



**WORLD WIDE**  
entertainment

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## **APPENDIX 4D – HALF YEAR REPORT**

**Name of entity:** **World Wide Entertainment Group Limited**

**ABN:** **49 007 686 955**

**Period:** **Half year ended 31 December 2009**

The following documents comprise the information required to be given to the ASX in accordance with Listing Rule 4.2A.

19 February 2010

**World Wide Entertainment Group Limited**

Registered in Australia

Registered Office: 441 Moorabool Street, Geelong Victoria 3220

Telephone: +61 3 5225 5400 Facsimile: +61 3 5221 3701

ABN 49 007 686 955

# Appendix 4D

## Half year report

ASX Listing Rule 4.3A.3

Name of entity

**WORLD WIDE ENTERTAINMENT GROUP LTD**

ABN or equivalent company reference

**49 007 686 955**

Financial half-year ended ('current period')

**31 DECEMBER 2009**

### Previous corresponding period

6 months ended 31 December 2008

### Results for announcement to the market

Revenues	Down	32.29%	to	3,890,440
Profit after tax	Down	91.67%	to	56,644
Profit attributable to members	Down	91.67%	to	56,644

### Dividends (distributions)

	Amount per security	Franked amount per security
Interim dividend	-	-
Previous corresponding period	-	-
Record date for determining entitlements to the dividend		-

The directors have not recommended the payment of an interim dividend.

### Net tangible assets per ordinary share

	December 2009	December 2008
Net tangible asset backing per ordinary share (cents)	-0.018	N/A

### Details of controlled entities acquired or disposed of

There were no controlled entities acquired or disposed of during the year.

## Dividends

There were no dividends paid or recommended during the period.

### Dividends per share

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend:	Current year	—	—	—
	Previous year	—	—	—
Interim dividend:	Current year	—	—	—
	Previous year	—	—	—

### Total dividend per share

		Current Period	Previous period
Final dividend:	Paid/payable	—	—
	Paid/payable	—	—
Interim dividend:	Paid/payable	—	—

## Details of aggregate share of profits (losses) of associates and joint venture entities

There were no associates or joint venture entities associated with the consolidated group for the period.

## Commentary on the results for the half year ended 31 December 2009

Please refer to the Directors Report in the Accounts presented with this Appendix.

## Accounting Standards

Applicable Australian accounting standards have been used in compiling the information contained in this Appendix 4D.

## Review disputes or qualifications

There were no disputes or qualifications arising from review procedures completed by our appointed auditor.



**World Wide Entertainment Group Limited**

**ABN 49 007 686 955**

**Interim Financial Report**  
**for the 6 months ended 31 December 2009**

**19 February 2010**

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## **Directors' report**

The directors of World Wide Entertainment Group Limited ("the Group") hereby submit their report together with the financial report for the half year ended 31 December 2009 and the independent auditor's review report thereon.

### **Directors**

The names of the directors of the Group during the half-year review period were:

Mr W J Conn

Mr C Newman

Mr A P Balaam

Mr J J Hutchings

The above named directors held office during and since the end of the half-year.

### **Review of operations**

The financial results for the half year ending 31 December 2009 show a decline in revenue of 32% and in net profit of 92%. This is due primarily to reduced budgets for new programming as broadcasters reduced their investment in licensing fresh content for their schedules. Throughout 2008 the demand for the Group's product was at record levels. The global financial crisis started to impact the Group from March 2009 and business activity has continued at a reduced level since that time.

Following the downturn in the market, management moved rapidly to reduce the cost base of the Group. This was successfully completed by September 2009. Due to its lower cost base, World Wide is now positioned to benefit from continued recovery in its markets.

A stronger Australian dollar in the July to December period of 2009 compared to the same period a year earlier exacerbated the decline in revenues as more than 95% of the Group's sales are in foreign currencies (most sales are in US dollars).

The Group will continue to invest in increasing its distribution into all broadcast markets around the world as well as improve the quality of programming to meet the needs of the market.

During the review, the directors assessed issues relating to the Group's position as a going concern. On the basis of forecast cash flow from operations and plans to raise additional finance, the directors believe the Group will continue to operate as a going concern. The Group is in discussions with a third party to provide equity funding and we hope to be in a position to advise shareholders in the near term.

Due to the performance of the Group in the last 6 months, the Group is in breach of covenant relating to interest cover on its facilities with the National Australia Bank Ltd.

Also, during the period, the programme and footage library were reclassified from property, plant and equipment to an identifiable intangible asset. Although there is no financial effect on total assets, net assets or profit as a result of the change, it does put the Group in breach of a banking covenant relating to its net tangible asset value. Management is in discussions with the bank to resolve both these banking covenant issues.

