

Appendix 4D

Half-year report Period ended 31 December 2008

Name of entity

| |
|------------------------------|
| Eumundi Group Limited |
|------------------------------|

ABN or equivalent company reference

| |
|-----------------------|
| 30 010 947 476 |
|-----------------------|

Financial year ended ('current reporting period')

| |
|---|
| 31 December 2008 (previous reporting period 31 December 2007) |
|---|

Results for announcement to the market

| | | | | \$A 000's |
|--|------|---------|----|--------------|
| Revenues from ordinary activities | Up | 2.4 % | to | 9,906 |
| Profit (loss) from ordinary activities after tax attributable to members | Down | 244.36% | to | (2,955) |
| Net profit (loss) for the period attributable to members | Down | 244.36% | to | (2,955) |

Dividends

It is not proposed to pay any dividends.

Discussion and analysis of results

Eumundi Group has delivered a net loss after tax of \$2.955 million (\$4.241 million loss before tax) compared with a profit of \$2.047 million after tax (\$2.918 million profit before tax) for the corresponding period in 2007.

Revenue from ordinary activities of \$9.906 million represents an increase of \$0.235 million in comparison to last year. Hotel sales of goods and gaming increased \$0.198 million or 2.6% over the prior period, while investment property rental and recovery revenues increased from \$1.932 million in the prior period to \$2.015 million for the current period due to market rental reviews on properties.

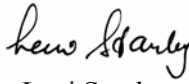
Other income of \$2.233 million in the prior period relates to the fair value adjustment on investment properties in particular the revaluation of the Aspley Central shopping centre \$2.2 million. Property revaluations in December 2008 resulted in decrements of \$4.454 million which are shown as expenses in the current half year results. These unfavourable property revaluations are attributable to a shift in market capitalisation rates of between 0.5% and 1% due to the economic downturn.

Expenses for the year were \$9.693 million after adjusting for the net loss on fair value adjustment of \$4.454 million compared with expenses of \$8.986 million for the corresponding period in 2007. Costs of goods sold increased from \$3.988 million to \$4.133 million in line with turnover and due to increased pressure on on-premises margins. Finance costs increased by \$0.278 million to \$1.449 million due to increased borrowings for the approved Axiom selective share-buyback and redevelopment of the Bribie Harbour Investment property, as well as higher interest rates. Employee benefits expense increased by \$0.192 million to \$1.521 million due to implementation of growth initiatives in the property management and hotel divisions.

| | 2008 | 2007 |
|---|-------------|-------------|
| <i>NTA BACKING</i> | | |
| <i>Net tangible asset backing per ordinary security</i> | \$0.28 | \$0.32 |

Statement

This report is based on accounts which have been subject to review.

Sign here:  Date: 26 February 2009

Print name: Leni Stanley

EUMUNDI GROUP LIMITED

ABN 30 010 947 476

FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2008**

This interim 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 Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT

Your directors present their report on Eumundi Group Limited ("the Company") and the entities it controlled at the end of and during the half-year ended 31 December 2008.

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

J M Ganim
G De Luca
V A Wills

Principal Activities

The principal activities of the consolidated entity during the half-year consisted of:

- a) the operation of the Ashmore Tavern; and
- b) the holding of investment properties; and
- c) the management of commercial, industrial and retail property.

Dividends

No dividends were paid or declared during or since the half-year ended 31 December 2008.

Review of Operations

During the past six months Eumundi Group has focused on strengthening its assets. The redevelopment of the Bribie Harbour (formerly Banksia Beach) investment property was a major focus and this project was effectively completed by half-year end. Priority has been to position each segment for the opportunities presented by the current economic downturn. The focus for our investment property segment was on maximising the long term security of revenue streams through lease renewals and selection of proven quality tenants for each centre. Hotel operations have focused on pursuit of market growth, by repositioning to capture additional market segments.

