

iCASH PAYMENT SYSTEMS LIMITED

ABN 87 061 041 281
and Controlled Entities

APPENDIX 4D

HALF YEAR INFORMATION – 31 DECEMBER 2009

iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

APPENDIX 4D

ASX HALF-YEAR INFORMATION – 31 DECEMBER 2009

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by iCash Payment Systems Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

HALF-YEAR ENDED 31 DECEMBER 2009
RESULTS FOR ANNOUNCEMENT TO THE MARKET

\$

Revenue from ordinary activities	Up	58.50%	to	14,406,567
Profit from ordinary activities after tax attributable to members	Up	629.01%	to	1,855,682
Net profit for the period attributable to members	Up	629.01%	to	1,855,682

Dividend Information	Amount per share	Franked amount per share
Final dividend	\$Nil	N/A
Interim dividend	\$Nil	N/A

RESULTS FOR THE HALF YEAR

For the half year to 31 December 2009, iCash Payment Systems Limited (iCash) recorded an unaudited, after tax profit of \$1.86 million, an increase of 629% and compares to a loss of \$0.3 million for the same period last year. Revenues for the period were \$14.4 million, an increase of 58.5% on a year on year basis.

The half year to 31 December 2009 has delivered a strong result for the Group with our vertical integration strategy delivering revenue diversification, margin protection, a broader distribution footprint and importantly solid financial results.

The Company leveraged off the Australian designed cashPod and its high levels of functionality, data security and industry compliance to secure significant fleet sales, transaction growth and customer retention.

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2009.

1 Directors

The directors of the company at any time during or since the end of the half-year are as below. Directors were in office for this entire period unless otherwise stated.

James Manny
Tony Teng
Kim Stewart
Steave Ham (appointed on 8 October 2009)

2 Review and Results of Operations

For the half year to 31 December 2009, iCash Payment Systems Limited (iCash) recorded an unaudited, after tax profit of \$1.86 million, an increase of 629% and compares to a loss of \$0.3 million for the same period last year. Revenues for the period were \$14.4 million, an increase of 58.5% on a year on year basis.

The half year to 31 December 2009 has delivered a strong result for the Group with our vertical integration strategy delivering revenue diversification, margin protection, a broader distribution footprint and importantly solid financial results.

The Company leveraged off the Australian designed cashPod and its high levels of functionality, data security and industry compliance to secure significant fleet sales, transaction growth and customer retention. iCash customer re-sign rates currently stand in excess of 90%, providing the Company with solid revenue security in the medium to long term.

The cashPod was fundamental to our goal of managing deployment sector risk. Diversification into national retail groups and the reduction of exposure to the gaming sector was achieved through a combination of technology and ATM features. Several of our successes were the result of non-price related attributes such as compliance, data security and business functionality which remain unmatched by our major competitors.

iCash is generating strong revenues through the sales of cashPod and related services. These include the provision of maintenance and switching services, or transaction processing to third party deployers who have chosen the cashPod over rival ATMs. The Company benefits from the increase in recurring revenue streams without incurring a cost to capital.

Continued strengthening of our vertical integration, through strategic acquisitions will broaden our value proposition to existing customers. This will further secure our business margins and generate new revenue streams outside the areas where saturated markets and competition has eroded profits. The planned acquisitions will provide a platform to deliver our goals of increased recurring revenues, particularly from our manufacturing subsidiary in Korea and open distribution gateways to other markets in the Asia Pacific region and beyond.

New products are currently being tested and certified for the Australian market and like the cashPod will also meet the same highest levels of compliance. Advanced orders for these new products provide immediate payback for development and open market sectors that were previously unexploited by iCash. The Group's ability to develop new products and technologies has been responsible for our success in securing major bank and retail deployment in Korea and gives confidence that similar relationships will materialise in Australia.