**Summary Financials**

*Note: all figures are in thousands of dollars*

	Half Year Dec 09	Half Year Dec 08
Sales	3,890	5,746
EBIT	330	952
NPAT	57	680

	Dec 09	June 09
Net Assets	7,934	7,878

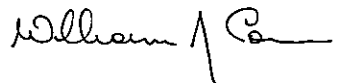
**Auditor's independence declaration**

In accordance with the provisions of section 307C of the Corporations Act 2001, the directors of the Group have obtained an independence declaration by the Group's auditor. A copy of the declaration forms part of this report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001 on this the 19th day of February 2010.



CJ Newman  
Director



W J CONN  
Director

**World Wide Entertainment Group Limited**  
**Consolidated Statement of Comprehensive Income**  
**for the half year ended**  
**31 December 2009**

	<i>31.12.09</i>	<i>31.12.08</i>
	<i>Half Year</i>	<i>Half Year</i>
	\$	\$
<b>REVENUE</b>	3,890,440	5,754,782
<b>EXPENSES</b>		
<i>Operating expenses</i>	<i>(1,919,192)</i>	<i>(2,444,974)</i>
<i>Programming library amortisation</i>	<i>(1,382,457)</i>	<i>(1,333,498)</i>
<i>Realised and unrealised hedging loss</i>	<i>-</i>	<i>(508,064)</i>
<i>Total operating expenses</i>	<i>(3,301,649)</i>	<i>(4,286,536)</i>
<b>Adjusted EBITDA</b>	<b>588,791</b>	<b>1,468,246</b>
<i>Other amortisation and depreciation</i>	<i>(258,810)</i>	<i>(516,368)</i>
<b>EBIT</b>	<b>329,981</b>	<b>951,878</b>
<i>Borrowing costs</i>	<i>(273,046)</i>	<i>(271,918)</i>
<i>Taxation expense</i>	<i>(291)</i>	<i>-</i>
<b>NPAT</b>	<b>56,644</b>	<b>679,960</b>

Earnings per share

Basic (cents per share): .0023 N/A

Diluted (cents per share) .0023 N/A



**World Wide Entertainment Group Limited**  
**Consolidated Statement of Financial Position**  
**for the half year ended**  
**31 December 2009**

	31.12.09	30.6.2009
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	116,146	557,761
Trade and other receivables	3,593,899	3,311,804
Inventories	272,134	398,136
Other current assets	198,433	188,961
<b>TOTAL CURRENT ASSETS</b>	<b>4,180,612</b>	<b>4,456,662</b>
<b>NON-CURRENT ASSETS</b>		
Trade and other receivables	355,455	333,933
Financial assets	35,836	41,051
Property, plant and equipment	606,672	341,661
Deferred tax assets	90,967	123,119
Intangible assets	8,379,859	8,281,380
<b>TOTAL NON-CURRENT ASSETS</b>	<b>9,468,789</b>	<b>9,121,144</b>
<b>TOTAL ASSETS</b>	<b>13,649,401</b>	<b>13,577,806</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	713,563	1,201,366
Short-term financial liabilities	837,628	727,427
Short-term provisions	185,754	155,605
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,736,945</b>	<b>2,084,398</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term financial liabilities	3,845,840	3,461,624
Deferred tax liabilities	70,301	102,162
Long-term provisions	61,918	51,869
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,978,059</b>	<b>3,615,655</b>
<b>TOTAL LIABILITIES</b>	<b>5,715,004</b>	<b>5,700,053</b>
<b>NET ASSETS</b>	<b>7,934,397</b>	<b>7,877,753</b>
<b>EQUITY</b>		
Issued capital	5,182,215	5,182,215
Reserves	123,153	123,153
Retained earnings	2,629,029	2,572,385
<b>TOTAL EQUITY</b>	<b>7,934,397</b>	<b>7,877,753</b>

**World Wide Entertainment Group Limited**  
**Consolidated Statement of Changes in Equity**  
**for the half year ended**  
**31 December 2009**

	<b>Ordinary</b>	<b>Retained Earnings</b>	<b>Reserves</b>	<b>Total</b>
Balance at 1 July 2009	5,182,215	2,572,385	123,153	7,877,753
Net profit attributable to members of the parent entity		56,644		56,644
Balance 31 December 2009	<u>5,182,215</u>	<u>2,629,029</u>	<u>123,153</u>	<u>7,934,397</u>

**World Wide Entertainment Group Limited**  
**Consolidated Statement of Cash Flows**  
**for the half year ended**  
**31 December 2009**