A summary of consolidated revenues and results for the half-year by business segment is set out below:

| | Segment Revenues | | Segment Results | |
|--|-------------------------|----------------|------------------------|----------------|
| | 2008 \$'000 | 2007 \$'000 | 2008 \$'000 | 2007 \$'000 |
| Hotel operations | 7,395 | 7,202 | 534 | 661 |
| Investment properties | 2,015 | 1,932 | (2,815) | 3,748 |
| Property management | 507 | 483 | (76) | 32 |
| | <u>9,917</u> | <u>9,617</u> | <u>(2,357)</u> | <u>4,441</u> |
| Unallocated revenue less unallocated expense | | | <u>(1,884)</u> | <u>(1,523)</u> |
| Profit (loss) before income tax expense | | | (4,241) | 2,918 |
| Income tax benefit (expense) | | | <u>1,286</u> | <u>(871)</u> |
| Profit (loss) for the half-year | | | <u>(2,955)</u> | <u>2,047</u> |

EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT (continued)

Comments on the operations are set out below:

(a) Hotel Operations

This segment comprises the Ashmore Tavern and its 3 detached bottle shops located on Queensland's Gold Coast. Revenues relate to retail sales at the bottle shops and Tavern, in addition to gaming revenue and bar sales at the Tavern.

Hotel turnover has remained in line with the prior period with growth in the rebranded Quench Liquor operations offsetting unfavourable variances in on-premises trade. Gaming continues the past strong performance with net revenues up 2.1% in comparison to the prior period. During the six months to December 2008 strategies to rebuild on-premise patronage have been implemented including the takeover and upgrade of kitchen and dining operations.

The Ashmore Tavern land and building assets were revalued as at 31 December 2008 by the Directors after considering market evidence, resulting in a decrement of \$1,559,000. A corresponding reduction in the asset revaluation reserve of \$1,091,000 net of tax was recognised.

(b) Investment Properties

The Group's investment properties comprises Aspley Central, Banksia Beach, Aspley Arcade and Home Hill Shopping Centres. Revenue from investment properties includes rent received from tenants under commercial leases.

Property revenues have increased by \$83,000 compared to the prior period due to market and annual increases on investment property rentals, in addition to the opening in December of the redeveloped and expanded Banksia Beach property on Bribie Island – now known as Bribie Harbour Shopping Village.

Segment results have decreased by \$6,563,000 in comparison to the prior period due to the impact of fair value adjustments. Market capitalisation rates have increased by between 0.5% and 1.0% since June 2008 and, as a result, net losses on fair value adjustments totalling \$4,454,000 were recognised in the current result, reducing the carrying values of the investment property assets. In the prior period, fair value increments of \$2,233,000 were recognised due to lower capitalisation rates driven by strong market activity.

(c) Property Management

The Group's property management segment comprises Keendove Holdings Pty Ltd. Revenue from property management includes management fees for the facility and lease administration of commercial, retail and industrial properties. Sales and leasing incomes are below the level achieved in the prior year due to the impact of the economic downturn. Decreased business and consumer confidence has slowed leasing enquiries while increased market capitalisation rates combined with reduced availability of capital has slowed sales activity. Increases in the value of annualised base management revenues of 9.6% have been achieved since June 08.

Significant After Balance Date Events

There are no matters or circumstances that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* accompanies this report.

EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT (continued)

Rounding

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'J M Ganim', with a long horizontal stroke extending to the right.

J M Ganim
Director

Dated this 26th day of February, 2009.

The Directors
Eumundi Group Limited
Level 15
10 Market Street
BRISBANE QLD 4000

Dear Sirs,

Auditor's Independence Declaration

As lead engagement partner for the review of the financial report of Eumundi Group Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of 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.

