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## Appendix 4D

### Half year report for Period ended 31 December 2009

This report relates to the half year ended 31 December 2009, with comparative data related to the half year ended 31 December 2008.

#### **Results for announcement to the market**

Revenues from ordinary activities ( <i>item 2.1</i> )	down	17.89%	to	24,476,243
Profit (loss) from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	down	29.62%	to	2,872,383
Net profit (loss) for the period attributable to members ( <i>item 2.3</i> )	down	29.62%	to	2,872,383
<b>Dividends (distributions)</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
Final dividend ( <i>item 2.4</i> )		10.0¢		10.0¢
Interim dividend ( <i>item 2.4</i> )		6.5¢		6.5¢
Record date for determining entitlements to the dividend ( <i>item 2.5</i> )	9 April 2010			

#### **Other Information Requirements**

1. Net tangible assets per security with the comparative figure for the previous corresponding period.

<b>NTA backing</b>		Current period	Previous corresponding period
9	Net tangible asset backing per ordinary security	105.48 cents	60.13 cents



**APPENDIX 4D**  
**Half year report for Period Ended 31 December 2009**

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2. There were no entities acquired during the period ended 31 December 2009.
3. Details of individual and total dividends and dividend payments.

Date the dividend (distribution) is payable	30 April 2010
Record date to determine entitlements to the dividend	9 April 2010
If it is a final dividend, has it been declared?	N/A

**Amount per security**

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Final dividend:</b>	Current year	10.0¢	10.0¢	-¢
	Previous year	14.0¢	14.0¢	-¢
<b>Interim dividend:</b>	Current year	6.5¢	6.5¢	-¢
	Previous year	6.0¢	6.0¢	-¢

4. Ammtec currently operates a Dividend Reinvestment Plan. In order to participate in the DRP for the interim dividend elections must be received no later than 9 April 2010.

The dividend reinvestment plan allows shareholders to reinvest their dividends at a discount of 3% to the weighted average market price during the 5 business days prior to and including the closing date.

A complete copy of the plan rules is available at [www.computershare.com.au/easyupdate/aec](http://www.computershare.com.au/easyupdate/aec) or may be obtained by contacting Computershare Investor Services Pty Ltd (Computershare) on 1300 366 342.

5. Ammtec Limited did not acquire any associates or become involved in any joint ventures during the period.
6. International accounting standards have been used to prepare the financial statements for the US based subsidiary PSI.
7. The Half-Year Financial Report and the audit review opinion is attached to this document.

**AMMTEC LTD**  
**ABN 23 063 332 516**

**Interim Financial Report**  
**31 December 2009**

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**DIRECTORS' REPORT**

The directors present their report together with the consolidated financial report for the half-year ended 31 December 2009 and the review report thereon.

**DIRECTORS**

The directors of the company in office during or since the end of the half-year are:

<b>Name</b>	<b>Position</b>	<b>Period of directorship</b>
David Macoboy	Chairman	Director since September 2007
Ross Norgard	Non-executive	Director since 1994
Peter Rowe	Non-executive	Director since February 2009
Rod Smith	Managing Director	Director since 1994, MD since 1999
Hamid Sheriff	Executive	Director since 2002
Ron Grogan	Executive	Director since February 2005 Alternate Director since 2002

**REVIEW OF OPERATIONS**

Revenue for the half year was \$24.5 million resulting in profit of \$2.9 million (after minority interests) which is comparable with the profit of \$2.8 million for the previous six months to 30 June 2009.

The results reflect the difficult trading conditions experienced by specialist engineering subsidiary Marc Technologies. The Marc business is more directly linked to Capital Expenditure projects many of which have been cancelled or deferred due to the economic climate. Due to the improvement of the mining sector, particularly in WA, the outlook for Marc is more positive for the second six months of this financial year.

Ammtec's core WA operations produced strong results for the period and current workloads suggest that the metallurgical and mineral testing work at the Balcatta facilities will continue to be strong in the second half to June 2010. A number of significant pilot plant programs are committed to commence indicating that demand for test work in WA is returning to levels experienced previously.