DIRECTORS' REPORT

2 Review and Results of Operations

Our Korean subsidiary has consolidated its independently verified leading retail ATM position. The winning of major supply contracts and the restructuring of our manufacturing process has resulted in higher capacity and higher quality control. Two of our three production cells are now operating at optimum efficiency whilst reserving the third line capacity to cover order spikes and future growth. The result of this focus is an advanced factory order book which supports a very positive outlook for the next two to three years.

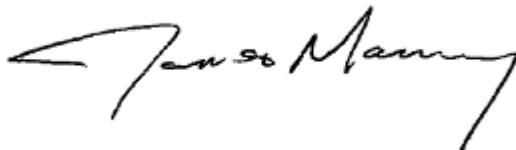
The strong half year result and full year outlook is the result of concentrated efforts to develop a sustainable business model for the Company. Through the implementation of our communications plan we are now well positioned to promote the iCash brand to a broader market and investor base.

We are looking forward to continued strong growth during 2010 to delivering increased shareholder value and thank investors and staff for their continued support

3 Auditor's Independence Declaration

The Auditor's independence declaration is set out on page 17 and forms part of the directors' report for the half year ended 31 December 2009.

Signed in accordance with a resolution of the directors:



James Manny
Executive Chairman

Sydney

Dated: 25 February 2010

iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

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

		Consolidated	
	Note	December 2009	December 2008
		\$	\$
CONTINUING OPERATIONS			
Revenue	3i	14,406,568	9,089,301
Other expenses	3ii	<u>(12,170,599)</u>	<u>(9,285,703)</u>
PROFIT/(LOSS) FROM OPERATING ACTIVITIES BEFORE INCOME TAX AND FINANCE COSTS		<u>2,235,969</u>	<u>(196,402)</u>
Finance costs		(192,100)	(133,874)
PROFIT/(LOSS) BEFORE INCOME TAX		<u>2,043,869</u>	<u>(330,276)</u>
Income tax expense		-	-
PROFIT/(LOSS) AFTER INCOME TAX FROM OPERATIONS		<u>2,043,869</u>	<u>(330,276)</u>
OTHER COMPREHENSIVE INCOME			
Exchange differences arising on translation of foreign operations		(35,673)	580,255
Income tax relating to components of other comprehensive income		<u>-</u>	<u>-</u>
Other comprehensive income for the period (net of tax)		<u>(35,673)</u>	<u>580,255</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>2,008,196</u>	<u>249,979</u>
PROFIT/(LOSS) ATTRIBUTABLE TO:			
Owners of the parent		1,855,682	(350,783)
Non-controlling interest		<u>188,187</u>	<u>20,507</u>
		<u>2,043,869</u>	<u>(330,276)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		1,820,009	229,472
Non-controlling interest		<u>188,187</u>	<u>20,507</u>
		<u>2,008,196</u>	<u>249,979</u>
EARNINGS PER SHARE			
Basic (in cents)		0.250	(0.050)
Diluted (in cents)		0.250	(0.050)

The accompanying notes form part of these financial statements.

iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

		Consolidated	
	Note	December 2009	June 2009
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		6,312,713	2,603,988
Trade and other receivables		6,209,186	2,368,282
Other investments		143,523	132,910
Inventory		4,859,149	2,952,153
Other assets		656,345	384,066
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		18,180,917	8,441,399
NON-CURRENT ASSETS			
Trade and other receivables		1,954,970	2,153,932
Intangible assets		17,637,307	17,218,922
Other investments		2,273,293	2,326,892
Deferred tax assets		1,700,761	1,700,761
Plant and equipment	4	4,332,591	4,174,838
Other assets		453,659	442,972
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		28,352,580	28,018,317
		<hr/>	<hr/>
TOTAL ASSETS		46,533,497	36,459,716
CURRENT LIABILITIES			
Trade and other payables		4,578,686	3,298,554
Financial liabilities		7,452,455	3,366,933
Provisions		72,621	134,315
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		12,103,762	6,799,802
NON-CURRENT LIABILITIES			
Financial liabilities		328,301	1,718,744
Provisions		764,713	992,645
		<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES		1,093,014	2,711,389
		<hr/>	<hr/>
TOTAL LIABILITIES		13,196,776	9,511,191
		<hr/>	<hr/>
NET ASSETS		33,336,721	26,948,525
		<hr/> <hr/>	<hr/> <hr/>

iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009 (continued)