JOHNSTON RORKE
Chartered Accountants



KA HAIKUK
Partner

Brisbane, Queensland
26 February 2009

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

| | Notes | Half-Year | |
|---|-------|-------------------------------|-------------------------------|
| | | 31 December 2008 \$'000 | 31 December 2007 \$'000 |
| Revenue | 3 | 9,906 | 9,671 |
| Other income | 4 | - | 2,233 |
| Expenses | | | |
| Purchase of inventories | | (4,228) | (4,537) |
| Change in inventories | | 95 | 549 |
| Employee benefits expense | | (1,521) | (1,329) |
| Depreciation and amortisation | | (305) | (290) |
| Insurance | | (41) | (34) |
| Operating lease rentals | | (148) | (152) |
| Rates and taxes | | (42) | (46) |
| Outgoings – investment properties | | (321) | (416) |
| Net loss on fair value adjustment - investment properties | 6 | (4,454) | - |
| Management fee | | - | (66) |
| Gaming machine tax | | (837) | (807) |
| Finance costs | | (1,449) | (1,171) |
| Other expenses | | (896) | (687) |
| Total expenses | | <u>(14,147)</u> | <u>(8,986)</u> |
| Profit/(loss) before income tax | | (4,241) | 2,918 |
| Income tax (expense)/benefit | | <u>1,286</u> | <u>(871)</u> |
| Profit/(loss) for the half-year | | <u>(2,955)</u> | <u>2,047</u> |
| Profit/(loss) is attributable to: | | | |
| Equity holders of Eumundi Group Limited | | (2,950) | 2,045 |
| Minority interest | | <u>(5)</u> | <u>2</u> |
| | | <u>(2,955)</u> | <u>2,047</u> |
| Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company: | | | |
| Basic earnings per share (cents per share) | | (4.16)¢ | 2.40¢ |
| Diluted earnings per share (cents per share) | | (4.16)¢ | 2.40¢ |

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

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

| | Notes | 31 December 2008 \$'000 | 30 June 2008 \$'000 |
|--------------------------------------|-------|-------------------------------|---------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 1,332 | 1,256 |
| Trade and other receivables | | 390 | 406 |
| Inventories | | 1,675 | 1,580 |
| Available-for-sale financial assets | | 120 | 101 |
| Current tax assets | | 27 | - |
| Other assets | | 262 | 110 |
| Total current assets | | 3,806 | 3,453 |
| Non-current assets | | | |
| Other receivables | | 260 | 397 |
| Available-for-sale financial assets | | 207 | 207 |
| Property, plant and equipment | 5 | 14,104 | 15,792 |
| Investment properties | 6 | 49,270 | 48,253 |
| Intangible assets | | 1,751 | 1,882 |
| Total non-current assets | | 65,592 | 66,531 |
| Total assets | | 69,398 | 69,984 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 2,362 | 1,875 |
| Borrowings | 7 | 200 | 600 |
| Current tax liabilities | | 5 | 54 |
| Provisions | | 278 | 262 |
| Total current liabilities | | 2,845 | 2,791 |
| Non-current liabilities | | | |
| Borrowings | 7 | 41,171 | 36,016 |
| Deferred tax liabilities | | 3,278 | 5,040 |
| Provisions | | 6 | 6 |
| Total non-current liabilities | | 44,455 | 41,062 |
| Total liabilities | | 47,300 | 43,853 |
| Net assets | | 22,098 | 26,131 |
| EQUITY | | | |
| Contributed equity | 8 | 8,695 | 8,695 |
| Reserves | | 6,970 | 8,048 |
| Retained profits | | 6,292 | 9,242 |
| Parent entity interest | | 21,957 | 25,985 |
| Minority interest | | 141 | 146 |
| Total equity | | 22,098 | 26,131 |

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

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

| | Half-Year | |
|--|-------------------------------|-------------------------------|
| | 31 December 2008 \$'000 | 31 December 2007 \$'000 |
| Total equity at the beginning of the half-year | 26,131 | 27,279 |
| Changes in the fair value of available-for-sale financial assets, net of tax | 13 | (167) |
| Loss on revaluation of land and buildings, net of tax (refer note 5) | (1,091) | - |
| Net income/(expense) recognised directly in equity | (1,078) | (167) |
| Profit/(loss) for the half-year | (2,955) | 2,047 |
| Total recognised income and expense for the half-year | (4,033) | 1,880 |
| Contributions of equity | - | 287 |
| Minority interest on acquisition of subsidiary | - | 143 |
| Total equity at the end of the half-year | 22,098 | 29,589 |
| Total recognised income and expense for the half-year is attributable to: | | |
| Members of Eumundi Group Limited | (4,028) | 1,878 |
| Minority interest | (5) | 2 |
| | (4,033) | 1,880 |

