

**EZENET LIMITED**

**ABN 84 083 646 477**

**HALF YEAR FINANCIAL REPORT**

**31 DECEMBER 2008**

**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

<b>Contents to Financial Report</b>	<b>Page</b>
Corporate Directory	3
Directors' Report	4
Condensed Income Statement	7
Condensed Balance Sheet	8
Condensed Statement of Changes in Equity	9
Condensed Cash Flow Statement	10
Notes to the Half Year Financial Statements	11
Directors' Declaration	17
Auditor's Independence Declaration	18
Independent Review Report	19

# **EZENET LIMITED**

## **HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

### **Corporate Directory**

**ABN 84 083 646 477**

#### **Directors**

W G Martinick	Executive Chairman
G R O'Dea	Non-Executive Director
D H Ward	Non-Executive Director

#### **Company Secretary**

S M O Watson

#### **General Manager**

Brett A. Wiley

#### **Registered Office and Principal Place of Business**

2 Bulimba Road  
Nedlands WA 6009  
Telephone: 08 9389 9345  
Fax: 08 9389 9749  
Web Site: [www.ezestream.com.au](http://www.ezestream.com.au)

#### **Share Registry**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153

#### **Auditors**

Hewitt, Turner & Gelevitis  
Suite 4, 1<sup>st</sup> Floor  
63 Shepperton Road  
Victoria Park WA 6100

#### **Bank**

Westpac Banking Corporation  
109 St George's Terrace  
Perth WA 6000

National Australia Bank  
96 High Street  
Fremantle WA 6160

# EZENET LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008

### Directors' Report

The Directors present their report together with the consolidated financial report for the six months ended 31 December 2008 and the independent review report thereon.

#### DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for the entire period.

W G Martinick (Executive Chairman)  
G R O'Dea  
D H Ward

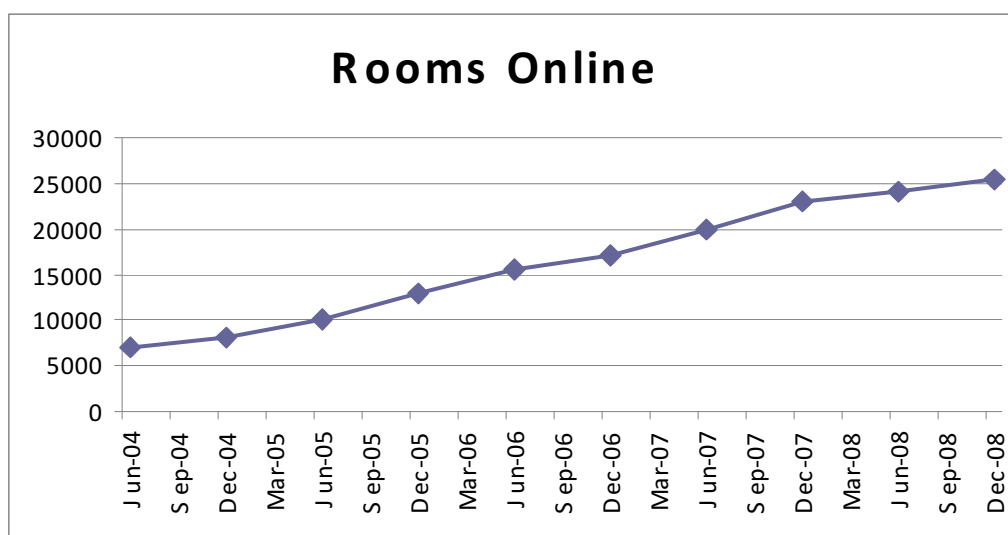
#### REVIEW OF OPERATIONS

Ezenet Limited continued the progress across its core media distribution business Ezestream Pty Ltd in the six months to December 2008.

Ezestreams expansion into hospitality, mining camp and health care accommodation markets was in excess of 5.7 % more than the preceding period and this equates to 1370 rooms, from 1 July 2008 to 31 December 2008.

Key items contributing to growth included rolling out the company's digital video-on-demand and high-speed internet system into hotels and apartments; free-to-guest movie systems into hotels, mining camps and hospitals.

Note : Changes to measurement of rooms installed – rooms on line has been implemented to better represent the overall performance of the company.



