

# Appendix 4D

## Half-Year Ended 31 December 2008

### 1. Company details

Name of entity

Fulcrum Equity Limited

ABN or equivalent company reference

28 008 949 219

Half-year ended  
(Current Period)

Half-year ended  
(Previous Period)

31-Dec-08

31-Dec-07

### 2. Results for announcement to the market

ASX

Listing

2008

2007

\$

\$

Rules ref

#### 2.1 Revenue from ordinary activities

0

0

% change up/(down) of revenue from ordinary activities from the previous corresponding period

up

#### 2.2 Profit(Loss) from ordinary activities after tax attributable to members

0

0

% change up/(down) of Profit/(Loss) from ordinary activities after tax attributable to members from the previous corresponding period

up

#### 2.3 Net Profit/(Loss) for the period attributable to members

5,825,000

-23,515,000

% change up/(down) of Net Profit/(loss) for the period attributable to members from the previous corresponding period

up

125%

<b>2.4 Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Franked dividend amount per security		
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

<b>2.5 Record date for Dividend</b>	<b>NOT APPLICABLE</b>
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**2.6 Brief explanation on results for year**

A summary of the results is as follows

See Review and Results of Results and Operations within the Directors' Report for the reporting period ended 31 December 2008.

<b>3</b>	<b>Net Tangible Assets per security</b>	<b>2008</b>	<b>2007</b>
		\$	\$
	Net Tangible Assets per security	0.34	-0.01
		cents per share	cents per share

**4**

**Details of entities over which control has been gained or lost during the period**

Deep Blue Capital Pty Ltd, a wholly owned subsidiary of Fulcrum Equity Limited, was placed into liquidation on 25 September 2008.

**5**

**Dividend Payment Details**  
Not Applicable

**6**

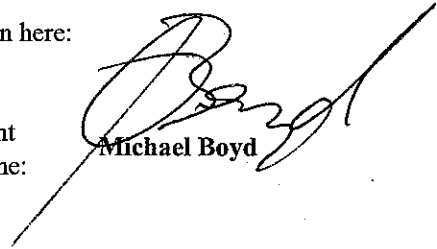
**Dividend or Distribution Reinvestment Plans**

There are no Dividend or Distribution Reinvestment Plans in operation

7 **Associates and Joint Venture Entities**  
Not applicable

8 **Audit**  
This report is based on accounts to which one of the following applies.  
(tick one)

<input checked="" type="checkbox"/>	The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed

Sign here:   
Print name: Michael Boyd

Date: 28.7.09



**ABN 28 008 949 219**

**ASX : FUL**

**Condensed Half-Year  
Financial Report**

**31 December 2008**

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## **Corporate Information**

**ABN 28 008 949 219**

### **DIRECTORS**

Mr Simon Owen  
Mr Michael Boyd  
Mr Matthew Frith

### **COMPANY SECRETARY**

Ms Sophie Karzis  
Level 3, 1 Collins Street  
Melbourne VIC 3000

Telephone: +61 3 9665 0460  
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### **REGISTERED OFFICE**

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459 Collins Street  
Melbourne VIC 3000

Telephone: +61 3 8610 8900  
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### **OPERATIONAL OFFICE**

Level 11  
459 Collins Street  
Melbourne VIC 3000

Telephone: +61 3 8610 8900  
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### **AUDITORS**

Maxim Chartered Accountants  
6 Oxley Street  
Griffith  
ACT 2603

Telephone: +61 2 6295 8744  
Facsimile: +61 2 6295 8344

### **SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067

Telephone: +61 3 9415 5000  
Facsimile: +61 3 9473 2500

### **STOCK EXCHANGE LISTING**

The Company is listed on the Australian  
Stock Exchange Limited.

Home Exchange – Melbourne, Australia

ASX Code – FUL

## Directors' Report

Your directors submit their report for the half-year ended 31 December 2008.

### DIRECTORS

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

Mr M Boyd

Mr M Jenkins (resigned 5 June 2009)

Mr S Owen (appointed 21 May 2009)

Mr M Plymin (resigned 5 June 2009)

Mr M Frith (appointed 5 June 2009)

### REVIEW OF RESULTS AND OPERATIONS

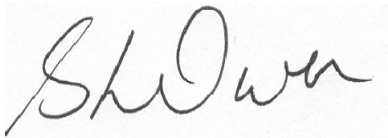
For the half-ended 31 December 2008 the consolidated entity recorded a net profit of \$5.825 million. The 2008 result included:

- \$10.894 million gain on deconsolidation of Deep Blue Capital Pty Ltd
- \$9.258 million impairment charges relating primarily to the write-down to recoverable value under the Approved Transaction with Apsara Capital Pty Ltd
- \$3.480 million distribution from the Iridium investment

### ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors



**S L Owen**  
**Chairman**

Melbourne, 20 July 2009.



**Auditor's Independence Declaration to the Directors of Fulcrum Equity Limited**

In relation to our review of the financial report of Fulcrum Equity Limited for the half year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Maxim Chartered Accountants

A handwritten signature in black ink, appearing to read "Mark Peatey", with a long, sweeping underline.