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

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

| | Notes | Half-Year 31 December 2008 \$'000 | 31 December 2007 \$'000 |
|--|-------|--|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 10,840 | 10,250 |
| Payments to suppliers and employees | | (9,447) | (8,666) |
| Interest received | | 32 | 39 |
| Finance costs | | (1,373) | (1,157) |
| Income tax paid | | (90) | (62) |
| Receipts from other debtors | | 150 | 150 |
| Net cash provided by operating activities | | 112 | 554 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for investment properties | | (4,670) | (122) |
| Payments for property, plant and equipment | | (46) | (165) |
| Payment for purchase of subsidiary, net of cash acquired | 9 | - | (736) |
| Net cash used in investing activities | | (4,716) | (1,023) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | | 5,080 | 990 |
| Repayment of borrowings | | (400) | (1,300) |
| Net cash provided by/(used in) financing activities | | 4,680 | (310) |
| Net increase/(decrease) in cash and cash equivalents | | 76 | (779) |
| Cash and cash equivalents at beginning of the reporting period | | 1,256 | 2,474 |
| Cash and cash equivalents at end of the reporting period | | 1,332 | 1,695 |

The above consolidated cash flow statement is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

1. Basis of Preparation of Half-year Report

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

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 Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

The Company is of a kind referred to in ASIC Class Order 98/0100 and, in accordance with the Class Order, amounts in the half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

2. Segment Information

Business Segments

The Group operates predominantly in the following business segments:

Hotel Operations - Operations comprise the operation of the Ashmore Tavern.

Investment Property - Operations comprise investment in commercial properties.

Property Management – Operations comprise management of commercial retail and industrial properties.

Primary reporting – business segments

| | Hotel Operations \$'000 | Investment Property \$'000 | Property Management \$'000 | Total \$'000 |
|---|--|---|---|-------------------------|
| 2008 | | | | |
| Revenue | | | | |
| Sales to external customers | 7,184 | 2,015 | 451 | 9,650 |
| Intersegment sales | - | - | 56 | 56 |
| Total sales revenue | 7,184 | 2,015 | 507 | 9,706 |
| Other revenue/ income | 211 | - | - | 211 |
| Total segment revenue/ income | 7,395 | 2,015 | 507 | 9,917 |
| Intersegment elimination | | | | (56) |
| Unallocated revenue | | | | 45 |
| Total revenue/ income | | | | 9,906 |
| Segment results | 534 | (2,815)* | (76) | (2,357) |
| Unallocated revenue less unallocated expenses | | | | (1,884) |
| Loss before income tax | | | | (4,241) |
| Income tax benefit | | | | 1,286 |
| Net loss | | | | (2,955) |

* Includes net loss on fair value adjustment to investment properties (\$4,454,000) (refer note 6)

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

2. Segment Information (continued)

Primary reporting – business segments (continued)

| | Hotel Operations \$'000 | Investment Property \$'000 | Property Management \$'000 | Total \$'000 |
|---|--|---|---|-------------------------|
| 2007 | | | | |
| Revenue | | | | |
| Sales to external customers | 6,986 | 1,932 | 483 | 9,401 |
| Other revenue/ income | 216 | 2,233* | - | 2,449 |
| Total segment revenue/ income | 7,202 | 4,165 | 483 | 11,850 |
| Unallocated revenue | | | | 54 |
| Total revenue/ income | | | | 11,904 |
| Segment results | 661 | 3,748 | 32 | 4,441 |
| Unallocated revenue less unallocated expenses | | | | (1,523) |
| Profit before income tax | | | | 2,918 |
| Income tax expense | | | | (871) |
| Net profit | | | | 2,047 |

*Includes net gain on fair value adjustment to investment properties \$2,233,000 (refer note 6)

3. Revenue

| | Half-Year Ended | |
|---|-------------------------------|-------------------------------|
| | 31 Dec 2008 \$'000 | 31 Dec 2007 \$'000 |
| Sales revenue | | |
| • Sale of goods | 5,367 | 5,207 |
| • Gaming revenue | 1,817 | 1,779 |
| • Rental income and recoveries from investment properties | 2,015 | 1,932 |
| • Management services | 451 | 483 |
| | 9,650 | 9,401 |
| Other revenue | | |
| • Interest | 32 | 39 |
| • Imputed interest on long term receivable | 13 | 16 |
| • Commissions | 73 | 67 |
| • Other | 138 | 148 |
| | 256 | 270 |
| | 9,906 | 9,671 |

