

Appendix 4D & Half-Yearly Financial Report

LaserBond Limited

ABN 24 057 636 692

Half Year Information given to the ASX under Listing Rule 4.2A

For half-year ended 31st December 2008

All comparisons to period ending 31st December 2007

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HALF-YEAR CONSOLIDATED ACCOUNTS

LaserBond Limited ABN 24 057 636 692 and Controlled Entities Directors' Report Half-Year Financial Report

Your directors present their report on the consolidated entity for the half-year ended 31st December 2008.

Directors

The names of directors who held office during or since the end of the half-year:

Mr Timothy McCauley
Mr Wayne Hooper
Mr Gregory Hooper
Mr Philip Suriano

Review of Operations

Consolidated Revenue

Consolidated revenue is up 60% over the corresponding period of 31 December 2007. With the focus on growth and expansion, the Company is well prepared for the economic conditions that may lie ahead. We anticipate sales will remain strong and our margins will be retained throughout the remainder of the fiscal year.

Acquisition- Peachey's Engineering

The Company successfully completed its acquisition of Peachey's Engineering located in Gladstone, Queensland effective 24 November 2008. This acquisition represents the next step in LaserBond's plan for expansion into strategic markets and locations where infrastructure support services to the mining and materials process aligns with LaserBond's reclamations and advanced surface technology offering. The initial payment of \$3.0 million consisted of \$2.5 million cash and \$0.5 million in scrip priced at \$0.15 per share has been made. An earn out arrangement is in place requiring agreed EBIT levels to be achieved over the next 2 fiscal years. Our financials are reflective of 5 weeks of activity, however the contribution of seven months for the group will be evident in the 30 June 2009 financials. Peachey's is currently in a transition phase to the LaserBond ERP systems and will be fully integrated by fiscal year end.

Malaysia

The Tanjung Group of Companies of Malaysia, a key service provider to the oil and gas industry listed on the Bursa Malaysia (MYX) has placed an initial order with LaserBond for a technology package including thermal spraying equipment, licensing and ongoing training. Tanjung has advised of their intent to acquire further technology packages to include laser cladding equipment upon the successful integration of the initial package into the Group's principal workshop facility. The initial order will generate revenue of US \$578,720 plus US \$50,000 license fees per year for a further two years.

Alcoa

LaserBond has won an exclusive five year contract with Alcoa Australia Rolled Products Pty Limited, part of one of the worlds leading producers of alumina and aluminium. LaserBond will provide Alcoa with an engineered coating, developed with an in house expertise that will significantly extend the service life and reliability of high value components.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is included on page four (4) for the half-year ended 31 December 2008.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the director's by:



T.McCauley
Director



W.Hooper
Director

SYDNEY
26th February 2009

robertnielsonpartners

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**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF LASERBOND LIMITED**

I declare that to the best of my knowledge and belief, during the 6 months ended 31 December 2008 there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

Robert Nielson Partners



Robert Nielson

Date 26 February 2009

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 16:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31st December 2008 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.



Director
Timothy McCauley



Director
Wayne Hooper

Dated this 26th day of February 2009

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF LASERBOND LIMITED**

Scope

Report on the Financial Report

We have reviewed the accompanying the consolidated financial report comprising the balance sheet as at 31 December 2008, income statement, statement of changes in equity, statement of cash flows for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration for Laserbond Limited (the Company).

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 have conducted our review in accordance with Australian Auditing Standards 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 *Corporation 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 Corporation Regulations 2001. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the annual financial report.

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 consolidated financial report of Laserbond Limited is not in accordance with the *Corporation Act 2001* including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting (including Australian Accounting interpretations) and the Corporations Regulations 2001.

Robert Nielson Partners

A handwritten signature in black ink, appearing to be 'RN', with a stylized flourish at the end.

Robert Nielson

Date 26 February 2009

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31st December 2007)

	Up/Down	% movement	\$
Revenues from continuing operations	Up	60.7%	\$2,888,276
Net Profit after income from ordinary activities	Down	10.1%	\$164,283

Explanation of Results:

- The expenses of the company have increased over the last 12 months with the re-structuring of the company and acquisition costs. With a focus on its strategic growth the Company has expanded its sales force and support systems to achieve its anticipated growth, and acquired the business of Peachey’s Engineering Pty Ltd.

Dividend Information

No dividends will be payable for this reporting period.