Mark Peatey  
Partner  
14 July 2009



## Condensed Consolidated Income Statement For the half-year ended 31 December 2008

	Note	2008 \$ 000s	2007 \$ 000s
<b>Continuing Operations</b>			
Sale of goods		-	-
Other Revenue		-	-
<b>Revenue</b>		<u>-</u>	<u>-</u>
Cost of sales		-	-
<b>Gross profit</b>		<u>-</u>	<u>-</u>
Other income		-	-
Depreciation and amortisation		-	-
Impairment		-	-
Marketing expenses		-	-
Occupancy expenses		-	-
Employee expenses		-	-
Other expenses		-	-
Finance costs		-	-
<b>Profit / (Loss) from continuing operations before income tax</b>		-	-
Income tax expense		-	-
<b>Profit / (Loss) from continuing operations after income tax</b>		-	-
<b>Discontinued operations</b>			
Profit / (Loss) after tax from discontinued operations	4	5,825	(24,490)
<b>Net Profit / (Loss) for the period</b>		<u>5,825</u>	<u>(24,490)</u>
Attributable to:			
Minority interest		-	(975)
Members of the parent		5,825	(23,515)
<b>Earnings (Loss) per share for profit / (loss) from continuing operations attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share (cents)	3	-	-
Diluted earnings per share (cents)		-	-
<b>Earnings (Loss) per share for profit / (loss) attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share (cents)	3	1.14	(5.35)
Diluted earnings per share (cents)		1.14	(5.35)

The accompanying notes form part of these half-year financial statements

## Condensed Consolidated Balance Sheet As at 31 December 2008

	Notes	31 Dec 2008 \$ 000s	30 Jun 2008 \$ 000s
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	-	325
Trade and other receivables	6	-	1,226
Inventories		-	45
		-	1,596
Assets of disposal group classified as held for sale	4	<b>15,945</b>	-
<b>Total Current Assets</b>		<b>15,945</b>	1,596
<b>Non-current Assets</b>			
Trade and other receivables		-	32
Available for sale financial assets	7	-	15,583
Other financial assets	8	-	752
Property, plant and equipment		-	59
Intangible assets and goodwill		-	1,383
<b>Total Non-current Assets</b>		-	17,809
<b>TOTAL ASSETS</b>		<b>15,945</b>	19,405
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		-	1,277
Provisions		-	32
Interest bearing loans and borrowings	9 a	-	19,856
Derivative Financial Instrument		-	843
		-	22,008
Liabilities of disposal group classified as held for sale	4	<b>14,035</b>	-
<b>Total Current Liabilities</b>		<b>14,035</b>	22,008
<b>Non-current Liabilities</b>			
Interest bearing loans and borrowings	9 b	-	875
Deferred revenue		-	349
Provisions		-	3
<b>Total Non-current Liabilities</b>		-	1,227
<b>TOTAL LIABILITIES</b>		<b>14,035</b>	23,235
<b>NET ASSETS</b>		<b>1,910</b>	(3,830)
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Contributed equity	11	<b>87,008</b>	86,508
Reserves		<b>12,634</b>	13,219
Accumulated losses		<b>(97,732)</b>	(103,557)
<b>Parent Interests</b>		<b>1,910</b>	(3,830)
<b>Minority Interests</b>		-	-
<b>TOTAL EQUITY</b>		<b>1,910</b>	(3,830)

The accompanying notes form part of these half-year financial statements

**Condensed Consolidated Statement of Changes in Equity**  
**For the half-year ended 31 December 2008**

	<b>Contributed Equity \$000s</b>	<b>Reserves \$000s</b>	<b>Accumulated Losses \$000s</b>	<b>Minority Interest \$000s</b>	<b>Total Equity \$000s</b>
<b>As at 1 Jul 2007</b>	86,508	13,029	(81,016)	(3,439)	15,082
Dilution of shareholding due issuance of shares by AHG				250	250
Foreign Currency Translation		29			29
Loss for the period			(23,515)	(975)	(24,490)
<b>As at 31 Dec 2007</b>	<b>86,508</b>	<b>13,058</b>	<b>(104,531)</b>	<b>(4,164)</b>	<b>(9,129)</b>
<b>As at 1 Jul 2008</b>	86,508	13,219	(103,557)	-	(3,830)
Foreign Currency Translation	-	(585)	-	-	(585)
Issue of Shares	500	-	-	-	500
Profit for the period	-	-	5,825	-	5,825
<b>As at 31 December 2008</b>	<b>87,008</b>	<b>12,634</b>	<b>(97,732)</b>	<b>-</b>	<b>1,910</b>

The accompanying notes form part of these half-year financial statements

## Condensed Consolidated Cash Flow Statement For the half-year ended 31 December 2008

	2008	2007
Note	\$000s	\$000s
<b>Discontinued Operations</b>		
<b>Cash Flows from operating activities</b>		
Receipts from customers	714	42,390
Payments to suppliers and employees	(1,040)	(47,498)
Interest paid	(462)	(878)
Interest received	1	78
Income taxes paid	(157)	(243)
<b>Net cash flows used in operating activities</b>	<b>(944)</b>	<b>(6,151)</b>
<b>Cash flows from investing activities</b>		
Proceeds from Iridium distribution	3,480	-
Purchase of other financial assets	-	(238)
Payments for property, plant and equipment	(12)	(180)
Payments for intangibles	-	(178)
<b>Net cash flows from / (used in) investing activities</b>	<b>3,468</b>	<b>(596)</b>
<b>Cash Flows from financing activities</b>		
Proceeds from related party loan	420	3,633
Related Party - Repayment of Loan	(170)	(625)
Advance of borrowings	-	2,958
Repayment of Borrowings	(57)	(762)
Offset of funds held in escrow against U.S. Loan balance	(4,463)	-
Proceeds from Issue of Shares	500	250
<b>Net cash flows from / (used in) financing activities</b>	<b>(3,770)</b>	<b>5,454</b>
Net increase / (decrease) in cash and cash equivalents	(1,246)	(1,293)
Effect of foreign currency exchange rate changes on cash and cash equivalents	285	-
Cash and cash equivalents at beginning of period	995	4,676
<b>Cash and cash equivalents at end of period</b>	<b>4 e 34</b>	<b>3,383</b>