**Table 1: Rooms Online  
(June 2004 – Dec 2008)**

# EZENET LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008

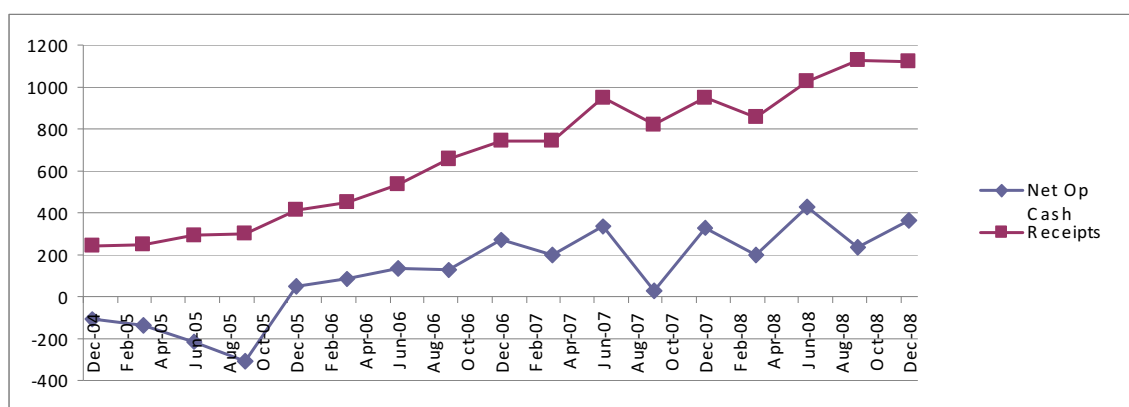
### Directors' Report (Continued)

#### Financial Results

Ezestream achieved revenue growth of 14% from ordinary activities compared with the previous corresponding period and generated a positive EBITDA (earnings before interest, taxation, depreciation and amortisation) result of \$732,952 for the six months.

E-Resources had an accounting impairment loss for the year of \$2,662,495 which was recognised in the Income statement.

An increase in receipts of 472,508 (27%) resulted in net cash flows from operating activities improving by \$289,608 for the six month period.



**Table 2: Quarterly Cash Flows  
(Dec 2004 - Dec 2008)**

#### Outlook

The outlook for the second half of this financial year is quietly positive for the company, with a work in progress schedule of over 12 properties around Australia awaiting our installation of Digital Video on Demand systems up until June 09. The company also is about to install 8 new Free to Guest customers in the third quarter.

Overall we remain cautious in relation to our property installations and investments.

On 26<sup>th</sup> of February 2009, Ezenet Limited announced that it has accepted a conditional proposal for the sale of its' operational subsidiary Ezestream Pty Ltd. Please refer to the subsequent event note for the terms of the sale.

**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**Directors' Report (Continued)**

**AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires the Company's auditors, Hewitt, Turner & Gelevitis to provide the Directors with a written independence declaration in relation to their review of the financial report for the half year ended 31 December 2008. The written auditor's independence declaration is attached at page 18 and forms part of this Director's report.

Signed in accordance with a resolution of directors.



W G Martinick  
Executive Chairman  
Perth 26 February 2009

**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**Condensed Income Statement**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Note	CONSOLIDATED	
		31 December 2008 \$	31 December 2007 \$
<b>Continuing operations</b>			
Revenue	4(a)	2,259,531	1,989,274
Cost of Sales		(662,063)	(491,915)
		<hr/>	<hr/>
Gross Profit		1,597,468	1,497,359
Finance Cost	4(b)	(119,596)	(114,856)
Other Expenses	4(c)	(1,581,292)	(1,257,032)
Impairment loss	4(d)	(2,662,495)	-
		<hr/>	<hr/>
<b>Profit /(Loss) from continuing operations before Income tax</b>		(2,765,915)	125,471
Income tax credit/(expense)		100,720	-
		<hr/>	<hr/>
<b>Profit /(Loss) from continuing operations after income tax</b>		(2,665,195)	125,471
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share from continuing operation attributable to the ordinary equity holder of the parent:			
Basic earning per share (cents per share)		(3.17)	0.16
Diluted earning per share (cents per share)		(3.17)	0.14