4. Other Income

| | Half-Year Ended | |
|---|-------------------------------|-------------------------------|
| | 31 Dec 2008 \$'000 | 31 Dec 2007 \$'000 |
| Net gain on fair value adjustment to investment properties (refer note 6) | - | 2,233 |

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

5. Non-Current Assets – Property, Plant and Equipment

| | Freehold land \$'000 | Buildings \$'000 | Plant and equipment \$'000 | Total \$'000 |
|----------------------------|-------------------------------------|-----------------------------|---|-------------------------|
| At 30 June 2008 | | | | |
| Cost or fair value | 11,000 | 4,000 | 1,455 | 16,455 |
| Accumulated depreciation | - | - | (663) | (663) |
| Net book amount | <u>11,000</u> | <u>4,000</u> | <u>792</u> | <u>15,792</u> |
| At 31 December 2008 | | | | |
| Cost or fair value | 9,390 | 4,000 | 1,361 | 14,751 |
| Accumulated depreciation | - | - | (647) | (647) |
| Net book amount | <u>9,390</u> | <u>4,000</u> | <u>714</u> | <u>14,104</u> |

During the half year the Group's land and building assets were revalued as follows:

| | Freehold land \$'000 | Buildings \$'000 | Total \$'000 |
|--------------------------------------|-------------------------------------|-----------------------------|-------------------------|
| Period ended 31 December 2008 | | | |
| Opening net book amount | 11,000 | 4,000 | 15,000 |
| Revaluation increment (decrement)* | (1,610) | 51 | (1,559) |
| Depreciation charge | - | (51) | (51) |
| Closing net book amount | <u>9,390</u> | <u>4,000</u> | <u>13,390</u> |

* Net revaluation decrement of \$1,559,000 appears as a reduction in reserves of \$1,091,000 (net of tax).

There was no significant movement in land and building values in the previous half-year.

The basis of valuation of land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction, based upon current prices in an active market for similar properties in the same location and condition.

In December 2008 Directors undertook a revaluation of the Group's land and building assets which resulted in a revaluation decrement of \$1,610,000 being recorded for land, and an increment of \$51,000 being recorded for the building asset. The December 2008 revaluation decrement was attributable to deteriorated market conditions.

The June 2008 revaluation was based on an independent assessment by a member of the Australian Property Institute as at 24 June 2008.

6. Investment Properties

Overall movement in investment properties was as follows:

| | 2008 \$'000 | 2007 \$'000 |
|--|------------------------|------------------------|
| At 30 June | 48,253 | 44,912 |
| Capitalised subsequent expenditure | 5,424 | 122 |
| Straight-line rentals | 47 | 33 |
| Net gain/(loss) from fair value adjustment | (4,454) | 2,233 |
| At 31 December | <u>49,270</u> | <u>47,300</u> |

EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

6. Investment Properties (continued)

The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 30 November 2008 revaluation for the Home Hill investment property and the 31 December 2008 revaluations for the Aspley Central Shopping Centre, Aspley Arcade Shopping Centre and Bribie Harbour Shopping Village (formerly known as Banksia Beach Shopping Village) were based upon independent assessments made by members of the Australian Property Institute. The 30 June 2008 revaluations for Aspley Shopping Centre, Banksia Beach Shopping Village and Aspley Arcade Shopping Centre properties were based on independent assessments made by a member of the Australian Property Institute.

In November 2007 an independent valuation was carried out on the Banksia Beach Property by CB Richard Ellis (registered property valuers) for bank lending purposes. The value adopted by CB Richard Ellis for the existing centre was \$9.2 million without allowance for the progress of the redevelopment. As at 31 December costs totalling \$440,000 were incurred bringing the project to the stage where it was ready to construct. Based upon advice from the valuer, the directors assessed the fair value of the property at 31 December 2007 to be \$9.74 million on the basis of that the independent valuation did not take into account the favourable town planning guidelines made available by securing the additional building approvals.