The accompanying notes form part of these half-year financial statements

## Notes to the Financial Statements

### For the half-year ended 31 December 2008

#### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This general purpose condensed financial report for the half year ended 31 December 2008 has been prepared in accordance with the requirements of the *Corporations Act 2001* including Accounting Standard AASB 134 "Interim Financial Reporting".

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 Fulcrum Equity Limited as at 30 June 2008 and considered together with any public announcements made by Fulcrum Equity Limited during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report. New and amended accounting standards and interpretations with mandatory application to the consolidated group from 1 July 2008 had no impact on its accounting policies, financial position, results of operations and cash flows for the half-year ended 31 December 2008.

#### Going Concern

The consolidated entity's net cash used in operating activities was \$944,000 for the half-year ended 31 December 2008 and its available cash as at 31 December 2008 was \$34,000. The cash balance as at 31 December 2008 has been classified as an asset held for sale.

On 29 May 2009, shareholders approved Fulcrum Equity Limited ('Fulcrum') undertaking and completing the sale of certain assets to Apsara Capital Pty Ltd ('Apsara') under and in accordance with the Asset Sale Agreement entered into on 26 March 2009 and announced to the ASX on 27 March 2009 ('**Approved Transaction**').

On 5 June 2009 the Company completed the Approved Transaction. Upon Completion the Company will have no material tangible assets and have limited or no ability in the future to raise capital or generate revenue in its own right.

These conditions give rise to uncertainty as to the consolidated entity's ability to continue as a going concern.

Notwithstanding the matters referred to above, the directors have prepared the financial statements of the consolidated entity on a going concern basis. In arriving at this position, the directors have considered the following pertinent matters:

- Completion of the Approved Transaction has resulted in Apsara making available a secured loan facility ('**Post-Completion Loan**') available to enable the consolidated entity to meet its financial obligations until the final deferred consideration is received as contemplated under the terms of the Approved Transaction.

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (cont'd)**

- Repayment of the Pre-Completion Loan and Post-Completion Loan is required upon receipt of the final deferred consideration due under the terms of the Approved Transaction.
- As at the date of this half-year report, Apsara has paid Fulcrum approximately \$4.8 million (purchase price and pre-completion loan advance) to enable settlement of the U.S. loan on 31 March 2009 and for it to meet its financial obligations until and immediately after completion of the Approved Transaction.

The ability of the consolidated entity to continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial reports is therefore dependant on Apsara continuing to meet its obligations under the Approved Transaction, specifically those obligations related to the Post-Completion Loan.

In the directors opinion, at the date of signing the financial report there are reasonable grounds to believe that Apsara will continue to meet its obligations and therefore the financial statements have been prepared on a going concern basis.

Should Apsara not meet its obligations as outlined above, there is significant uncertainty whether the consolidated entity will be able to continue as a going concern. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities, which might be necessary should the consolidated entity not be able to continue as a going concern.

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**2. SEGMENT INFORMATION – Business Segments**

	<b>Discontinued Operations</b>				<b>Consol- idated</b>
	<b>Iridium Investment</b>	<b>Support Services</b>	<b>Healthcare Information</b>	<b>Group and unallocated items / eliminations</b>	
<b>Half-Year ended 31 Dec 2008</b>					
<b>Revenue</b>					
Sales to external customers	-	-	487	-	487
Distributions from investments	3,481	-	-	-	3,481
<b>Segment revenue</b>	<b>3,481</b>	<b>-</b>	<b>487</b>	<b>-</b>	<b>3,968</b>
<b>Result</b>					
Profit (Loss) before finance costs, tax and minority interest	(757)	(1,136)	(1,126)	11,149	8,130
Finance cost					(2,240)
Finance revenue					1
Profit (Loss) before tax and minority interest					5,891
Income tax					(66)
<b>Net loss for the year</b>					<b>5,825</b>
<b>Segment assets</b>	15,192	107	646	-	15,945
<b>Segment liabilities</b>	(10,772)	(2,033)	(1,230)	-	(14,035)
	<b>4,420</b>	<b>(1,926)</b>	<b>(584)</b>	<b>-</b>	<b>1,910</b>
<b>Other Segment Information</b>					
Capital expenditure	-	5	7	-	12
Depreciation	-	(4)	(9)	-	(13)
Amortisation	-	-	(148)	-	(148)
Impairment losses	(7,038)	(672)	(1,548)	-	(9,258)
Fair value adjustments	1,038	-	-	-	1,038

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**2. SEGMENT INFORMATION – Business Segments (cont'd)**