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

**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**Condensed Balance Sheet**  
**AS AT 31 DECEMBER 2008**

	Note	CONSOLIDATED	
		31 December 2008	30 June 2008
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	482,828	497,926
Trade receivables		518,695	656,802
Inventory		152,828	221,040
Other receivables		81,157	37,405
<b>Total Current Assets</b>		<u>1,235,508</u>	<u>1,413,173</u>
<b>Non-current Assets</b>			
Available for sale financial assets	6	1,059,033	5,843,763
Property plant and equipment		2,918,154	2,946,147
Intangible assets		110,442	102,899
<b>Total Non-current Assets</b>		<u>4,087,629</u>	<u>8,892,809</u>
<b>TOTAL ASSETS</b>		<u>5,323,137</u>	<u>10,305,982</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		559,347	557,095
Provisions		68,708	60,738
Interest-bearing liabilities		1,804,840	1,871,480
<b>Total Current Liabilities</b>		<u>2,432,895</u>	<u>2,489,313</u>
<b>Non-current Liabilities</b>			
Deferred tax liabilities		-	755,429
Provisions		19,205	11,613
Interest-bearing liabilities		224,045	209,913
<b>Total Non-current Liabilities</b>		<u>243,250</u>	<u>976,955</u>
<b>TOTAL LIABILITIES</b>		<u>2,676,145</u>	<u>3,466,268</u>
<b>NET ASSETS</b>		<u>2,646,992</u>	<u>6,839,714</u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Contributed equity		9,169,348	9,169,348
Accumulated losses		(7,716,959)	(5,051,762)
Reserves		1,194,603	2,722,128
<b>TOTAL EQUITY</b>		<u>2,646,992</u>	<u>6,839,714</u>

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



**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**Condensed Statement of Changes in Equity**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	CONSOLIDATED					
	Ordinary shares	Converti ble notes reserve	Available for sale Assets Reserve	Share option reserve	Accumu- lated losses	Total
	\$	\$	\$	\$	\$	\$
<b>At 1 July 2007</b>	9,169,348	136,403	4,034,691	1,058,200	(5,183,272)	9,215,370
Net Loss on available-for-sale investment	-	-	(1,520,362)	-	-	(1,520,362)
Income tax on items taken directly to equity	-	-	456,108	-	-	456,108
<b>Total income and expense for the period recognised directly in equity</b>	-	-	(1,064,254)	-	-	(1,064,254)
Profit for the period	-	-	-	-	125,471	125,471
<b>Total income and expense for the period</b>	-	-	-	-	125,471	125,471
<b>At 31 December 2007</b>	9,169,348	136,403	2,970,437	1,058,200	(5,057,801)	8,276,587

	CONSOLIDATED					
	Ordinary shares	Converti ble notes reserve	Available for sale Assets Reserve	Share option reserve	Accumu- lated losses	Total
	\$	\$	\$	\$	\$	\$
<b>At 1 July 2008</b>	9,169,348	136,403	1,527,525	1,058,200	(5,051,764)	6,839,712
Net Loss on available-for-sale investment	-	-	(2,182,234)	-	-	(2,182,234)
Income tax on items taken directly to equity	-	-	654,709	-	-	654,709
<b>Total income and expense for the period recognised directly in equity</b>	-	-	(1,527,525)	-	-	(1,527,525)
Loss for the period	-	-	-	-	(2,665,195)	(2,665,195)
<b>Total income and expense for the period</b>	-	-	-	-	(2,665,195)	(2,665,195)
<b>At 31 December 2008</b>	9,169,348	136,403	-	1,058,200	(7,716,959)	2,646,992