	<i>Half - year ended 31.12.09</i>	<i>Half - year ended 31.12.08</i>
<b>Cash flow from operating activities</b>		
Receipts from customers	3,608,345	4,569,429
Payments to suppliers and employees	(3,789,452)	(2,694,192)
Finance costs	(273,046)	(271,918)
Income tax paid	-	-
<b>Net cash provided by /(used in) operating activities</b>	<b><u>(454,153)</u></b>	<b><u>1,603,319</u></b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(476,664)	(1,706,732)
Proceeds from sale of property, plant and equipment	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b><u>(476,664)</u></b>	<b><u>(1,706,732)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	4,004,871
Proceeds from borrowings	489,202	(3,829,699)
<b>Net cash provided by financing activities</b>	<b><u>489,202</u></b>	<b><u>175,172</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>(441,615)</b>	<b>71,759</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>557,761</b>	<b>135,300</b>
<b>Cash and cash equivalents at the end of period</b>	<b><u>116,146</u></b>	<b><u>207,059</u></b>

**World Wide Entertainment Group Limited**  
**Notes to the Condensed Financial Statements**  
**For the period ended 31 December 2009**

Note 1 – Significant accounting policies

**Basis of preparation**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of World Wide Entertainment Group Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

**Accounting Standards not previously applied**

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

**Presentation of Financial Statements**

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the single statement approach to the presentation of the statement of comprehensive income;
- other financial statements are renamed in accordance with the Standard.

The comparative figures used for Income and Cash Flow Statements are consolidated figures of World Wide Entertainment Production and Sales Pty Ltd for the six months to 31 December 2008, prior to the acquisition by Coneco Ltd.

The comparative figures for the Balance Sheet are those of World Wide Entertainment Group Ltd for the twelve months to 30 June 2009 which include the acquisition by Coneco Ltd.

During the period, programme and footage library were reclassified from property, plant and equipment to an identifiable intangible asset. Other than the reclassification, there is no financial effect on total assets, net assets nor profit as a result of the change.

No comparative figures are shown for the Statement of Changes in Equity prior to the acquisition by Coneco Ltd as it is considered potentially misleading.

#### Note 2 – Going concern

During the period, due to the impact of global financial conditions, the Group incurred net cash outflow from operations of \$454,153. This combined with a decline in sales of 32.3% may cast doubt as to the Group's ability to continue as a going concern. On the basis of forecast cash flow from operations and/or plans to raise additional finance, the directors believe the Group will continue to operate as a going concern and the going concern assumption is an appropriate basis for the preparation of the report.

#### Note 3 – Issuance, repurchase and repayments of equity securities

During the half-year reporting period, World Wide Entertainment Group Limited did not issue any shares.

#### Note 4 – Related party loans

During the period of this report the Group entered into new loans from Directors and related parties; the balance at 31 December totaled \$316,909.

#### Note 5 – Events subsequent to reporting date

The directors of World Wide Entertainment Group Limited are not aware of any material changes affecting the Group which have occurred since 31 December 2009 which have not been reflected or adjusted in the financial statements.

## Note 6 – Segment Analysis

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

### Business and geographical segments:

The consolidated group has two operating business segments: World Wide Entertainment Production and Sales Pty Ltd and Genr8 Digital Media Pty Ltd. World Wide Entertainment Production and Sales Pty Ltd (“WWEPS”) engages in the licensing of programming for its library, licensing third party programming and production of programming on a commission or pre-sale basis. Genr8 Digital Media Pty Ltd (“Genr8”) engages in licensing of short form content primarily for digital signage, web video and other new media markets. Both business segments market their programming around the world. The breakdown is allocated to geographies on a reasonable basis.

### Segment analysis

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment of assets include all assets used by a segment and consist primarily of cash, receivables, inventories and property, plant and equipment net of allowances, accumulated depreciation and amortisation. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used by two or more segments is allocated to the segments on a reasonable basis. Segment assets and liabilities do not include deferred income tax.

### Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the consolidated group at an arm’s length. These transfers are eliminated on consolidation.