Discontinued Operations

Half-Year ended 31 Dec 2007	Iridium Investment	Support Services	Healthcare Information	Group and unallocated items / eliminations	Pharma- ceutical & Surgical Distribution	Mobile Transact	Consol- idated
<b>Revenue</b>							
Sales to external customers	-	-	4,750	-	41,644	-	41,644
Other revenue from external customers	-	-	-	-	-	-	-
Distributions from investments	-	-	-	-	-	-	-
<b>Segment revenue</b>	<b>-</b>	<b>-</b>	<b>4,750</b>	<b>-</b>	<b>41,644</b>	<b>-</b>	<b>41,644</b>
<b>Result</b>							
Profit (Loss) before finance costs, tax and minority interest	426	(660)	(21,319)	-	83	(864)	(22,334)
Finance cost							(2,124)
Finance revenue							82
Profit (Loss) before tax and minority interest							(24,376)
Income tax							(114)
<b>Net loss for the year</b>							<b>(24,490)</b>
<b>Segment assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Segment liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Segment Information</b>							
Capital expenditure	-	-	418	-	-	-	-
Depreciation	-	(6)	(7)	-	(9)	-	(9)
Amortisation	-	-	(148)	-	-	-	-
Impairment losses	-	-	(20,671)	-	-	-	-
Fair value adjustments	168	-	-	-	-	-	-



**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**2. SEGMENT INFORMATION (cont'd) – Geographic**

	Half-Year ended 31 Dec 2008			Half-Year ended 31 Dec 2007		
	Dis continued Operations			Dis continued Operations		
	Australia	United States	Total Operations	Australia	United States	Total Operations
<b>Revenue</b>						
Sales to external customers	483	4	487	46,392	0	46,392
Distributions from investments	0	3,481	3,481	0	0	0
<b>Segment revenue</b>	<b>483</b>	<b>3,485</b>	<b>3,968</b>	<b>46,392</b>	<b>0</b>	<b>46,392</b>
<b>Result</b>						
Profit (Loss) before finance costs, tax and minority interest	8,310	(180)	8,130	(22,988)	192	(22,796)
Finance cost	(299)	(1,941)	(2,240)	(669)	(986)	(1,655)
Finance revenue	1	0	1	35	40	75
Profit (Loss) before tax and minority interest	8,012	(2,121)	5,891	(23,622)	(754)	(24,376)
Income tax	0	(66)	(66)	0	(114)	(114)
<b>Net loss for the year</b>	<b>8,012</b>	<b>(2,187)</b>	<b>5,825</b>	<b>(23,622)</b>	<b>(868)</b>	<b>(24,490)</b>
<b>Segment assets</b>	<b>710</b>	<b>15,235</b>	<b>15,945</b>	<b>24,572</b>	<b>21,140</b>	<b>45,712</b>
<b>Segment liabilities</b>	<b>(2,689)</b>	<b>(11,346)</b>	<b>(14,035)</b>	<b>(42,709)</b>	<b>(12,132)</b>	<b>(54,841)</b>
	<b>(1,979)</b>	<b>3,889</b>	<b>1,910</b>	<b>(18,137)</b>	<b>9,008</b>	<b>(9,129)</b>
<b>Other Segment Information</b>						
Capital expenditure	(10)	(2)	(12)	(216)	(380)	(596)
Depreciation	(11)	(2)	(13)	(14)	0	(14)
Amortisation	(148)	0	(148)	(148)	0	(148)
Impairment losses	(1,612)	(7,646)	(9,258)	(1,000)	0	(1,000)
Fair value adjustments	0	1,038	1,038	0	168	168

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**3. EARNINGS PER SHARE**

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<b>2008</b>	2007
	<b>\$000s</b>	\$000s
Net loss attributable to ordinary equity holders of the parent from continuing operations	-	-
Net loss attributable to ordinary equity holders of the parent from discontinued operations	<b>5,825</b>	(24,490)
Net profit attributable to ordinary equity holders of the parent	<b>5,825</b>	(24,490)
	<b>'000s</b>	'000s
Weighted average number of ordinary shares used in the calculation of basic and diluted EPS	<b>509,803</b>	457,719

## **Notes to the Financial Statements (cont'd)**

### **For the half-year ended 31 December 2008**

#### **4. DISCONTINUED OPERATIONS**

##### **a) Details of disposal group classified as held for sale**

Fulcrum Equity Limited ('Fulcrum') entered into a binding Heads of Agreement with Apsara Capital Pty Ltd ('Apsara') for the sale of certain assets of the Company ('Proposed Transaction') for a base gross consideration of \$8.1 million. The assets subject to the sale include:

- the shares it holds in Bareena Holdings Pty Ltd; and
- the shares it holds in Healthpoint Technologies Pty Ltd; and
- the shares it holds in Ultrapay Limited; and
- its rights and benefits attributable to the shares it holds in Hatrix Pty Ltd; and
- its rights and benefits under any material contracts; and
- its cash in the bank accounts and book debts etc.

Upon shareholder approval of the Proposed Transaction, the rights and obligations attached to the above will transfer to Apsara and Fulcrum will cease to have any operating subsidiaries or active investments. Under the terms of the Proposed Transaction, which include a deferred consideration arrangement, Apsara is required to pay Fulcrum certain amounts, net of any residual adjustments, upon the completion of specified events.

