

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.

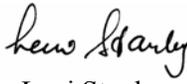
Other income of \$2.233 million in the prior period relates to the fair value adjustment on investment properties in particular the revaluation of the Aspley Central shopping centre \$2.2 million. Property revaluations in December 2008 resulted in decrements of \$4.454 million which are shown as expenses 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**

		Half-Year	
	Notes	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	31 December 2007
	\$'000	\$'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	<u>43</u>
Total purchase consideration	1,330
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