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

**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**Condensed Cash Flow Statement**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	CONSOLIDATED 31 December 2008 \$	31 December 2007 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,251,672	1,779,164
Payments to suppliers and employees		(1,446,479)	(1,298,892)
Interest received		7,615	18,966
Interest paid/borrowing costs		(169,668)	(145,706)
<b>Net cash flows from operating activities</b>		<b>643,140</b>	<b>353,532</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(510,406)	(1,096,265)
Purchase of available for sale Investment		(60,000)	(5,000)
<b>Net cash flows used in investing activities</b>		<b>(570,406)</b>	<b>(1,101,265)</b>
<b>Cash flows from financing activities</b>			
Repayment of convertible notes		(100,000)	(50,000)
Proceeds from borrowings		100,548	390,709
Repayment of borrowings		(88,380)	(16,006)
<b>Net cash flows from financing activities</b>		<b>(87,832)</b>	<b>324,703</b>
Net increase in cash and cash equivalents		(15,098)	(423,030)
Cash and cash equivalents at beginning of period		497,926	953,794
<b>Cash and cash equivalents at end of period</b>	5	<b>482,828</b>	<b>530,764</b>

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

# EZENET LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008

### Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

#### 1 CORPORATE INFORMATION

The financial report of Ezenet Limited (the consolidated Group) for the half-year ended 31 December 2008 as authorized for issue in accordance with a resolution of the directors on 26 February 2009. Ezenet Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Ezenet Limited as at 30 June 2008.

It is also recommended that the half-year financial report be considered together with any public announcements made by Ezenet Limited and its controlled entities during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

##### (a) Basis of Preparation

The half-year consolidated financial report is a general-purpose condensed financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, and AASB 134 *Interim Financial Reporting*. The half-year financial report has been prepared on a historical basis, except for available-for-sale investments that have been measured at fair value.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The financial report is presented in Australian Dollars.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

##### (b) Changes in accounting policies

Since 1 July 2008 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2008. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

- AASB 2008-10 *Amendment to Australian Accounting Standards – Reclassification of Financial Assets (amendments to AASB 139 Financial Instruments: Recognition and Measurement and AASB 7 Financial Instruments Disclosures)*
- Interpretation 12 and AASB 2007-2 *Service Concession Arrangements* and consequential amendments to other Australian Accounting Standards
- Interpretation 129 *Service Concession Arrangements: Disclosures*

# EZENET LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008

### Notes to the Financial Statements (Continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

**(b) Changes in accounting policies (continued)**

- Interpretation 4 (revised) *Determining whether an arrangement contains a lease*
- Interpretation 13 *Customer Loyalty Programmes*.
- Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

The Group has not elected to early adopted any new standards or amendments.

**(c) Basis of consolidation**

The half-year consolidated financial statements comprise the financial statements of Ezenet Limited and its subsidiaries as at 31 December 2008 ("the Group").

### 3 SEGMENT INFORMATION

The Group's primary segment reporting format is business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced.

***Operational Segment***

The Operational segment includes revenue derived by the consolidated entity primarily from the information technology sector. With the majority of the revenue coming from the supply of digital movie supply to the hospitality, mining camps and health care clients.

***Investment Segment***

The Investment segment relates to the Group's four holdings in Weatherly plc, Carbine Resources Limited, Island Gas and Ghazal Uranium Ltd.

The following table presents revenue and profit information and certain asset information regarding the business segments for the period ended 31 December 2008:

**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**Notes to the Financial Statements (Continued)**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

**3 SEGMENT INFORMATION (continued)**

	Continuing operations		
	Investments	Operational	Total
<b>Period ended 31 December 2008</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Sales to clients	-	2,251,916	2,251,916
Other Revenue	-	7,615	7,615
Total segment revenue	-	2,259,531	2,259,531
Total consolidated revenue			2,259,531
<b>Result</b>			
Segment results	(2,662,495)	16,176	(2,646,319)
(Loss) before income tax and finance costs			(2,646,319)
Finance costs			(119,596)
(Loss) before income tax			(2,765,915)
Income tax credit			100,720
Net (loss) for period			(2,665,195)

	Continuing operations		
	Investments	Operational	Total
<b>Period ended 31 December 2007</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Sales to clients	-	1,970,308	1,970,308
Other Revenue	-	18,966	18,966
Total segment revenue	-	1,989,274	1,989,274
Total consolidated revenue			1,989,274
<b>Result</b>			
Segment results	-	240,327	240,327
Profit before income tax and finance costs			240,327
Finance costs			(114,856)
Profit before income tax			125,471
Income tax expense			-
Net profit for period			125,471