1. Net Tangible Assets per Ordinary Share (NTA Backing)

As at December 2008	As at December 2007
\$0.0803	\$0.0682

2. Details of Subsidiaries

2.1 Control Gained Over Entities During the Period

During the period from 1st July to 31st December 2008, LaserBond Limited has gained control over the following entity:

Name of entity	<i>Peachey’s Engineering Pty Ltd</i>
Date control acquired, i.e. date from which profit(loss) has been calculated	24 th Nov 2008
Profit (loss) after income tax of the subsidiary (or group of entities) during the current period <i>since the date on which control was acquired</i>	\$ 3,381.49
Profit (loss) after income tax of the subsidiary (or group of entities) for the <i>whole of the previous corresponding period</i>	\$ Not Applicable

Note that as Peachey’s Engineering was a privately held Proprietary Limited company, there are no audited Financial Statements to provide Profit (loss) after income tax for the previous corresponding period to 31 December 2007.

2.2 Loss of Control of Entities During the Period

During the period from 1st July to 31st December 2008, LaserBond Limited has not lost control over any Entities.

3. Details of Associates and Joint Venture Entities

3.1 Equity Accounted Associates and Joint Venture Activities

During the period from 1st July to 31st December 2008, LaserBond Limited has no interest in any Associates or Joint Venture Activities

3.2 Aggregate Share of Profits (Losses) of Associates and Joint Venture Activities

Not Applicable

4. Dividends

4.1 Dividends per Share

	Amount per Share	Franked Amount Per Share at 30% Tax	Amount per Share of Foreign Source
Final			
- Current Period	N/A	N/A	N/A
- previous corresponding period	\$167.38	\$50.21	N/A
Interim			
- Current Period	N/A	N/A	N/A
- previous corresponding period			

4.2 Total Dividends

	Current Period	Previous Corresponding Period
Interim	N/A	N/A
Final	N/A	N/A
	N/A	N/A

4.3 Dividends Reinvestment Plans

During the period from 1st July to 31st December 2008, LaserBond Limited had no Dividend Reinvestment plans in operation

5. Accounting Standards

Australian Accounting Standards, including Australian equivalents to International Financial Reporting Standards (AIFRS) have been used in compiling the information contained in this Appendix 4D.

6. Audit Disputes or Qualifications

None

HALF-YEAR FINANCIAL REPORT

LaserBond Limited ABN 24 057 636 692 and Controlled Entities

Consolidated Income Statement for the Half-Year Ended 31 December 2008

	Consolidated Group	
	31 Dec 2008	31 Dec 2007
	\$	\$
Revenue	2,888,276	1,796,950
Cost of Sales	(1,452,687)	(784,080)
Gross Profit	1,435,589	1,012,870
Other Income	97,786	115,083
Administration Expenses	(1,145,418)	(713,746)
Selling Expenses	(37,479)	(33,083)
R&D Expenditure	(2,580)	(19,189)
Repairs & Maintenance Expenses	(56,769)	(5,260)
Finance Lease Expenses	(154,257)	(85,474)
Borrowing Costs	(3,178)	(3,048)
Other Expenses	30,589	(85,314)
Profit before income tax expense	164,283	182,839
Income tax expense	(49,285)	(63,325)
Profit after tax for the period	114,998	119,514
Net Profit attributable to members of the parent entity	114,998	119,514
	Cents	Cents
Basic earnings per share	1 0.313	0.183
Diluted earnings per share	0.313	0.183

The accompanying notes form part of this financial report

HALF-YEAR FINANCIAL REPORT

LaserBond Limited ABN 24 057 636 692 and Controlled Entities

Consolidated Balance Sheet as at 31 December 2008

	Consolidated Group	
Note	31 December 2008 \$	30 June 2008 \$
CURRENT ASSETS		
Cash and cash equivalents	1,588,961	3,497,102
Trade and Other Receivables	1,483,340	737,261
Inventories	565,206	180,506
Total Current Assets	3,637,507	4,414,869
NON-CURRENT ASSETS		
Property, plant and equipment	508,121	314,088
Deferred tax assets	357,084	249,765
Intangible assets	2,839,217	27,698
Total Non-Current Assets	3,704,422	591,551
TOTAL ASSETS	7,341,929	5,006,420
CURRENT LIABILITIES		
Trade and Other Payables	1,179,039	283,344
Short-term financial liabilities	14,733	18,390
Current tax liabilities	672,788	30,125
Total Current Liabilities	1,866,560	331,859
NON-CURRENT LIABILITIES		
Long-term financial liabilities	32,502	36,611
Long-term provisions	174,394	91,794
Deferred tax liability	-	-
Total Non-Current Liabilities	206,896	128,405
TOTAL LIABILITIES	2,073,456	460,264
NET ASSETS	5,268,473	4,546,156
EQUITY		
Issued Capital	3 2,945,070	2,466,144
Retained earnings	2,323,403	2,080,012
TOTAL EQUITY	5,268,473	4,546,156