Note 6 - Continued

	WWEPS		Gen8		Unallocated		Consolidated Group	
	Half year ended	Half year ended	Half year ended	Half year ended	Half year ended	Half year ended	Half year ended	Half year ended
	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Sales revenue</b>								
Asia	971,137	724,537	0	96,874			971,137	821,411
Western Europe	912,897	1,306,202	11,030	135,826			923,927	1,442,028
North America	417,059	664,281	130,571	32,605			547,630	696,886
Africa	416,420	907,741	0	0			416,420	907,741
Eastern Europe and CIS	190,784	808,518	57,615	0			248,399	808,518
Middle East and North Africa	220,147	448,934	0	5,335			220,147	454,269
South and Central America	132,030	164,194	1,973	24,336			134,003	188,530
Australia and Pacific	85,098	353,667	36,700	72,943			121,798	426,610
<b>Total</b>	<b>3,345,573</b>	<b>5,378,073</b>	<b>237,889</b>	<b>367,920</b>	<b>0</b>	<b>0</b>	<b>3,583,462</b>	<b>5,745,993</b>
Interest income	378	261	0	0	11,598	0	11,976	261
Other revenue	295,002	8,528	0	0	0	0	295,002	8,528
<b>Total revenue</b>	<b>3,640,953</b>	<b>5,386,862</b>	<b>237,889</b>	<b>367,920</b>	<b>11,598</b>	<b>0</b>	<b>3,890,440</b>	<b>5,754,782</b>

**Performance**

Profit before tax	56,514	573,947	34	106,013	387	0	56,935	679,960
Income tax	165	0	10	0	116	0	291	0
<b>Net profit after tax</b>	<b>56,349</b>	<b>573,947</b>	<b>24</b>	<b>106,013</b>	<b>271</b>	<b>0</b>	<b>56,644</b>	<b>679,960</b>

	WWEPS		Gen8		Unallocated		Consolidated Group	
	31.12.09	30.6.09	31.12.09	30.6.09	31.12.09	30.6.09	31.12.09	30.6.09
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total current assets</b>	<b>3,433,370</b>	<b>3,685,870</b>	<b>385,005</b>	<b>429,993</b>	<b>362,237</b>	<b>340,799</b>	<b>4,180,612</b>	<b>4,456,662</b>
<b>Total non-current assets</b>	<b>8,862,036</b>	<b>8,343,116</b>	<b>179,086</b>	<b>254,105</b>	<b>427,667</b>	<b>523,923</b>	<b>9,468,789</b>	<b>9,121,144</b>
<b>Total current liabilities</b>	<b>1,639,448</b>	<b>1,963,508</b>	<b>48,827</b>	<b>91,423</b>	<b>48,670</b>	<b>29,467</b>	<b>1,736,945</b>	<b>2,084,398</b>
<b>Total non-current liabilities</b>	<b>3,903,886</b>	<b>3,510,312</b>	<b>3,872</b>	<b>3,181</b>	<b>70,301</b>	<b>102,162</b>	<b>3,978,059</b>	<b>3,615,655</b>

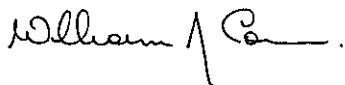
## Directors' Declaration

In the opinion of the directors:

1. The financial statements and notes thereto set out on pages 3 to 10, 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 its performance for the half year ended on that date; and
  - b. complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.
2. There are reasonable grounds to believe that the Group 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 directors made pursuant to s.303(5) of the Corporations Act 2001 on this the 19th day of February 2010.

On behalf of the directors



William J Conn (OAM)  
Chairman



Christopher J Newman  
Director



## Auditor's Independence Declaration Under Section 307C Of The Corporations Act 2001 To The Directors Of World Wide Entertainment Group Limited

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I declare that, to the best of my knowledge and belief, during the half-year 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.

**WHK HORWATH MELBOURNE**

A handwritten signature in blue ink, appearing to read "John J Gavens".

**John J Gavens**  
Geelong  
18 February 2010

## Independent Auditor's Review Report To The Members Of World Wide Entertainment Group Limited and Controlled Entities

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### REPORT ON THE HALF YEAR REPORT

We have reviewed the accompanying half-year financial report of World Wide Entertainment Group Ltd and controlled entities (the consolidated entity) which comprises the condensed statement of financial position as at 31 December 2009, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

### THE RESPONSIBILITY OF THE DIRECTORS FOR THE HALF YEAR FINANCIAL REPORT

The directors of World Wide Entertainment Group Ltd (the company) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including 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 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 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 Regulations 2001. As the auditor of World Wide Entertainment Group Ltd and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 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.

## **MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL REPORT**

This review report relates to the financial report of the consolidated entity for the half-year ended 31 December 2009 included on the website of World Wide Entertainment Group Ltd. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

## **INDEPENDENCE**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act, provided to the directors of World Wide Entertainment Group Ltd and controlled entities on 18 February 2010, would be in the same terms if provided to the directors as at the date of this auditor's review 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 half-year financial report of World Wide Entertainment Group Ltd and controlled entities 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 2009 and of its performance for the half-year ended on that date; and
- complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

*WHK Horwath Melbourne*

**WHK HORWATH MELBOURNE**



**John J Gavens**

Geelong

19 February 2010