		Consolidated	
	Note	December 2009	June 2009
		\$	\$
EQUITY			
Share capital	5	47,628,994	43,248,994
Reserves		362,856	398,529
Accumulated losses		<u>(17,306,616)</u>	<u>(19,162,298)</u>
Equity attributable to the owners of the parent		30,685,234	24,485,225
Non-controlling interest		<u>2,651,487</u>	<u>2,463,300</u>
TOTAL EQUITY		<u><u>33,336,721</u></u>	<u><u>26,948,525</u></u>

The accompanying notes form part of these financial statements.

iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Consolidated	
	December 2009	December 2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	10,675,118	8,698,115
Payments to suppliers and employees	(12,519,426)	(8,597,285)
Interest paid	(192,100)	(133,874)
Interest received	44,101	44,804
	(1,992,307)	15,760
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(351,729)	(534,200)
Purchase of investments	(10,613)	-
	(362,342)	(534,200)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	4,380,000	252,750
Proceeds from short term borrowings	2,890,289	2,369,226
Payments for development costs	(1,077,073)	-
Repayment of borrowing	(141,611)	(2,053,841)
	6,051,605	568,135
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		
	3,696,956	49,695
Cash and cash equivalents at the beginning of the financial period	2,603,988	1,102,178
Effects of exchange rate changes on the balance of cash held in in foreign currencies	11,769	38,359
	6,312,713	1,190,232
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	6,312,713	1,190,232

The accompanying notes form part of these financial statements.

iCASH PAYMENT SYSTEMS LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

Consolidated	Issued Capital	Reserves	Accumulated Loss	Minority Equity Interests	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2009	43,248,994	398,529	(19,162,300)	2,463,300	26,948,523
Profit for the period	-	-	1,855,682	188,187	2,043,869
Movement in the foreign currency translation reserve	-	(35,673)	-	-	(35,673)
Total comprehensive income for the period	-	(35,673)	1,855,682	188,187	2,008,196
Minority Interest	-	-	-	-	-
New shares issued	4,605,000	-	-	-	4,605,000
Share issue costs	(225,000)	-	-	-	(225,000)
At 31 December 2009	<u>47,628,994</u>	<u>362,856</u>	<u>(17,306,618)</u>	<u>2,651,487</u>	<u>33,336,719</u>
At 1 July 2008	43,248,994	562,267	(21,674,018)	2,048,409	24,185,652
Profit/(loss) for the period	-	-	(350,783)	20,507	(330,276)
Movement in the foreign currency translation reserve	-	580,255	-	-	580,255
Total comprehensive income for the period	-	580,255	(350,783)	20,507	249,979
Minority Interest	-	-	-	328,198	328,198
New shares issued	252,750	-	-	-	252,750
At 31 December 2008	<u>43,501,744</u>	<u>1,142,522</u>	<u>(22,024,801)</u>	<u>2,397,114</u>	<u>25,016,579</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

1 REPORTING ENTITY

iCash Payment Systems 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”) and the consolidated entity’s interests in associates.

2 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

2.1 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. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

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 consolidated entity as at and for the year ended 30 June 2009, together with any public announcements made during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

This consolidated interim financial report was approved by the Board of Directors on 25 February 2010.

2.2 Basis of Preparation

The basis of preparation and accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the standards and interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standard Board (AASB) that are relevant to their operations and effective for the current reporting period.

New and revised standards and interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 3 Business Combinations.
- AASB 8 Operating Segments.
- AASB 101 Presentation of Financial Statements.
- AASB 127 Consolidated and Separate Financial Statements.