##### **b) Details of deconsolidated subsidiaries**

Deep Blue Capital Pty Ltd ('Deep Blue'), a wholly-owned subsidiary of Fulcrum Equity Limited, was placed into liquidation on 25 September 2008. Following this event Deep Blue was deconsolidated from the accounts of the consolidated entity which gave rise to a gain on deconsolidation of \$11.149 million.

Fulcrum's direct interest in Deep Blue and the indirect interest in Advance Healthcare Group Limited (in administration) are excluded from the Proposed Transaction noted in 4 (a) above.

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**c) Financial performance of disposal group classified as held for sale and deconsolidated subsidiaries**

The results of the disposal group classified as held for sale and the deconsolidated subsidiaries for the six months to 31 December 2008 are as follows:

	<b>Consolidated</b>					
	<b>Disposal group classified as held for sale</b>		<b>Deconsolidated Subsidiaries</b>		<b>TOTAL</b>	
	<b>2008</b>	2007	<b>2008</b>	2007	<b>2008</b>	2007
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Revenue	<b>3,968</b>	4,454	-	42,013	<b>3,968</b>	46,467
Other Income	<b>3,841</b>	391	-	-	<b>3,841</b>	391
Expenses	<b>(1,569)</b>	(4,639)	-	(63,934)	<b>(1,569)</b>	(68,573)
Impairment (i)	<b>(9,258)</b>	(1,000)	-	-	<b>(9,258)</b>	(1,000)
Gain on deconsolidation	-	-	<b>11,149</b>	(6)	<b>11,149</b>	(6)
<b>Gross profit</b>	<b>(3,018)</b>	(794)	<b>11,149</b>	(21,927)	<b>8,131</b>	(22,721)
Finance costs	<b>(1,985)</b>	(1,038)	<b>(255)</b>	(617)	<b>(2,240)</b>	(1,655)
<b>Loss before tax from discontinued operations</b>	<b>(5,003)</b>	(1,832)	<b>10,894</b>	(22,544)	<b>5,891</b>	(24,376)
Income tax	<b>(66)</b>	(114)	-	-	<b>(66)</b>	(114)
<b>Loss after tax from discontinued operations</b>	<b>(5,069)</b>	(1,946)	<b>10,894</b>	(22,544)	<b>5,825</b>	(24,490)

<b>2008</b>	2007
<b>\$000s</b>	\$000s

**(i) Impairment :**

Impairment of investment in Hatrix	-	(1,000)
Impairment of Receivable from AHG Administration	<b>(600)</b>	-
Impairment of other Receivables	<b>(50)</b>	-
Impairment of investment in SecuReach	<b>(608)</b>	-
Impairment related to Apsara Proposed Transaction	<b>(8,000)</b>	-
	<b>(9,258)</b>	(1,000)

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**d) Assets and liabilities**

The major classes of assets and liabilities of the disposal group classified as held for sale and the deconsolidated subsidiaries as at 31 December 2008 are:

	<b>Disposal group classified as held for sale</b>	<b>Deconsolidated Subsidiaries</b>
	<b>2008 \$000s</b>	<b>2008 \$000s</b>
<b>Assets</b>		
Cash	34	-
Trade and other receivables	743	-
Inventories	3	-
Other financial assets	15,107	-
Plant and equipment	58	-
Intangible assets and goodwill	-	-
<b>Total assets</b>	<b>15,945</b>	<b>-</b>
<b>Liabilities</b>		
Trade and other payables	(2,595)	-
Interest-bearing loans and borrowings	(11,046)	(11,149)
Deferred Revenue	(350)	-
Provisions	(44)	-
<b>Total liabilities</b>	<b>(14,035)</b>	<b>(11,149)</b>
<b>Net assets / (liabilities) attributable to discontinued operations</b>	<b>1,910</b>	<b>(11,149)</b>

**e) Cash flow information**

For the six months to 31 December 2008, there was no cash flow impact on the consolidated entity arising from the deconsolidated subsidiary.

Refer to the condensed consolidated cash flow statement on Page 8 for information on the cash flows for the disposal group classified as held for sale.

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

Reconciliation of cash and cash equivalents to the condensed consolidated cash flow statement:

	<b>31 Dec 2008 \$000s</b>	<b>30 Jun 2008 \$000s</b>	<b>31 Dec 2007 \$000s</b>
Cash of disposal group classified as held for sale	34	325	910
bank overdraft of disposal group classified as held for sale	-	-	(94)
U.S. loan related security deposits (Dec 08 and Jun 08 reclassified as an offset within "Interest-bearing loans and borrowings" in disposal group classified as held for sale)	-	-	2,567
	<b>34</b>	<b>325</b>	<b>3,383</b>

**5. CASH, CASH EQUIVALENTS**

<b>31 Dec 2008 \$000s</b>	<b>30 Jun 2008 \$000s</b>
-----------------------------------	-----------------------------------

For the purpose of the half-year cash flow statement, cash and cash equivalents are comprised of the following:

Cash at bank	34	325
	<b>34</b>	<b>325</b>

**6. Trade and Other Receivables - Current**

Trade receivables	-	335
Allowance for doubtful debts	-	-
Trade debtors (net)	-	335
Sundry Debtors	-	291
Recoverable from related parties (i):		
Deconsolidated subsidiaries	-	3,301
Allowance for impairment loss	-	(2,701)
	-	1,226

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**6. Trade and Other Receivables - Current**

- (i) Recoverable from related parties relates to the expected priority distribution from the administrators of Advance Healthcare Limited (AHG). As announced on 13 Nov 2008, the Shareholder vote on the reconstruction of AHG was successfully completed on 20 October and the Deed was due to be fully effectuated by 4 November 2008. The Deed Administrators subsequently advised creditors that the conditions set out in the Deed have were not fully satisfied by the required date and as such the Deed failed. There is no further distribution expected.