**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**Notes to the Financial Statements (Continued)**

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

	<b>Consolidated</b>	
	<b>31 December 2008</b>	<b>31 December 2007</b>
	<b>\$</b>	<b>\$</b>
<b>4 REVENUE, INCOME AND EXPENSES</b>		
<i>(a) Revenue</i>		
Sale of goods	72,916	84,739
Rendering of services	2,179,000	1,885,569
Interest received	7,615	18,966
Total revenue	2,259,531	1,989,274
<i>(b) Finance costs</i>		
Bank loans and overdrafts	20,164	353
Interest on Convertible Notes	99,432	114,503
	119,596	114,856
<i>(c) Other expenses</i>		
Depreciation	473,911	337,033
Amortisation of film library	28,345	26,142
Amortisation of Guest Video	-	6,246
Commission expenses	144,939	128,853
Wages and salaries	402,395	368,250
Administration expenses	531,702	390,508
	1,581,292	1,257,032
<i>(d) Impairment loss</i>		
Weatherly International plc	2,571,259	-
Carbine Resources Ltd	65,000	-
Island Gas (formerly KP Renewables plc)	26,236	-
	2,662,495	-

**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**Notes to the Financial Statements (Continued)**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31 December 2008 \$	30 June 2008 \$
<b>5 CASH AND CASH EQUIVALENTS</b>		
For the purpose of the half-year condensed cash flow statement, cash and cash equivalents are comprised of the following:		
Cash at bank and in hand	429,441	445,971
Short-term deposits	53,387	51,955
	<u>482,828</u>	<u>497,926</u>

**6 AVAILABLE FOR SALE FINANCIAL ASSETS**

Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate. Carbine Resources Ltd is listed on the Australian stock exchange. Weatherly International plc and Island Gas (formerly KP Renewables plc) are listed on the London Alternative Investment Market. Ghazal Uranium is an unlisted investment. All the shares were valued as at 31 December 2008.

*Shares at Fair Value:*

Weatherly International plc	861,883	5,498,391
Carbine Resources Ltd	45,000	150,000
Island Gas (formerly KP Renewables plc)	47,150	90,372
Ghazal Uranium	105,000	105,000
	<u>1,059,033</u>	<u>5,843,763</u>

*During the half year, the balance movement was as follows:*

Opening balance 1 July 2008	5,843,763
Purchases - Carbine Resources Ltd	60,000
Impairment loss recognised in income statement (note 4(d))	(2,662,495)
Diminution recognised to Available for Sale Assets Reserve	<u>(2,182,235)</u>
Closing balance 31 December 2008	<u>1,059,033</u>

**7 INTEREST BEARING LIABILITIES**

All convertible notes expired on 30 September 2008. A portion of the convertible notes was repaid (\$100,000) during the half year while the remaining portion (\$1,610,000) was extended to 30 April 2009, with a revised interest rate fixed of 14% effective from 1 January 2009 for the extension period. The repayment date of the convertible note is extended to 31 May 2009.

**EZENET LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**Notes to the Financial Statements (Continued)**

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

**8 EVENTS AFTER THE BALANCE SHEET DATE**

On the 26<sup>th</sup> of February 2009, Ezenet Limited announced that it has accepted a conditional proposal for the sale of its operational subsidiary EzeStream Pty Ltd on the following terms:

- (a) The purchaser is Movielink Pty Ltd;
- (b) The purchase price is A\$3,100,000;
- (c) The purchase excludes a variety of assets and liabilities:
  - a. Accumulated losses
  - b. Debtors and creditors
  - c. Deposits and licences
- (d) A formal sales contract will be entered into;
- (e) Completion of the sale follows approval by the shareholders of Ezenet.

Other than the above, there have been no significant events after balance sheet date.



## EZENET LIMITED HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008

### Directors' Declaration

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

In the opinion of the directors:

- a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* , including:
  - (i) 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
  - (ii) complying with Accounting Standard 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



W G Martinick  
Executive Chairman  
Perth, 26 February 2009

**EZENET LIMITED  
HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**EZENET LIMITED  
A.B.N. 84 083 646 477**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

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63 Shepperton Road  
Victoria Park  
Western Australia 6100  
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**Website:** www.htgbdc.com  
**ABN:** 78 607 011 001  
**PO Box 199**  
Victoria Park  
Western Australia 6979

To the Directors of Ezenet Limited

As lead auditor for the review of Ezenet 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.