The November 2007 revaluations for the Aspley Central Shopping Centre, Aspley Arcade Shopping Centre and Home Hill investment properties were based on independent assessments made by a member of the Australian Property Institute.

| Property | Acquisition Date | Purchase Price* \$'000 | Valuation | |
|---------------------------------|------------------|---------------------------|-------------------------------|---------------------------|
| | | | 31 December 2008 \$'000 | 30 June 2008 \$'000 |
| Aspley Shopping Centre | March 2004 | 17,362 | 21,620 | 22,500 |
| Bribie Harbour Shopping Village | November 2005 | 7,925 | 13,250 | 10,050 |
| Aspley Arcade Shopping Centre | June 2007 | 13,000 | 12,800 | 14,150 |
| Home Hill Shopping Centre | January 2007 | 1,450 | 1,600 | 1,553 |
| | | | 49,270 | 48,253 |

*excluding acquisition costs

7. Borrowings

| | 31 December 2008 \$'000 | 30 June 2008 \$'000 |
|----------------------------|-------------------------------|---------------------------|
| Commercial bills - secured | | |
| Current | 200 | 600 |
| Non-current | 41,171 | 36,016 |
| | 41,371 | 36,616 |

Unrestricted access was available at balance date to the following lines of credit:

| | 31 December 2008 \$'000 | 30 June 2008 \$'000 |
|------------------------------------|-------------------------------|---------------------------|
| Credit standby arrangements | | |
| Total facilities | | |
| Bank overdraft | 100 | 100 |
| Finance lease liabilities | 400 | 400 |
| Commercial bill facility | 43,315 | 43,715 |
| | 43,815 | 44,215 |
| Used at balance date | | |
| Bank overdraft | - | - |
| Finance lease liabilities | - | - |
| Commercial bill facility * | 41,680 | 37,000 |
| | 41,680 | 37,000 |
| Unused at balance date | | |
| Bank overdraft | 100 | 100 |
| Finance lease liabilities | 400 | 400 |
| Commercial bill facility | 1,635 | 6,715 |
| | 2,135 | 7,215 |

* Used at balance date comprises the face value of bills drawn. The amount recognised in the balance sheet is net of discounts and other transaction costs.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

7. Borrowings (continued)

The facilities are subject to annual review. Unused facilities can be drawn down at any time. Further details are outlined below.

| Amount Drawn (Face Value) | | Interest Rate | | Interest Type | Expiry Date | Repayment Terms |
|-------------------------------|---------------------------|--------------------------|----------------------|--|----------------|---|
| 31 December 2008 \$'000 | 30 June 2008 \$'000 | 31 December 2008 % | 30 June 2008 % | | | |
| 13,000 | 13,400 | 6.8 | 6.8 | Fixed until 31/03/09 and then variable | 31/01/10 | Quarterly principal payments of \$200,000 until 31/03/09 and then interest only until expiry |
| 14,950 | 14,900 | 5.2 | 8.5 | Variable | 31/07/12 | Interest only until expiry |
| 3,500 | 3,300 | 5.4 | 8.7 | Variable | 31/01/10 | Interest only until expiry |
| 6,230 | 1,400 | 5.3 | 8.6 | Variable | 31/01/10 | Interest only until expiry |
| 4,000 | 4,000 | 5.2 | 8.6 | Variable | 31/01/10 | Interest only until expiry |
| <u>41,680</u> | <u>37,000</u> | | | | | |

8. Contributed Equity

| | 31 December 2008 \$'000 | 30 June 2008 \$'000 |
|----------------------------|-------------------------------|---------------------------|
| Fully paid ordinary shares | 8,695 | 8,695 |

Movements in ordinary share capital

| | Number of Shares | Issue Price | \$'000 |
|---|---------------------|----------------|---------------|
| Balance – 30 June 2007 | 84,331,609 | | 13,013 |
| Issue of shares on acquisition of subsidiary – refer note 9 | 912,225 | 31.5¢ | 287 |
| Balance – 31 December 2007 | <u>85,243,834</u> | | <u>13,300</u> |

There were no movements during the current half-year.