Movement in the provision for impairment loss (recoverable from related parties) were as follows:

	<b>31 Dec 2008 \$000s</b>	30 Jun 2008 \$000s
	<hr/>	<hr/>
<b>At 1 Jul</b>	<b>(2,701)</b>	-
AHG Administration	-	(2,701)
Transferred to "Assets of disposal group classified as held for sale"	<b>2,701</b>	
<b>At 31 Dec / 30 Jun</b>	<hr/> <b>-</b> <hr/>	<hr/> (2,701) <hr/>

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

	<b>31 Dec 2008 \$000s</b>	30 Jun 2008 \$000s
<b>7. AVAILABLE FOR SALE FINANCIAL ASSETS</b>		
Opening balance	<b>15,583</b>	17,783
Transferred to "Assets of disposal group classified as held for sale"	<b>(15,583)</b>	-
Foreign currency translation	-	(2,200)
<b>Closing balance</b>	<b>-</b>	<b>15,583</b>

The consolidated entity's operations include its investment of approximately 6% economic interest on a fully diluted basis in Iridium Holdings LLC (operating as Iridium Satellite LLC or "Iridium"); a US based private company involved in the satellite communication industry.

Refer to Note 14 for events after the Balance Sheet date relevant to the consolidated entity's investment in Iridium.

**8. OTHER FINANCIAL ASSETS**

Investment in Hatrix - unlisted	-	1,000
Provision for impairment	-	(1,000)
Investment in Secureach - unlisted	-	752
Provision for impairment	-	-
	<u>-</u>	<u>752</u>

**9. INTEREST BEARING LOANS AND BORROWINGS**

**a) Current**

Loan payable to Hawkesbridge (i)	-	10,894
Commercial loan facility (ii)	-	8,962
	<u>-</u>	<u>19,856</u>
Loans from related parties (iii)	-	-
	<u>-</u>	<u>19,856</u>



**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

<b>31 Dec</b>	30 Jun
<b>2008</b>	2008
<u><b>\$000s</b></u>	<u>\$000s</u>

**9. INTEREST BEARING LOANS AND BORROWINGS (cont'd)**

**b) Non-current**

Loans from related parties (iii)	-	875
	<u>-</u>	<u>875</u>

(i) This obligation relates to the Sale and Purchase Deed between Deep Blue Capital Pty Ltd (Deep Blue) and Hawkesbridge Limited for the sale/acquisition of Advance Healthcare Group Limited. Deep Blue was placed into liquidation on 25 September 2008 and has subsequently been deconsolidated from the Group.

(ii) This obligation relates to a USD 10 million loan facility which was repaid on 31 March 2009. Refer to Note 14.

(iii) Refer to Note 13 for details of the movements in loans from related parties.

**10. DIVIDENDS**

There were no dividends declared or paid for the half-year December 2008.

## Notes to the Financial Statements (cont'd) For the half-year ended 31 December 2008

### 11. CONTRIBUTED EQUITY

#### **Error! Reference source not found.**

During the half-year reporting period Fulcrum Equity Limited issued 104,166,667 shares (2007: nil) for \$500,000 (2007: nil) as part of a subscription agreement approved at the Annual General Meeting held on 28 November 2008.

### 12. COMMITMENTS AND CONTINGENCIES

- a) In September 2008 Deep Blue Capital Pty Ltd (**'Deep Blue'**), a wholly-owned subsidiary of the Company, received a Statutory Demand from Hawkesbridge Limited and HET No. 1 Pty Limited (together **'Hawkesbridge'**) relating to the debt outstanding under the Advance Healthcare Group Limited (**'AHG'**) sale and acquisition agreement (**'AHG Sale Agreement'**). The total amount owing (as at the date of the demand), including accrued interest, was approximately \$11.1 million.

Under the AHG Sale Agreement the debt was guaranteed by Covenant Nominees Pty Ltd (**'Covenant'**), a party related to Michael Boyd, a director of the Company and sole director of Deep Blue. Fulcrum was not a party to the AHG Sale Agreement and it has not provided any guarantee.

On 8 October 2008, the Company announced that Deep Blue had been placed into liquidation. Deep Blue has been deconsolidated in the consolidated accounts of the Company as at 31 December 2008.

The Company understands that Covenant has also been placed into liquidation.

The Company has received no correspondence from Hawkesbridge in respect of the AHG Sale Agreement matter.

## Notes to the Financial Statements (cont'd)

### For the half-year ended 31 December 2008

#### 12. COMMITMENTS AND CONTINGENCIES (continued)

- b) In late March 2009, the Company became aware of a writ that had been lodged with the Supreme Court of Victoria on 25 November 2008. The Company's wholly owned subsidiary Bareena Holdings Pty Ltd (**'Bareena'**) and the Company are named as Second and Third Defendants respectively. Mr. Michael Boyd, a director of the Company and the sole director of Bareena, is named as First Defendant in the writ. The writ has been issued by a former director of the Company, Mr. Carlton Jennings (**'Jennings'**).