The accompanying notes form part of this financial report

HALF-YEAR FINANCIAL REPORT

LaserBond Limited ABN 24 057 636 692 and Controlled Entities

**Consolidated Cash Flow Statement
for the Half-Year Ended 31 December 2008**

	Consolidated Group	
	31 Dec 2008	31 Dec 2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,125,527	1,937,885
Payments to suppliers and employees	(1,284,254)	(1,700,711)
Interest paid	(49,285)	(3,048)
Interest received	(3,178)	29,571
Income taxes paid	109,507	(35,750)
Net cash provided by operating activities	<u>898,317</u>	<u>227,947</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(244,693)	(7,715)
Proceeds from sale of plant and equipment	-	64,865
Payment for subsidiary / business	(3,031,523)	-
Net cash (used in) / provided by investing activities	<u>(3,276,216)</u>	<u>57,150</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	478,926	2,515,569
Payments from borrowings	(16,823)	(39,390)
Loans to employees	7,655	(24,000)
Dividends paid	-	(140,568)
Net cash used in financing activities	<u>469,758</u>	<u>2,311,611</u>
NET (DECREASE) / INCREASE IN CASH HELD	(1,908,141)	2,596,708
Cash at beginning of period	3,497,102	1,056,975
CASH AT END OF PERIOD	<u><u>1,588,961</u></u>	<u><u>3,653,683</u></u>

The accompanying notes form part of this financial report

HALF-YEAR FINANCIAL REPORT

LaserBond Limited ABN 24 057 636 692 and Controlled Entities

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2008

	Issued ordinary capital \$	Retained earnings \$	Total equity \$
At 1 July 2007	12	1,979,420	1,979,432
Profit attributable to members of parent entity	-	119,514	119,514
Dividends paid	-	(140,568)	(140,568)
Issue of share capital during the period	3,000,000	-	3,000,000
Capital raising costs	(484,431)	-	(484,431)
At 31st December 2007	2,515,581	1,958,366	4,473,947
At 1st July 2008	2,466,144	2,080,012	4,546,156
Profit attributable to members of parent entity	-	114,998	114,998
Issue of share capital during the period	500,000	-	500,000
Capital raising costs adjustments	(21,074)	128,393	107,319
at 31st December 2008	2,945,070	2,323,403	5,268,473

The accompanying notes form part of this financial report

HALF-YEAR FINANCIAL REPORT

LaserBond Limited ABN 24 057 636 692 and Controlled Entities

Notes To The Consolidated Financial Statements for the Half-Year Ended 31 December 2008

Note 1: Basis of Preparation of Half-Year Financial Statements

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with the requirements of the Australian Accounting Standard AASB 134 “Interim Financial Reporting”, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made the LaserBond Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2008 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial asset and financial liabilities for which the fair value basis of accounting has been applied.

Note 2: Dividends

	Half Year	
	2008	2007
Ordinary Shares	\$	\$
Dividends paid during the half year	-	140,568

HALF-YEAR FINANCIAL REPORT

LaserBond Limited ABN 24 057 636 692 and Controlled Entities

Notes To The Consolidated Financial Statements for the Half-Year Ended 31 December 2008

Note 4: Acquisition and Disposal of Subsidiaries and Restructuring

Consolidated Group 31 Dec 2008 31 Dec 2007

As reported in recent ASX announcements, the parent entity acquired 100% of Peachey's Engineering Pty Ltd on 24th November 2008, a Queensland based engineering company. The purchase was satisfied by the issue of 3,333,334 ordinary shares at an issue price of \$0.15 each and the payment of \$2,644,369. Professional fees of \$31,523 are also included in the total purchase consideration. The issue was based on a contractually agreed market price at the date of purchase.

The purchase price was allocated as follows:

Purchase Consideration	3,144,369	-
Assets and liabilities acquired at acquisition date:		
Cash and cash equivalents	175,266	-
Trade and other receivables	914,351	-
Inventories	424,341	-
Property, plant & equipment	218,482	-
Trade and other payables	(1,274,885)	-
Long term provisions	(126,227)	-
	331,328	
Goodwill on consideration	2,813,041	-
Total	3,144,369	-

Note 5: Segment Reporting

The company operates entirely within Australia in the surface engineering industry.

Note 6: Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date, 30 June 2008.

Note 7: Events Subsequent to Reporting Date

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company.