168,000</b>	<b>(103,241)</b>	<b>239,908</b>	<b>(604,318)</b>	<b>4,198,153</b>	<b>21,906,153</b>
Return of capital to minority equity interests	-	-	-	-	-	(50,000)	(50,000)
Profit attributable to members of the parent entity	-	-	-	-	(229,343)	(4,502)	(233,845)
Adjustments from translation of foreign controlled entities	-	-	103,241	-	-	-	103,241
Option reserve on recognition of bonus element of options	-	32,950	-	-	-	-	32,950
Other adjustments	-	-	-	-	(53)	51	(2)
<b>Balance at 31 December 2007</b>	<b>18,007,651</b>	<b>200,950</b>	<b>-</b>	<b>239,908</b>	<b>(833,714)</b>	<b>4,143,702</b>	<b>21,758,497</b>
<b>Balance at 1 July 2008</b>	<b>17,916,202</b>	<b>200,950</b>	<b>-</b>	<b>239,908</b>	<b>(7,920,642)</b>	<b>4,143,702</b>	<b>14,580,120</b>
Profit attributable to members of the parent entity	-	-	-	-	(171,201)	(8,068)	(179,269)
Adjustments from translation of foreign controlled entities	-	-	-	-	-	-	-
Option reserve on recognition of bonus element of options	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	50	50
<b>Balance at 31 December 2008</b>	<b>17,916,202</b>	<b>200,950</b>	<b>-</b>	<b>239,908</b>	<b>(8,091,843)</b>	<b>4,135,684</b>	<b>14,400,901</b>

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

# AUTODOM LIMITED

## Condensed Consolidated Cash Flow Statement

For The Half-Year Ended 31 December 2008

	2008 \$	2007 \$
<b>Cash flows from operating activities</b>		
Receipts from customers and others	60,532,119	41,638,816
Payments to suppliers and employees	(60,802,622)	(41,234,603)
Interest and borrowing costs paid	(551,286)	33,890
Income taxes (refunded)/paid	234,210	(719,242)
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(587,579)</u></b>	<b><u>(281,139)</u></b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(241,961)	(3,391,819)
Payments for Intangible assets	-	(3,729,316)
Proceeds from sale of property, plant and equipment	-	14,450
Deferred Expenses	-	(299,558)
Repayment of minority interest equity	-	(50,000)
Interest received	-	149,578
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from investing activities</b>	<b><u>(241,961)</u></b>	<b><u>(7,306,665)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	72,687	6,058,259
Repayment of borrowings	-	(270,964)
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) from financing activities</b>	<b><u>72,687</u></b>	<b><u>5,787,295</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(756,853)</b>	<b>(1,800,509)</b>
Cash and cash equivalents at the beginning of the financial year	(76,705)	1,508,703
Bank Overdraft utilised	-	1,071,004
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial period</b>	<b><u>(833,558)</u></b>	<b><u>779,198</u></b>

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

# AUTODOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION OF THE HALF-YEAR REPORT

This general purpose condensed financial report for the half year reporting period ended 31 December 2008 has been prepared in accordance with accounting standard AASB 134 Interim Financial Reporting and the Corporation's Act 2001.

This condensed financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Autodom Limited during the half year ended 31 December 2008 in accordance with the continuous disclosure requirements of the Corporation's Act 2001.

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

This consolidated interim financial report was approved by the board of directors on 27 February 2009.

#### **Basis of Preparation**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value basis of accounting has been applied.

As disclosed in the financial statements, the group recorded for the six months ended 31 December 2008, a loss attributable to members of \$171,201 (31 December 2007: loss \$229,343) and had net cash flows used in operating activities of \$587,579 (31 December 2007: \$281,139) and at balance sheet date recorded net current liabilities of \$11,233,543 (30 June 2008: \$12,466,946). In addition, the Company is still in breach of its lending covenants pursuant to its lending agreement. These factors indicate significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe after consideration of the above matters there are reasonable grounds that the consolidated entity will be able to pay its debts as and when they become due and payable and is a going concern because of the following facts:

- \* The group has secured \$6 million in funding from the Commonwealth and South Australian Governments as disclosed in Note 9;
- \* The principal financier has agreed post balance date to continue to provide the current facilities subject to its review from time to time. The Company is working with the financier to determine new covenants and document a new loan agreement; and
- \* Subject to the difficulties associated with predicting future demand in what is an uncertain automotive industry, for the twelve month period from the date of this financial report, the group is budgeting to return to profitable and positive cashflow trading from operations.

#### **Impairment**

Under the accounting standard AASB 136 "Impairment", the Company is required to review the carrying value of all assets. The Company has used a model that forecasts the net present value of the future cashflows of the various cash generating units and compared this to the asset carrying values in the company's books. Given the high level of turmoil and uncertainty in the global and local automotive industry, the Directors believe they do not have sufficient information on future vehicle demand to accurately determine the future cashflows such that the impairment evaluation can be conducted appropriately. The Directors are expecting that between the date of this report and the financial year ending 30 June 2009, the outlook will become clearer and an accurate impairment assessment can be undertaken.

# AUTODOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SEGMENT INFORMATION

#### (a) Description of segments

##### Business segments

The consolidated entity operates in the automotive industry segment as a component manufacturer and painter.

##### Geographical segments

The home country of the parent entity is Australia.

The automotive division operates from its base in South Australia, and also operates a facility in Victoria. Corporate head office is located in Perth, Western Australia.

#### (b) Primary reporting format - business segments

	Total Continuing Operations (Automotive)	Total Discontinued Operations (Engineering)	Consolidated Operations
<b>Half Year to 31 December 2008</b>			
Sales to external customers	54,255,782	-	54,255,782
Other revenue/income	909,622	-	909,622
Total segment revenue/income	<u>55,165,404</u>	<u>-</u>	<u>55,165,404</u>
Segment result	<u>(549,956)</u>	<u>-</u>	<u>(549,956)</u>
Profit before income tax	(549,956)	-	(549,956)
Income tax expense	370,687	-	370,687
Profit for the year after tax	<u>(179,269)</u>	<u>-</u>	<u>(179,269)</u>
<b>Half Year to 31 December 2007</b>			
Sales to external customers	33,042,473	-	33,042,473
Other revenue/income	622,480	115,386	737,866
Total segment revenue/income	<u>33,664,953</u>	<u>115,386</u>	<u>33,780,339</u>
Segment result	<u>(143,994)</u>	<u>(119,052)</u>	<u>(263,046)</u>
Profit before income tax	(143,994)	(119,052)	(263,046)
Income tax expense	33,116	(3,915)	29,201
Profit for the year after tax	<u>(110,878)</u>	<u>(122,967)</u>	<u>(233,845)</u>

# AUTODOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS /Continued...

	2008	2007
	\$	\$
<b>3. REVENUE</b>		
<b>From continuing operations</b>		
<b>Sales revenue</b>		
Sale of goods	54,024,942	31,986,054
Services	230,840	1,056,419
	<u>54,255,782</u>	<u>33,042,473</u>
<b>Other revenue</b>		
Interest	-	149,578
	-	149,578
	<u>54,255,782</u>	<u>33,192,051</u>
<b>From discontinued operations</b>		
<b>Sales revenue</b>		
Sale of goods	-	-
Services	-	-
	-	-
<b>Other revenue</b>		
Rents and sub-lease rentals		97,754
Interest		17,632
	-	115,386
	-	115,386
<b>4. OTHER INCOME</b>		
Net gain on disposal of plant and equipment		5,000
Government Grants (net) (refer note (a) below)	856,057	450,844
Discounts Received	-	1,407
Gain on Acquisition of Subsidiary (Henderson Components Pty Ltd)	-	22,108
Other Income	53,565	15,651
	<u>909,622</u>	<u>495,010</u>

(a) During the half year to 31 December 2008 further data relating to the modulation factor became available allowing the board to review the company's position in relation to the certainty of receipts of entitlements under the Automotive Competition and Investment Scheme (ACIS). Following advice from aiAutomotive's ACIS advisors, the Board formed the view that recognition using a 50% modulation factor and a discount factor of 10% to reduce the future receipts to current values was appropriate.

# AUTODOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS /Continued...

### 5. EXPENSES (from continuing operations)

	2008	2007
Profit before income tax includes the following specific expenses:-	\$	\$
Depreciation of plant and equipment	1,738,292	1,240,232
Amortisation of plant and equipment under finance leases	-	6,027
Total depreciation and amortization	<u>1,738,292</u>	<u>1,246,259</u>
Interest and finance charges paid/payable	551,286	137,406
Net loss on disposal of plant and equipment	-	12,699
Rental expense relating to operating leases	1,088,970	1,053,965

### 6. DIVIDENDS

No dividend has been paid or provided for in the current half year.

-	-
---	---

### 7. BUSINESS COMBINATION

On 14 December 2007, the group acquired the assets and business of Dair Industries (SA) Pty Ltd. The total consideration was substantially funded by bank debt. Goodwill recognised was \$5.1 million at 31 December 2008, which includes \$1 million payable if milestones are achieved by December 2008 and \$0.32 million stamp duty payable in 2009.

On 25 January 2008, the group settled the acquisition of the assets and business of HPG Engineering and Associates Pty Ltd. The total consideration was also substantially funded by bank debt. Goodwill recognised was \$0.3 million at 31 December 2008, which includes \$0.25 million payable if milestones are achieved by January 2009. At the date of this report, management is still in the process of finalising the final amount payable arising out of the milestone payment.

# AUTODOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS /Continued...

	2008	2007
	\$	\$
<b>8. DISCONTINUED AND DEMERGED OPERATIONS</b>		
<b>(a) Description</b>		
On 18 June 2007 the company demerged its Construction division into the Forge Group Limited. This followed approval by members in general meeting on 25 May 2007.		
The company has a number of subsidiaries that are operationally dormant but hold some residual assets and commitments from their original undertakings.		
<b>(b) Financial performance</b>		
Revenue	-	115,386
Expenses	-	(234,438)
Profit/(Loss) before income tax	-	(119,052)
Income tax expense	-	(3,915)
<b>Profit after income tax of discontinued operations</b>	<b>-</b>	<b>(122,967)</b>

## 9. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 13 February 2009, the Company announced that its wholly owned subsidiary aiAutomotive Pty Ltd will receive \$6 million in funding from the Commonwealth and South Australian Governments. The subsidiary will receive a \$3 million grant from the Commonwealth Government's Automotive Industry Structural Adjustment Program. The subsidiary will also receive a \$3 million interest free loan from the South Australian Government repayable over a three year period. This will provide the subsidiary the working capital needed to fund its operations until the Company returns to profitability. At the date of this report, \$3 million of the loan and \$1.5 million of the grant have been received.

Other than the above, we have not identified any events since the balance sheet date which would require revision of the amounts included in the financial statements or disclosure in the notes to the financial

## 10. CONTINGENT LIABILITIES

There has been no change to the contingent liabilities since last annual reporting date.

# AUTODOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS /Continued...

### 11. RELATED PARTY TRANSACTIONS

During the period entities associated with certain directors provided consulting fees to the group:-

\$

Management fees paid to Temorex Pty Ltd, a company controlled by Mr R P Martin

38,225

Management fees paid to Hensman Nominees Pty Ltd, a company controlled by Mr Z Lendich

28,298

(Mr Lendich resigned as a director on 15 September 2008)

Fees paid to Kirraminga Nominees Pty Ltd, a company controlled by Mr S Mutton

Operating Lease Rentals (15 September 2008 - 31 December 2008)

67,269

Consulting Fees (15 September 2008 - 31 December 2008)

45,115

(Mr Mutton was appointed as a director on 15 September 2008)

(It should be noted that Mr. Mutton was providing services to the Autodom Limited and its controlled entities prior to his appointment to the Board of Autodom Limited.)

# **AUTODOM LIMITED**

## **DIRECTORS DECLARATION**

In accordance with a resolution of the directors of Autodom Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity:
  - (i) give a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date of the consolidated entity; and
  - (ii) comply with Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



---

AJ Dale  
Managing Director

Perth  
Dated 27 February 2009

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9101  
www.rsmi.com.au

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUTODOM LIMITED

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and directors' declaration for Autodom Ltd (the consolidated entity), for the half-year ended 31 December 2008. The consolidated entity comprises both Autodom Ltd (the company) and the entities it controlled during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

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

### *Auditor's Responsibility*

Our responsibility is to express 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 financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Autodom Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### *Independence*

In conducting our review, we have followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

### *Bases for Qualified Conclusion*

#### Recoverability of Purchased Goodwill

The assets of the consolidated entity include goodwill which arose from the acquisition of the businesses of Dair Industries (SA) Pty Ltd and HPG Engineering Pty Ltd. The carrying value of goodwill at year end totals \$5,333,019. The ultimate recovery of the carrying value of the goodwill is dependent on the consolidated entity generating future profits in the cash generating units to which this goodwill relates.

We have not been able to obtain sufficient appropriate evidence to determine whether or not the consolidated entity will be able to generate adequate profits to recover the carrying value of the goodwill. We are therefore unable to determine whether the carrying value of the goodwill is in excess of its recoverable amount.

#### Recoverability of Deferred Tax Balances

The consolidated entity has recognised a deferred tax asset in respect of unused tax losses and temporary differences of \$4,847,425 in the balance sheet. Under Australian Accounting Standard AASB 112 *Income Taxes* a deferred tax asset can only be recognised if it is probable that future taxable profits will be available against which the balance can be utilised.

The recoverability of the deferred tax asset is dependent on the consolidated entity generating future taxable profits. We have not been able to obtain sufficient appropriate evidence to determine whether it is probable that the consolidated entity will be able to generate adequate profits to utilise the deferred tax asset. We are therefore unable to determine whether recognition of the deferred tax asset is in accordance with the requirements of Australian Accounting Standards.

### *Qualified Conclusion*

Except for the adjustments, if any, as might have been determined to be necessary had the limitations on the scope of our review as discussed in the preceding paragraphs not existed, based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the half-year financial report of Autodom Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

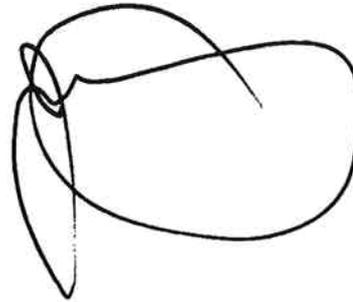
### *Material Uncertainty Regarding Continuation as a Going Concern*

Without further qualification to the conclusion expressed above, we draw attention to the financial report which indicates the consolidated entity incurred a net loss of \$171,201 during the half year ended 31 December 2008 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by \$11,233,543. Additionally, the consolidated entity is currently in breach of its banking covenants.

These conditions, along with other matters set out in note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'J A Komninos', written over a large, faint, circular watermark or stamp.

Perth, WA  
Dated: 27 February 2009

J A KOMNINOS  
Partner