Consistent with Ammtec's strategy to improve facilities at its headquarters, the company purchased a property adjoining its existing operations in August 2009. Construction of a purpose built laboratory to house new Hydrometallurgical facility is expected to be completed by mid 2011.

The company's mineralogy division has also been enhanced with the introduction of additional equipment that allows testing to be conducted on site and this is currently deployed on an oil site in Asia.

Additional equipment has been ordered to improve the efficiencies of the assay laboratory in WA in order to service demand for metallurgical testwork. Plans are also underway to update and further automate sample preparation.

The smaller divisions in New South Wales and Tasmania have been affected by the economic climate and Tasmania in particular by the reduction of mining activities in that state.

In August 2009, Ammtec successfully completed a placement and Share Purchase Plan ("SPP") raising \$19.2million. This allowed the repayment of debt other than finance leases.

**DIRECTORS' REPORT**

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

The lead auditor's independence declaration is set out on page 16 and forms part of the directors' report for the half-year ended 31 December 2009.

Dated at Perth this 15th day of February 2010.

Signed in accordance with a resolution of the directors.



R Smith  
Managing Director

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Note	Consolidated Half-year 31 Dec 2009 \$	Consolidated Half-year 31 Dec 2008 \$
Revenue		24,476,243	29,808,444
Other income		97,930	230,849
		<b>24,574,173</b>	<b>30,039,293</b>
Raw materials and consumables expense		(7,612,811)	(9,749,402)
Employee benefits expense		(9,871,022)	(11,292,375)
Depreciation and amortisation expense		(1,012,340)	(877,355)
Other expenses		(1,879,689)	(1,607,353)
<b>Results from Operating Activities</b>		<b>4,198,311</b>	<b>6,512,808</b>
Financial income		95,771	887
Financial expenses		(300,665)	(478,194)
<b>Net financing costs</b>		<b>(204,894)</b>	<b>(477,307)</b>
<b>Profit before income tax</b>	<b>6</b>	<b>3,993,417</b>	<b>6,035,501</b>
Income tax expense		(1,364,738)	(2,092,111)
<b>Profit for the period</b>		<b>2,628,679</b>	<b>3,943,390</b>
<b>Other comprehensive income</b>			
Foreign currency translation differences for foreign operations		(464,739)	793,690
<b>Other comprehensive income for the period, net of income tax</b>		<b>(464,739)</b>	<b>793,690</b>
<b>Total comprehensive income for the period</b>		<b>2,163,940</b>	<b>4,737,080</b>
<b>Profit attributable to:</b>			
Owners of the Company		2,872,383	4,081,529
Non-controlling interest		(243,704)	(138,139)
<b>Profit for the period</b>		<b>2,628,679</b>	<b>3,943,390</b>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

Note	Consolidated Half-year 31 Dec 2009 \$	Consolidated Half-year 31 Dec 2008 \$
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	2,402,033	4,834,202
Non-controlling interest	(238,093)	(97,122)
	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	<b>2,163,940</b>	<b>4,737,080</b>
	<hr/>	<hr/>
<b>Earnings per share</b>		
Basic earnings per share	8.38 cents	16.09 cents
Diluted earnings per share	8.32 cents	15.99 cents
	<hr/>	<hr/>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Consolidated Half-year 31 Dec 2009 \$	Consolidated Half-year 31 Dec 2008 \$
<b>Equity Holders</b>		
<b>Share Capital</b>		
Balance at start of period	25,703,838	25,068,190
Issue of share capital	18,939,388	181,000
Share options exercised	53,600	60,140
Shares issued through the Dividend Reinvestment Plan	660,032	303,048
	<hr/>	<hr/>
<b>Total Share Capital</b>	<b>45,356,858</b>	<b>25,612,378</b>
	<hr/>	<hr/>
<b>Share Capital Reserve</b>		
Balance at start of period	1,402,170	1,046,942
Equity settled share based payment transactions	93,274	361,115
Share options exercised	(3,969)	(5,887)
	<hr/>	<hr/>
<b>Total Share Capital Reserve</b>	<b>1,491,475</b>	<b>1,402,170</b>
	<hr/>	<hr/>
<b>Translation Reserve</b>		
Balance at start of period	630,879	(125,101)
Foreign currency translation differences	(464,739)	752,673
Transfer between reserves	(718,801)	-
	<hr/>	<hr/>
<b>Total Translation Reserve</b>	<b>(552,661)</b>	<b>627,572</b>
	<hr/>	<hr/>
<b>Revaluation Reserve</b>		
Balance at start of period	3,331,831	-
	<hr/>	<hr/>
<b>Total Revaluation Reserve</b>	<b>3,331,831</b>	<b>-</b>
	<hr/>	<hr/>
<b>Non-controlling Interest Reserve</b>		
Balance at start of period	-	-
Acquisition of non-controlling interest	(190,443)	-
	<hr/>	<hr/>
<b>Total Non-controlling Interest Reserve</b>	<b>(190,443)</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total Reserves</b>	<b>4,080,202</b>	<b>2,029,742</b>
	<hr/>	<hr/>



CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	<b>Consolidated Half-year 31 Dec 2009</b>	<b>Consolidated Half-year 31 Dec 2008</b>
	\$	\$
<b>Retained Earnings</b>		
Balance at start of period	11,791,744	9,969,112
Profit for the period	2,872,383	4,081,529
Share options transferred from reserve	3,969	5,887
Transfer between reserves	698,873	-
	-----	-----
Total for the period	15,366,969	14,056,528
Dividends	7 (3,602,525)	(3,542,795)
	-----	-----
<b>Retained Earnings at end of period</b>	<b>11,764,444</b>	<b>10,513,733</b>
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<b>Total Equity Attributable to Equity Holders</b>	<b>61,201,504</b>	<b>38,155,853</b>
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<b>Non-controlling Interests</b>		
Balance at start of period	91,509	215,971
Foreign currency translation differences	5,611	41,017
Loss for the period	(243,704)	(138,139)
Effect of non-controlling interest in new equity	221,903	-
Transfer between reserves	19,927	-
	-----	-----
<b>Total Equity Attributable to Non-controlling Interests</b>	<b>95,246</b>	<b>118,849</b>
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<b>Total Equity</b>	<b>61,296,750</b>	<b>38,274,702</b>
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CONDENSED CONSOLIDATED INTERIM BALANCE SHEET  
AS AT 31 DECEMBER 2009

	Note	Consolidated 31 Dec 2009 \$	Consolidated 30 Jun 2009 \$
<b>Current Assets</b>			
Cash and cash equivalents		8,569,745	536,115
Trade and other receivables		7,267,230	9,728,016
Inventories		2,379,602	2,188,233
Other assets		473,142	243,189
<b>Total Current Assets</b>		<b>18,689,719</b>	<b>12,695,553</b>
<b>Non-current Assets</b>			
Property, plant and equipment	9	36,557,711	32,559,771
Intangible assets	10	21,843,087	22,247,643
Deferred tax assets		1,154,510	1,048,354
<b>Total Non-current Assets</b>		<b>59,555,308</b>	<b>55,855,768</b>
<b>Total Assets</b>		<b>78,245,027</b>	<b>68,551,321</b>
<b>Current Liabilities</b>			
Trade and other payables		5,438,419	7,556,558
Interest bearing liabilities	11	1,643,115	1,594,841
Current tax payable		430,952	388,639
Employee benefits		2,402,460	2,215,856
<b>Total Current Liabilities</b>		<b>9,914,946</b>	<b>11,755,894</b>
<b>Non-current Liabilities</b>			
Other payables		710,832	873,327
Interest bearing liabilities	11	4,375,222	11,048,631
Deferred tax liabilities		1,747,203	1,747,203
Employee benefits		200,074	174,295
<b>Total Non-Current Liabilities</b>		<b>7,033,331</b>	<b>13,843,456</b>
<b>Total Liabilities</b>		<b>16,948,277</b>	<b>25,599,350</b>
<b>Net Assets</b>		<b>61,296,750</b>	<b>42,951,971</b>
<b>Equity</b>			
Share capital		45,356,858	25,703,838
Reserves		4,080,202	5,364,880
Retained earnings		11,764,444	11,791,744
Total Equity attributable to equity holders of the Company		61,201,504	42,860,462
Non-controlling Interest		95,246	91,509
<b>Total Equity</b>		<b>61,296,750</b>	<b>42,951,971</b>