The writ has not been formally served on the Company and the Company is not aware of the writ having been served on any of the other named defendants.

According to the records of the Supreme Court of Victoria, the matter has not been listed and there are no documents in the court file other than the writ

The writ outlines certain allegations in respect of an alleged contract, made in or around late 2000, in respect of certain consultancy services and the transfer of a telecommunications licence to permit the operation of the Iridium network in Australia.

The writ does not specify the dollar amount of damages being claimed.

The Company announced on 6 January 2003 that Jennings had filed, with the United States District Court for the District of Colorado (**'U.S. Court'**), a claim against the Company. The claim was for a gross amount of US\$ 235,000 plus unspecified damages. The Company subsequently announced on 25 September 2006 that the U.S. Court had dismissed the claim.

- c) On 2 October 2008 the Company received a Statement of Claim (**'SOC'**) for \$1.5 million from lawyers acting on behalf of Clifford Hallam Healthcare Pty Ltd (**'CH2'**).

The SOC related to a transaction that AHG had entered into with CH2 for the sale and purchase of AHG's wholesale pharmaceutical business in early 2008 (**'AHG-CH2 Transaction'**). The Company was not party to the agreement and had provided no assurances, warranties, representations or guarantees in respect of the AHG-CH2 Transaction.

The claim has not been formally served on the Company and the Company is not aware of any associated Writ or similar document having been lodged with the court.

The Company formally responded to the SOC in October 2008, rejecting all the allegations made against it. As at the date of this document the Company has not received any further correspondence from the claimant.

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**13. RELATED PARTY TRANSACTIONS**

During the half-year ended 31 December 2008 the following related party transactions occurred:

**a) Loans to / from related parties**

The loan from Covenant Nominees Pty Ltd ('**Covenant**'), a company related to director Mr Michael Boyd, accrued interest totalling \$36,000. There were no advances or repayments made during the six months to 31 December 2008.

Walker Trusco Pty Ltd provided an unsecured short-term loan facility totalling \$170,000 (principal) which was subsequently repaid from proceeds from the second tranche of a subscription agreement approved at the annual general meeting of Fulcrum held on 28 November 2008 (refer Note 14). Under the terms of the loan, approximately \$3,000 of interest was accrued and remains payable as at 31 December 2008.

Apsara Capital Pty Ltd, an entity related to Walker Trusco Pty Ltd, which is a substantial holder of Fulcrum Equity Limited ('Fulcrum'), advanced funds totalling \$161,000 to Fulcrum to enable it to meet certain financial obligations.

**b) Other transactions with related parties**

On 31 December 2008, Apsara Capital Pty Ltd executed a binding heads of agreement with Fulcrum for the sale of certain assets including the consolidated entity's interest in Iridium Holdings LLC.

Directors' fees totalling \$60,000 were accrued for M Boyd and M Jenkins. These remain owing as at 31 December 2008. No other directors fees were accrued or paid during the half-year ended 31 December 2008.

Directors' expenses for M Boyd totalling \$12,000 was paid during the half-year ended 31 December 2008.

## Notes to the Financial Statements (cont'd)

### For the half-year ended 31 December 2008

#### 14. EVENTS AFTER THE BALANCE SHEET DATE

- a. On 26 March 2009 the Company entered into a binding Asset Sale Agreement and Loan Facility Agreement with Apsara Capital Pty Ltd ('**Apsara**'). Apsara provided the Company a second ranking fixed and floating charge over all of the assets and undertakings of Apsara as surety for the payment of the Purchase Price. Completion of the Asset Sale Agreement was conditional on, amongst other things, shareholder approval
- b. On the 31 March 2009 Apsara advanced the Company, through the Company's wholly owned subsidiary Bareena Holdings Pty Ltd ('**Bareena**'), approximately A\$3.193 (US\$2.182) million ('**New Facility**') to enable Bareena and the Company to extinguish all of their respective liabilities and obligations under the existing US Loan and associated agreements ('**U.S. Facility**'). Completion of the sale of the assets under the Approved Transaction will constitute repayment of the New Facility and satisfaction of all Bareena's obligations under the New Facility and associated security agreements.
- c. Simultaneous to Apsara advancing the Company the above funds:
  - i. the Company issued 35% equity in Bareena Satellite LLC (a U.S. registered, wholly owned subsidiary of Bareena which holds the interests in Iridium) to its U.S. lenders for approximately A\$7.639 (US\$5.250) million. These proceeds were applied as a credit to the U.S. Loan as required by the terms of the U.S. Facility.
  - ii. The U.S. lenders released approximately A\$ 4.499 (US\$3.092) million of funds that were being held in escrow under the terms of the U.S. Facility and subsequently applied the amount as a credit to the U.S. Facility.
- d. As contemplated under the terms of the Approved Transaction, Apsara advanced the Company A\$0.740 million subsequent to Balance Sheet date (A\$0.900 million in total as at the date of signing this half-year report) as prepayments of the Purchase Price ('**Prepayments**'). The Prepayments are required to be accounted for as an unsecured loan from Apsara to the Company pending completion of the Approved Transaction upon which time, and conditional upon completion occurring, the unsecured loan will be deemed to be repaid via the transfer of the relevant assets to Apsara (and/or its nominee).
- e. On 29 May 2009, shareholders approved the Company undertaking and completing the sale of certain assets to Apsara under and in accordance with the Asset Sale Agreement entered into on 26 March 2009 and announced to the ASX on 27 March 2009 ('**Approved Transaction**').
- f. On 5 June 2009 the Approved Transaction was completed. The key aspects of completion were:
  - i. The relevant assets were transferred to Apsara; and
  - ii. The New Facility (Note 14(b)) was deemed to be repaid; and
  - iii. The Company received payment of approximately \$382,000 as required under the payment schedule for the purchase price; and