**9. Business Combination – December 2007
(a) Summary of acquisition**

On 3 July 2007 Eumundi Group Limited acquired 90% of the issued shares in Keendove Holdings Pty Ltd, a property management and advisory company, for consideration of \$1,330,000 consisting of cash of \$1,000,000, 912,225 ordinary shares in Eumundi Group Limited, and direct costs relating to the acquisition of \$43,000. Eumundi Group shares issued are subject to an escrow period of three years. These shares were valued at 32 cents each (totalling \$287,000), being the published price at the date of exchange

Eumundi Group has an option (expiring 30 September 2010) to purchase the remaining 10% of shares in Keendove Holdings Pty Ltd at any time before expiry of the option with the purchase consideration being ordinary shares in Eumundi Group Limited. The consideration amount varies subject to KPI's being achieved by the General Manager of the entity. If Eumundi Group does not exercise their option, the vendor has an option to sell the remaining shares to Eumundi Group between 1 and 31 October 2010, the consideration being 453,651 ordinary shares in Eumundi Group Limited.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

9. Business Combination – December 2007 (continued)
(a) Summary of acquisition (continued)

Details of the purchase consideration and net assets acquired are as follows:

| | \$'000 |
|--|----------------|
| Purchase consideration | |
| Cash paid | 1,000 |
| Issue of shares | 287 |
| Direct costs relating to the acquisition | 43 |
| Total purchase consideration | <u>1,330</u> |
| Fair value of net identifiable assets acquired (refer below) | <u>(1,330)</u> |
| Goodwill | <u>-</u> |

(b) Outflow of cash

| | \$'000 |
|--|---------------|
| Outflow of cash to acquire subsidiary, net of cash acquired | |
| Cash consideration | 1,043 |
| Less: Balances acquired | |
| Cash and cash equivalents | <u>(107)</u> |
| | 936 |
| Less amount payable as at 31 December 2007 | <u>(200)</u> |
| Outflow of cash | <u>736</u> |

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

| | Fair Value \$'000 | Acquiree's carrying amount \$'000 |
|----------------------------------|------------------------------|--|
| Cash and cash equivalents | 107 | 107 |
| Receivables | 73 | 73 |
| Other assets | 9 | 9 |
| Property, plant and equipment | 26 | 26 |
| Intangibles - management rights | 2,054 | - |
| Deferred tax assets | 29 | 29 |
| Payables | (88) | (88) |
| Current tax liabilities | (17) | (17) |
| Deferred tax liabilities | (616) | - |
| Employee benefit liabilities | (104) | (104) |
| Net assets | <u>1,473</u> | <u>35</u> |
| Minority interests | <u>(143)</u> | |
| Net identifiable assets acquired | <u>1,330</u> | |

The operating results and assets and liabilities of the acquired company have been consolidated from 3 July 2007.

10. Subsequent Events

There are no matters or events that have arisen since 31 December 2008 that have significantly affected, or may significantly affect the consolidated entity's operations in future financial years or the results of those operations in future financial years or the state of affairs in future financial years.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

11. Contingent Liabilities and Assets

Finalisation of costs in relation to the Bribie Harbour Shopping Village redevelopment is still in progress. The value held in the accounts for this Investment Property as at 31 December 2008 includes an estimate of the amount of additional costs yet to be assessed based upon claims made to date.

The Project Manager is yet to assess variation claims for additional costs made by the building contractor totalling approximately \$480,000, as well as variation claims by Eumundi Group to reduce costs totalling approximately \$484,000.

The Directors are of the opinion that no additional significant liability will be incurred by Eumundi Group Limited in relation to these matters.

There have been no other material changes in respect of contingent liabilities and assets since 30 June 2008.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION**

In the opinion of the directors the accompanying financial statements and notes:

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

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that Eumundi Group Limited 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 directors.



J M Ganim
Director

Dated this 26th day of February, 2009

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Eumundi Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eumundi Group Limited, which comprises the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Eumundi Group Limited 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 establishing and maintaining internal controls 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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the 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 Eumundi Group 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 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 half-year financial report of Eumundi Group Limited 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*.

JOHNSTON RORKE
Chartered Accountants



KA HAIDUK
Partner

Brisbane, Queensland
26 February 2009