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
HALF-YEAR ENDED 31 DECEMBER 2009**

	Note	Consolidated Half-year 31 Dec 2009 \$	Consolidated Half-year 31 Dec 2008 \$
<b>Cash Flows from Operating Activities</b>			
Cash receipts in the course of operations		28,367,409	29,525,542
Cash payments in the course of operations		(21,923,816)	(22,061,152)
Interest received		95,771	1,577
Other income received		60,717	174,403
Interest paid		(300,695)	(213,299)
Income taxes paid		(1,428,580)	(2,357,058)
		<hr/>	<hr/>
<b>Net Cash provided by Operating Activities</b>		<b>4,870,806</b>	<b>5,070,013</b>
		<hr/>	<hr/>
<b>Cash Flows from Investing Activities</b>			
Payments for property, plant & equipment		(5,011,738)	(3,621,032)
Payment for purchase of investment in Purity Systems Inc.		(1,114,312)	(428,728)
Proceeds on disposal of non-current assets		-	644,934
		<hr/>	<hr/>
<b>Net Cash used in Investing Activities</b>		<b>(6,126,050)</b>	<b>(3,404,826)</b>
		<hr/>	<hr/>
<b>Cash flows from Financing Activities</b>			
Proceeds from issue of shares		18,717,388	-
Proceeds from exercise of employee options		53,600	60,140
Finance lease payments		(505,620)	(405,301)
Dividends paid		(2,942,493)	(3,239,747)
Proceeds from/(payment of) bank loan		(6,034,000)	1,300,000
		<hr/>	<hr/>
<b>Net cash (used in)/provided by Financing Activities</b>		<b>9,288,875</b>	<b>(2,284,908)</b>
		<hr/>	<hr/>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>8,033,631</b>	<b>(619,721)</b>
Cash and cash equivalents at 1 July		536,115	(5,876)
		<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December</b>	<b>8</b>	<b>8,569,746</b>	<b>(625,597)</b>
		<hr/> <hr/>	<hr/> <hr/>

**CONDENSED NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL REPORT  
HALF-YEAR ENDED 31 DECEMBER 2009**

**NOTE 1. REPORTING ENTITY**

Ammtec Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2009 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report of the Group as at and for the year ended 30 June 2009 is available upon request from the Company's registered office at 6 MacAdam Place, Balcatta or at [www.ammtec.com.au](http://www.ammtec.com.au).

**NOTE 2. STATEMENT OF COMPLIANCE**

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2009.

This consolidated interim financial report was authorised for issue by the Board of Directors on 15 February 2010.

**NOTE 3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2009 except as described below.

**Presentation of financial statements**

The Group applies revised AASB101 Presentation of Financial Statements, which became effective as of 1 January 2009. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation, there is no impact on earnings per share.

**Accounting for acquisitions of non-controlling interests**

The Group has adopted AASB 3 Business Combinations and AASB 127 Consolidated and Separate Financial Statements for acquisitions of non-controlling interests from 1 July 2009. Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary; and that represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange.

The change in accounting policy was applied prospectively and had no material impact on earnings per share.

**NOTE 4. ESTIMATES**

The preparation of an interim financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimate uncertainty were the same as those applied to the consolidated financial report as at and for the year ended 30 June 2009.

**CONDENSED NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL REPORT  
HALF-YEAR ENDED 31 DECEMBER 2009**

**NOTE 5. STATEMENT OF OPERATIONS BY SEGMENTS**

The Group has six reportable segments, as described below, which are the Group's business units.