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**14. EVENTS AFTER THE BALANCE SHEET DATE (cont'd)**

- iv. The Company received a further payment of \$260,000 relating to a drawdown under the Pre-Completion Loan facility provided to the Company by Apsara; and
  - v. The Company executed a secured Post-Completion Loan Agreement with Apsara for the purposes of the Company having access to sufficient operational cash to remain solvent from completion until final payment of the consideration under the Approved Transaction; and
  - vi. The Company provided an indemnity to Apsara in respect of the item outlined in Note 12 (b).
  - vii. The Company executed a Loan Variation Deed with Covenant Holdings (WA) Pty Ltd.
  - viii. Mr. Mark Jenkins and Mr. Mark Plymin resigned from the Fulcrum Board.
  - ix. Mr Matthew Frith was appointed non-executive director of Fulcrum.
- g.** Ultrapay Limited ('Ultrapay') announced on 23 April 2009 that it had issued 21,939,248 fully paid ordinary shares to MSI (Holdings) Pty Ltd which, prior to the new issue, held approximately 19.9% of the shares on issue.

As a result of the above, the Company's interest in Ultrapay has been diluted and it now holds approximately 19.96% of the shares on issue.

The Company received notification that Ultrapay was placed into administration on 27 April 2009. The first meeting of creditors was held on 6 May 2009. The Company's investment in Ultrapay was fully impaired in the accounts of the Company as at 30 June 2007.

The shares the Company holds in Ultrapay are subject to the Approved Transaction and the Company advises that it expects there to be no material impact to the timing or value of the Approved Transaction as a result of the above matters.

- h.** GHL Acquisition Corp. ('GHL') and Iridium Holdings LLC ('Iridium') announced on 28 April 2009 the signing of an amendment to the definitive agreement under which they plan to combine ('Iridium-GHL Transaction') (refer Company's announcement dated 25 September 2008). In a joint announcement, GHL and Iridium stated "Under the terms of the amendment, the aggregate consideration payable by GHL Acquisition to Iridium's existing shareholders will be reduced by 15%, a reflection of the changes in market valuation levels since the transaction was announced in September 2008.

Completion of the Iridium-GHL Transaction remains subject to U.S. Federal Communications Commission approval, GHL Acquisition stockholder approval and other customary closing conditions. As at the date of signing this half-year report, a date for the GHL Acquisition stockholder meeting to approve the Iridium-GHL Transaction had yet to be announced.

- i.** On 17 April 2009 IBA Health Group Limited (ASX: IBA) announced it had agreed to acquire Hatrix Pty Ltd ('Hatrix') which the Company holds a 9.52% interest in. The Company's interest in Hatrix is part of the assets being sold under the Approved Transaction with Apsara.

**Notes to the Financial Statements (cont'd)**  
**For the half-year ended 31 December 2008**

**14. EVENTS AFTER THE BALANCE SHEET DATE (cont'd)**

- j. At the time of signing of the audit report the net asset position of The Company has materially deteriorated since 31 December 2008. This is the result of the strengthening of the Australian dollar during this time resulting in a lower net value paid by Apsara Capital Pty Limited under the Approved Transaction.

## Directors' declaration

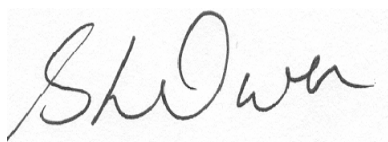
In accordance with a resolution of the directors of Fulcrum Equity Limited, I state that:

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 2007 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.

Signed in accordance with a resolution of the directors:

On behalf of the Board,



S L Owen  
Chairman

Melbourne, 20 July 2009.





## **To the members of Fulcrum Equity Limited**

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

We have reviewed the accompanying half-year financial report of Fulcrum Equity Limited which comprises the balance sheet as at 31 December 2008, 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 of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

#### ***Directors' Responsibility for the Half Year 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 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 an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of 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 Fulcrum Equity Limited and the entities it controlled during the half year, 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

### ***Conclusion***

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Fulcrum Equity Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) 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
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### ***Inherent Uncertainty regarding Going Concern***

Without qualification to the review statement expressed above, attention is drawn to the information described in Note 1 "Going Concern" and Note 14 "Events After The Balance Sheet Date".



A a result of the matters disclosed in this note, there is significant uncertainty whether Fulcrum Group will continue as a going concern and therefore whether it will be able to pay its debts as they fall due. As at the date of this Report, completion of the “Approved Transaction” has occurred. While the going concern position of the company has been mitigated to a degree, as the “final consideration” remains outstanding, the going concern uncertainty remains with the company.

Maxim Chartered Accountants

A handwritten signature in black ink, appearing to read "Mark Peatey", with a long, sweeping underline that extends to the right.

Mark Peatey  
Partner

14 July 2009