This declaration is in respect of Ezenet Limited and the entities it controlled during the period.



**HEWITT TURNER & GELEVITIS**  
Audit Assurance Division



**TIMOTHY TURNER**  
PARTNER

**HEWITT  
TURNER &  
GELEVITIS**



**BUSINESS  
DEVELOPMENT  
CONSULTANTS**

Capital Raising  
Wealth Creation  
Asset Protection  
Audit Assurance  
Taxation Advisors  
Strategic Planning  
Accounting Services  
Management Consultancy

**PRINCIPALS**

**Timothy Turner**  
B.BUS (ACC), FCPA,  
FTIA  
Registered Company Auditor

**Vick Gelevitis**  
B.BUS (ACC), FCPA,  
NTAA, FTIA

**Darryl Rodrigues**  
B.Sc, B.BUS (ACC), CPA

Dated this 26 day of February 2009.

Hewitt Turner & Gelevitis  
is a CPA Practice



Liability Limited by a scheme  
approved under Professional  
Standards Legislation

# EZENET LIMITED HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008

**EZENET LIMITED  
A.B.N. 84 083 646 477**

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

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

We have reviewed the accompanying half-year financial report of Ezenet Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Ezenet Limited Group (consolidated entity). The consolidated entity comprises both Ezenet Limited (the company) and the entities it controlled during that half-year.

#### **Directors' Responsibility for the Financial Report**

The directors of the company 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 control relevant to the preparation and fair presentation of the 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 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 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 Australian Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ezenet 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of or procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

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**HEWITT  
TURNER &  
GELEVITIS**

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**BUSINESS  
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CONSULTANTS**

*Capital Raising  
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Asset Protection  
Audit Assurance  
Taxation Advisors  
Strategic Planning  
Accounting Services  
Management Consultancy*

#### **PRINCIPALS**

**Timothy Turner**  
B.BUS (ACC), FCPA,  
FTIA  
Registered Company Auditor

**Vick Gelevitis**  
B.BUS (ACC), FCPA,  
NTAA, FTIA

**Darryl Rodrigues**  
B.Sc, B.BUS (ACC), CPA

Hewitt Turner & Gelevitis  
is a CPA Practice



Liability Limited by a scheme  
approved under Professional  
Standards Legislation

**EZENET LIMITED  
HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS  
OF EZENET LIMITED (continued)**

**Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

**Qualification**

We were not appointed the auditor for the periods ended 30 June 2008 and 31 December 2007. Accordingly we are not in a position and do not express any conclusion on the comparative figures.

**Qualified Conclusion**

Except for the effects on the comparatives of such adjustments, if any, as might have been determined to be necessary had the limitation on the scope of our work as discussed in the qualification paragraph not existed, 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 Ezenet 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 Australian Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Signed at Perth this 26 day of February 2009.



**HEWITT TURNER & GELEVITIS  
AUDIT ASSURANCE DIVISION**



**TIMOTHY TURNER  
REGISTERED COMPANY AUDITOR**

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HEWITT

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**Appendix 4D**  
**Half Yearly Report**  
**Half Year Ended 31 December 2008**

Name of entity

EZENET LTD

ABN or equivalent company  
reference

84 083 646 477

Half year ended ('current period')

31 December 2008

**Results for announcement to the market**

*Extracts from this report for announcement to the market*

		%	to	\$A
Revenues from ordinary activities	Up	14		2,259,531
Profit (loss) from ordinary activities after tax attributable to members	down		to	(103,420)
Net profit (loss) for the period attributable to members	down		to	(2,665,195)

**Dividends (distributions)**

	Amount per security	Franked amount per security
Final dividend *	Nil	Nil
Interim dividend	Nil	Nil

\* *Ezenet Limited has not paid any dividends.*

Previous corresponding period (30 June 2008)	Nil	Nil
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Record date for determining entitlements to the dividend      NA

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

- Not applicable

**Commentary on Results**

*For commentary on the results of Ezenet Limited refer to the Half-Year Report in conjunction with the details and explanations provided herewith.*

**Ratios and Other measures**

**NTA backing**

Net tangible asset backing per ordinary security

Current period	Previous corresponding Period
3.02 cents	14.9 cents