Reporting to the Managing Director and the Board is based on these business units. They are each managed separately due to either geographical location or the fact that they offer different products and services.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The six reportable segments are as follows:

- WA. Undertakes metallurgical and mineral test work from laboratories in Balcatta, WA.
- NSW. Undertakes metallurgical and mineral test work from laboratories in NSW.
- SA. Undertakes metallurgical and mineral test work from laboratories in South Australia.
- Tasmania. Undertakes metallurgical and mineral test work from laboratories in Burnie, Tasmania.
- Marc. Derives revenue from designing laboratories, supplies of laboratory equipment and dust and fume control systems to the mining and mining services sectors.
- PSI. Manufactures resins for the extraction of heavy metals from solutions on licence for the University of Montana. PSI is in still in the developmental phase and marketing the use of resins.

CONDENSED NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL REPORT  
HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 5. STATEMENT OF OPERATIONS BY SEGMENTS (CONTINUED)

	WA	NSW	SA	TAS	MARC	PSI	Consolidated
<b>31 December 2009</b>							
External revenue	16,142,336	882,711	590,645	1,270,433	5,578,670	11,448	24,476,243
Inter-segment revenue	2,713,905	-	-	6,067	440,981	-	3,160,953
<b>Total revenue for reportable segments</b>	<b>18,856,241</b>	<b>882,711</b>	<b>590,645</b>	<b>1,276,500</b>	<b>6,019,651</b>	<b>11,448</b>	<b>27,637,196</b>
Other revenue							97,930
Elimination of inter-segment revenue							(3,160,953)
<b>Revenue as per financial statements</b>							<b>24,574,173</b>
Reportable segment profit before income tax	4,494,072	147,568	88,092	84,978	114,037	(817,800)	4,110,947
Elimination of inter-segment profits							(117,530)
<b>Consolidated profit before tax</b>							<b>3,993,417</b>
Depreciation and Amortisation	(880,146)	(12,250)	(8,360)	(43,005)	(66,622)	(1,957)	(1,012,340)
<b>31 December 2008</b>							
External revenue	16,421,294	1,395,529	571,241	1,833,781	9,581,133	5,466	29,808,444
Inter-segment revenue	2,510,416	-	-	43,659	497,110	-	3,051,185
<b>Total revenue for reportable segments</b>	<b>18,931,710</b>	<b>1,395,529</b>	<b>571,241</b>	<b>1,877,440</b>	<b>10,078,243</b>	<b>5,466</b>	<b>32,859,629</b>
Other revenue							230,849
Elimination of inter-segment revenue							(3,051,185)
<b>Revenue as per financial statements</b>							<b>30,039,293</b>
Reportable segment profit before income tax	4,129,425	435,186	25,295	588,237	1,757,492	(654,471)	6,281,164
Elimination of inter-segment profits							(245,663)
<b>Consolidated profit before tax</b>							<b>6,035,501</b>
Depreciation and Amortisation	(674,407)	(11,326)	(11,012)	(44,010)	(133,829)	(2,771)	(877,355)

**CONDENSED NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL REPORT  
HALF-YEAR ENDED 31 DECEMBER 2009****NOTE 6. PROFIT BEFORE INCOME TAX**

Net profit before income tax expense has been arrived at after including:

	<b>Consolidated Half-year 31 Dec 2009 \$</b>	<b>Consolidated Half-year 31 Dec 2008 \$</b>
Depreciation and amortisation	1,012,340	877,355
Employee share and option plans	315,274	574,615

**NOTE 7. DIVIDENDS**

	<b>Consolidated Half-year 31 Dec 2009 \$</b>	<b>Consolidated Half-year 31 Dec 2008 \$</b>
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During the reporting period, Ammtec Ltd has paid dividends not previously recognised in retained profit as follows:

Final dividend of \$0.10 per share paid in October 2009 (2008: \$0.14)	3,602,525	3,542,795
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**Subsequent to reporting date**

Since 31 December 2009, the directors have declared an interim dividend on ordinary shares of \$0.065 per share (franked to 100%) payable in April 2010 (2008: \$0.06)

2,360,030	1,525,832
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The financial effect of the interim dividend has not been brought to account in the consolidated entity financial statements for the half-year ended 31 December 2009.