The adoption of these new and revised standards and interpretations has resulted in no major changes to the Group’s accounting policies in the following areas that have affected the amounts reported for the current or prior period except as noted in Note 6 ‘Segment Reporting’

iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

3 REVENUE AND EXPENSES

Profit / (loss) before income tax includes the following revenue and expenses whose disclosure is relevant in explaining the performance of the entity:

	Consolidated	
	December 2009	December 2008
	\$	\$
(i) Revenue		
Interest bank	44,103	53,834
Contract income	6,292,165	3,722,423
Other	25,341	67,703
Product sales	8,044,959	5,245,341
	14,406,568	9,089,301
	14,406,568	9,089,301
ii) Expenses		
Depreciation and amortisation	852,665	932,834
Directors fees	32,000	18,000
Administration & general fees	2,618,787	2,443,560
Cost of Sales Product	5,425,807	3,344,891
Cost of Sales Contract income	3,030,967	2,253,456
Travel expenses	26,054	195,904
Consulting fees	178,189	1,782
Research and development costs	6,130	95,276
	12,170,599	9,285,703
	12,170,599	9,285,703

4 PLANT AND EQUIPMENT

Acquisitions

During the six months ended 31 December 2009 the consolidated entity acquired assets with a cost of \$351,729 (six months ended 31 December 2008: \$534,200).

iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

5 ISSUED CAPITAL

	Consolidated		Consolidated	
	December 2009	June 2009	December 2009	June 2009
	Shares	Shares	\$	\$
Ordinary shares				
Share Capital	820,467,341	719,967,341	47,628,994	43,248,994
<i>Movements during the year</i>				
Balance at beginning of the period	719,967,341	700,967,341	43,248,994	42,796,244
November 2009	90,000,000	-	4,500,000	-
October 2009	10,500,000	-	105,000	-
March 2009	-	8,000,000	-	200,000
December 2008	-	11,000,000	-	275,000
Share issue costs	-	-	(225,000)	(22,250)
Balance at the end of the period	820,467,341	719,967,341	47,628,994	43,248,994

6 SEGMENT REPORTING

The Group has adopted AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast the predecessor Standard (AASB 114 Segment Reporting) required the entity to identify two segments (business and geographical), using risk and rewards approach, with entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for identification of such segments. As a result, following the adoption of AASB 8, the identification of the Group's reportable segments has not changed.

Information regarding these segments is presented below. Amounts reported for the prior period have been restated to conform the requirements of AASB 8. The accounting policies of the new reportable segments are the same as the Group's accounting policies.

iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

6 SEGMENT REPORTING (continued)

The company and its controlled subsidiaries operate in one business segment and two geographic segments, being Australia and Korea.

	Australia	Korea	Eliminations	December 2009 Consolidated	June 2009 Consolidated
	\$	\$		\$	\$
External sales	6,746,981	7,944,103	(353,960)	14,337,124	18,925,316
Other segments	-	-	-	-	-
Total sales revenue	6,746,981	7,944,103	(353,960)	14,337,124	18,925,316
Other revenue	5,128	20,213	-	25,341	197,764
Total revenue	6,752,109	7,964,316	(353,960)	14,362,465	19,123,080
Segment result					
Profit before minority interest	1,651,812	392,057	-	2,043,869	897,651
Less Minority interest	-	(188,187)	-	(188,187)	(86,690)
Profit before income tax expense	1,651,812	203,870	-	1,855,682	810,961
Income tax expense	-	-	-	-	1,700,761
Loss after income tax	1,651,812	203,870	-	1,855,682	2,511,722
Segment assets					
Segment assets	32,909,185	14,056,177	(431,865)	46,533,497	36,459,716
Total assets	32,909,185	14,056,177	(431,865)	46,533,497	36,459,716
Segment liabilities					
Segment liabilities	3,086,730	9,678,181	431,865	13,196,776	9,511,192
Total liabilities	3,086,730	9,678,181	431,865	13,196,776	9,511,192

7 EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the reporting period iCash has entered into an agreement to acquire ATM assets. The transaction has not completed at the date of this report and further will be announced once the completion has occurred.

