



C@ LIMITED

ABN 99 110 439 686

Appendix 4D
Half Year Report
for the period ended
31 December 2008



APPENDIX 4D – HALF YEAR REPORT

Please find set out below the ASX half year report for C@Limited and its Consolidated Entity for the period ended 31 December 2008, in accordance with ASX Listing Rule 4.2A.3.

The report provides analysis against the previous reporting period ended 31 December 2007.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

CONSOLIDATED ENTITY	\$'000 Change	% Change
Revenue from ordinary activities	(85)	(92.7%)
Loss from ordinary activities after tax attributable to members	(649)	(229.1%)
Net loss for the period attributable to members	(649)	(229.1%)

DIVIDENDS	Amount per security	Frank amount per security
Final Dividend	nil	nil
Final Dividend Entitlement Record Date	n/a	n/a
Interim Dividend	nil	Nil
Interim Dividend Entitlement Record Date	n/a	n/a

	2008	2007
Net tangible asset backing per ordinary security (cents)	0.6	1.7

SUBSIDIARIES

During the period C @ Limited's wholly owned subsidiaries C@ Trading Pty Ltd and Acura Optical Pty Ltd were voluntarily wound up on 20 August 2008. Both subsidiaries were dormant and had not made any material contribution to the Consolidated Entities profit/loss during the period ended 31 December 2007 and the period ended 31 December 2008.

AUDIT STATUS

This report is based on accounts which have been audited without dispute or qualification.



C @ LIMITED

ACN 110 439 686

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
31 DECEMBER 2008**



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This interim 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 C @ Limited during the interim reporting period in accordance with continuous disclosure requirements of the Corporations Act 2001.



DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report for the half year ended 31 December 2008 and the auditor's review report thereon.

DIRECTORS

The names and details of the Directors of the Company in office during the half year are set out below. Directors have been in office for the entire period unless otherwise stated.

Andrew Harrison	-	Non-Executive Director
Andrew Konowalous	-	Non-Executive Director
Gordon Thompson	-	Non-Executive Director

RESULTS

The loss after tax of the consolidated entity for the half year was \$932,950 (2007: \$283,454).

REVIEW OF ACTIVITIES

During the period to 31 December 2008 the Company completed a detailed review of the Carbon Dynamics project. The board decided not to proceed with the project in order to preserve cash and pursue other investment opportunities that would better maximize shareholder value in the current financial environment.

Subsequent to the end of the period the Company completed its commitments relating to the finalization of the carbon dynamics project. The Company also made application for a significant one off payment relating to a research and development tax rebate claim, which will further increase cash reserves.

The Company is currently reviewing a number of prospective projects, and continues to generate modest revenues from its optical frame wholesaling business and this core activity will continue.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 4 for the half year ended 31 December 2008.

Signed in accordance with a resolution of the Board of Directors.

Andrew Harrison

Director

Dated this day of 17 February 2009



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of C @ Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2008 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.

KPMG
KPMG

Grant Robinson
Grant Robinson
Partner

Perth

17 February 2009



**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

Notes	31 December 2008 \$	31 December 2007 \$
Continuing Operations		
Revenue	6,715	91,926
Cost of sales	(11,942)	(41,433)
Gross (Loss) / Profit	(5,227)	50,493
Other income	121,312	267
Accounting and audit fees	(79,367)	(40,267)
Advertising and marketing	(678)	(1,241)
Legal fees	(7,697)	(705)
Employee and related expenses	(321,685)	(112,636)
Professional and consulting fees	(183,433)	(28,793)
Depreciation and amortisation	(3,084)	(9,848)
Rent	(101,328)	(36,269)
Repairs and maintenance	(1,247)	-
Travel and accommodation	(94,635)	-
Provision for doubtful debts	-	(11,374)
Write-down of inventory	(5)	(20,026)
Impairment of property, plant and equipment	-	(39,438)
Carbon sink project expenditure	(136,086)	-
Other expenses	(153,159)	(73,873)
Results from operating activities	(966,319)	(323,710)
Financing income	33,369	40,259
Financing costs	-	(3)
Net financing income	33,369	40,256
Loss before income tax	(932,950)	(283,454)
Income tax expense	-	-
Loss from continuing operations	(932,950)	(283,454)
Basic loss per share (cents per share)	(0.64)	(0.37)

The Company's potential ordinary shares are not considered dilutive and accordingly basic loss per share is the same as diluted loss per share.

The income statement is to be read in conjunction with the accompanying notes.



CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	31 December 2008 \$	30 June 2008 \$
CURRENT ASSETS			
Cash and cash equivalents		792,730	676,093
Trade and other receivables		151,604	85,159
Prepayments		3,897	4,048
Inventories		20,554	30,521
TOTAL CURRENT ASSETS		968,785	795,821
NON-CURRENT ASSETS			
Property, plant and equipment		30,642	31,269
Other financial assets		-	75,301
TOTAL NON-CURRENT ASSETS		30,642	106,570
TOTAL ASSETS		999,427	902,391
CURRENT LIABILITIES			
Trade and other payables		90,742	30,045
Employee benefits		-	9,615
TOTAL CURRENT LIABILITIES		90,742	39,660
TOTAL LIABILITIES		90,742	39,660
NET ASSETS		908,685	862,731
EQUITY			
Issued capital	6	5,526,245	4,556,956
Accumulated losses		(4,617,560)	(3,694,225)
TOTAL EQUITY		908,685	862,731

The balance sheet is to be read in conjunction with the accompanying notes.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	31 December 2008 \$	31 December 2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	51,681	90,175
Cash paid to suppliers and employees	(1,024,412)	(308,769)
Interest received	33,369	40,259
Interest paid	-	(3)
NET CASH FLOWS USED BY OPERATING ACTIVITIES	(939,362)	(178,338)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(4,291)	-
Proceeds from the sale of property, plant and equipment	4,000	-
Proceeds from security deposits	87,001	-
NET CASH FLOWS RECEIVED FROM INVESTING ACTIVITIES	86,710	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	969,289	-
NET CASH FLOWS RECEIVED FROM FINANCING ACTIVITIES	969,289	-
NET INCREASE / (DECREASE) IN CASH HELD	116,637	(178,338)
Cash and cash equivalents at 1 July	676,093	1,342,027
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	792,730	1,163,689

The statement of cash flows is to be read in conjunction with the accompanying notes.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
BALANCE AT 1 JULY 2008	4,556,956	-	(3,694,225)	862,731
Adjustment to retained earnings	-	-	9,615	9,615
Issue of share capital	1,139,430	-	-	1,139,430
Transaction costs from issue of shares	(170,141)	-	-	(170,141)
Loss for period	-	-	(932,950)	(932,950)
BALANCE AT 31 DECEMBER 2008	5,526,245	-	(4,617,560)	908,685
BALANCE AT 1 JULY 2007	4,556,956	4,530	(2,936,183)	1,625,303
Loss for period	-	-	(283,454)	(283,454)
BALANCE AT 31 DECEMBER 2007	4,556,956	4,530	(3,219,637)	1,341,849

The statement of changes in equity is to be read in conjunction with the accompanying notes.



CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

C @ Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2008 comprises the Company and its subsidiaries (together referred to as the "consolidated entity"). The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2008 is available upon request from the Company's registered office.

2. STATEMENT OF COMPLIANCE

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards AASB 134 Interim Financial Reports and the Corporations Act 2001. The consolidated interim financial report has been prepared on a historical basis.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2008. It is also recommended that the interim financial report be considered together with any public statements made by the Company and consolidated entity during the half year ended 31 December 2008 in accordance with the continuous disclosure obligations required under the Corporations Act 2001.

This consolidated interim financial report was approved by the Board of Directors on 17 February 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2008.

4. ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.



CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report as at and for the year ended 30 June 2008.

5. SEGMENT REPORTING

C @ Limited predominantly operates in one business segment (being the provision of optometry related products and services) and in one geographic segment (Australia).

6. ISSUED CAPITAL

	31 December 2008	30 June 2008
Issued and Paid-Up Capital	\$	\$
151,924,000 (June 2008: 75,962,000) fully paid ordinary shares	5,526,245	4,556,956

Options:

No options to subscribe for ordinary shares were granted or exercised during the half year.

No options lapsed during the half year.

No options to subscribe for ordinary shares are outstanding at 31 December 2008.

7. LOANS AND BORROWINGS

There were no new loans and borrowings issued during the six months ended 31 December 2008.

As at 30 June 2008, there were no outstanding loans and borrowings.

In the prior interim period, there were no new loans and borrowings.

8. SUBSEQUENT EVENTS

There are no events subsequent to balance sheet date that would have a material financial effect on the financial statements for the half year ended 31 December 2008.



DIRECTORS DECLARATION

In the opinion of the Directors of C @ Limited ("the Company"):

1. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - a) Giving 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
 - b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001: and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Andrew Harrison
Director

Dated at Perth, Western Australia, this 17 February 2009



Independent auditor's review report to the members of C @ Limited

Report on the financial report

We have reviewed the accompanying interim financial report of C @ Limited, which comprises the condensed consolidated interim balance sheet as at 31 December 2008, condensed income statement, statement of changes in equity and cash flow statement for the interim period ended on that date, a statement of accounting policies and other explanatory notes 4 to 8 and the directors' declaration set out on page 11 of the Consolidated Entity comprising the Company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation and fair presentation of interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim 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 interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2008 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of C @ Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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 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 interim financial report of C @ Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2008 and of its performance for the interim period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.




Grant Robinson
Partner

Perth

17 February 2009