**CONDENSED NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL REPORT  
HALF-YEAR ENDED 31 DECEMBER 2009**

**NOTE 8. NOTES TO THE STATEMENT OF CASH FLOWS**

**Non-cash financing and investing activities**

During the half-year the Group did not acquire any plant and equipment by means of finance leases (2008: \$527,847).

During the half-year 93,462 shares (2008: 52,490) shares were issued for \$2.37 per share (2008 at \$3.44 per share) under the company's employee share plan.

**NOTE 9. PROPERTY PLANT AND EQUIPMENT**

**Acquisitions**

During the half-year ended 31 December 2009 the Group acquired assets with a cost of \$5,011,734 (six months ended 31 December 2008: \$4,022,253).

**Capital Commitments**

The Group has not entered into any construction contracts at 31 December 2009. At 31 December 2008 there were no capital commitments.

**NOTE 10. INTANGIBLE ASSETS**

On 1 October 2009 the Group acquired an additional 2.88% of interest in PSI for \$1,115,678 taking the Company's total shareholding to 72.48%. The fair value of net assets attributable to the non-controlling interest has been attributed directly to equity.

**Reconciliation of carrying amount**

	<b>31 Dec 09</b>
Balance at 1 July 2009	22,247,643
Foreign currency fluctuation for PSI's goodwill	(404,556)
	<hr/>
Balance at 31 December 2009	21,843,087
	<hr/>



**CONDENSED NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL REPORT  
HALF-YEAR ENDED 31 DECEMBER 2009**

**NOTE 11. LOANS AND BORROWINGS**

The following loans and borrowings (current and non-current) were on issue at the reporting date.

**31 December 2009:**

	<b>Interest rate</b>	<b>Facility Amount</b>	<b>Carrying Amount</b>	<b>Year of Maturity</b>
Secured Overdraft	8.93%	3,000,000	-	2010
Secured bank loan	6.323%	6,000,000	1,000	2010
Market rate facility	6.348%	291,670	296,100	2014
Guarantee	2.20%	1,770,000	-	2010
Letter of credit	-	200,000	-	2010
Finance lease liabilities	various	6,700,000	5,424,514	various
HP liabilities	various	326,680	296,613	various

**30 June 2009**

	<b>Interest rate</b>	<b>Facility Amount</b>	<b>Carrying Amount</b>	<b>Year of Maturity</b>
Secured Overdraft	8.18%	3,000,000	500,759	2009
Secured bank loan	5.00%	6,000,000	6,000,000	2010
Market rate facility	5.01%	331,100	331,100	2014
Guarantee	2.40%	1,570,000	-	2009
Letter of credit	-	400,000	-	2009
Finance lease liabilities	various	7,279,837	5,970,709	various
HP liabilities	various	385,439	341,663	various

**DIRECTORS' DECLARATION**

In the opinion of the directors of Ammtec Limited ("the Company"):

1. the financial statements and notes set out on pages 3 to 14, are in accordance with the Corporations Act 2001, including:
  - a) giving a true and fair view of the Group's financial position as at 31 December 2009 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 the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 15th day of February 2010.

Signed in accordance with a resolution of the directors.



R Smith  
Managing Director



*Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001*

To: the directors of Ammtec Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*Kpmc*

KPMG

*B + S*

Brent Steedman  
*Partner*

Perth

15 February 2010



## **Independent auditor's review report to the members of Ammtec Limited**

We have reviewed the accompanying interim financial report of Ammtec Limited, which comprises the consolidated balance sheet as at 31 December 2009, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies and other explanatory notes 1 to 11 and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

### *Directors' responsibility for the interim financial report*

The directors of the company are responsible for the preparation and fair presentation of the interim 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 interim 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 interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Ammtec Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

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



*Conclusion*

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2009 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 the *Corporations Regulations 2001*.

Kpmg

KPMG

R + SA

Brent Steedman  
*Partner*

Perth

15 February 2010