8 CONTINGENCIES

The directors are of the opinion that no contingent liabilities existed at balance date.

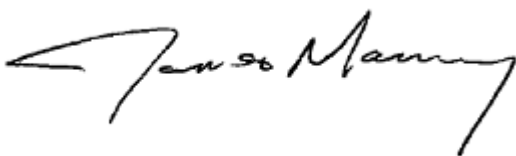
iCASH PAYMENT SYSTEMS LIMITED
(and consolidated entities)
ABN 87 061 041 281

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of iCash Payment Systems Limited, I state that, in the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2009 and of their performance as represented by the results of their operations and their cash flows for the half-year ended on that date; and
 - (ii) comply 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, with the continued financial support of major shareholders.

On behalf of the Board



James Manny
Executive Chairman

Sydney
Dated: 25 February 2010

**INDEPENDENT AUDITORS REVIEW REPORT
TO THE MEMBERS OF
iCASH PAYMENT SYSTEMS LIMITED**



**CHARTERED
ACCOUNTANTS**

ABN 71 502 156 733

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of iCash Payment Systems Limited which comprises the condensed statement of financial position as at 31 December 2009, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flow for the half-year ended on that date, a statement of accounting policies, other 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 period.

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Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

A review of 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.

Partners

Stephen J Rogers
Ian D Stone
Paul W Lenton
Neil R Hillman
Stephen W Davis
David M Gallery
Robert A McGuinness
Kirsten Taylor-Martin
Andrew S Hoffmann
Graeme J Watman
David R Cust
Craig J Wilford
Sean P Urquhart
Robert Mayberry
Russell Reid

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LEGISLATION.

**INDEPENDENT AUDITORS REVIEW REPORT
TO THE MEMBERS OF
iCASH PAYMENT SERVICES LIMITED
(Continued)**



**CHARTERED
ACCOUNTANTS**

ABN 71 502 156 733

Independence

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

Conclusion

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

- (i) giving a true and fair view of the company and consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Nexia Court & Co
Chartered Accountants

Sydney

Dated: 25 February 2010

David Gallery
Partner

■
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Partners

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Ian D Stone
Paul W Lenton
Neil R Hillman
Stephen W Davis
David M Gallery
Robert A McGuinness
Kirsten Taylor-Martin
Andrew S Hoffmann
Graeme J Watman
David R Cust
Craig J Wilford
Sean P Urquhart
Robert Mayberry
Russell Reid

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LEGISLATION.

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

To the directors of iCash Payment Systems Limited

In relation to our review of the financial report of iCash Payment Systems Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001; and
- no contraventions of any applicable code of professional conduct in relation to the review

Nexia Court & Co.

Gallery

Nexia Court & Co
Chartered Accountants

David Gallery
Partner

Sydney

Dated: 25 February 2010

■
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AND CONSULTING FIRMS.



LIABILITY LIMITED BY A
SCHEME APPROVED UNDER
PROFESSIONAL STANDARDS
LEGISLATION.

SUPPLEMENTARY APPENDIX 4D INFORMATION

1. NTA Backing (in cents)

Description	December 2009	June 2009
Net tangible asset backing per ordinary share	1.91	1.35
Net asset backing per ordinary share	4.06	3.74

2. Details of individual and total dividends and dividend payments

No dividends were paid or declared since the start of financial year and no recommendation for the payments of dividend have been made.

3. Details of dividend reinvestment plans in operation

The company does not have a dividend/distribution reinvestment plan.

4. Details of associates and joint ventures.

There were no associates or joint ventures entities at the date of this report.

5. Segment information

The company and its controlled subsidiaries operate in one business segment and two geographic segments, being Australia and Korea.

6. Foreign Accounting Standards

Neo Technology Inc is incorporated and operates in Korea. The financial statements of the company have been prepared in accordance with generally accepted accounting standards of Korea and adopted Korean GAAP.

7. Audit Alert

N/A