



Beyond International Limited

ASX: BYI

	SIX MONTHS TO	SIX MONTHS TO		
	DECEMBER	DECEMBER		
	2010	2009	VARIANCE	%
	\$000's	\$000's	\$000's	
REVENUE	43,200	41,602	1,598	3.84%
OPERATING EXPENSES	36,625	34,443	2,182	6.34%
FOREIGN EXCHANGE GAIN/(LOSS)	378	-607	985	-162.27%
EBITDA	6,953	6,552	401	6.12%
DEPRECIATION & AMORTISATION	2,567	2,705	-138	-5.10%
EBIT	4,386	3,847	539	14.01%
INTEREST EXPENSE	81	37	44	118.92%
OPERATING PROFIT BEFORE TAX	4,305	3,810	495	12.99%
TAX EXPENSE	-762	-674	-88	13.06%
PROFIT AFTER TAX	3,543	3,136	407	12.98%
OUTSIDE EQUITY INTEREST	-43	-12	-31	258.33%
NET PROFIT	3,500	3,124	376	12.04%
EPS	5.95 cents	5.31 cents	0.64 cents	12.05%

Financial Performance For The 6 Months to 31st December 2010

- Revenue for the six months increased by 3.8% to \$43,200,000;
- EBIT has increased by 14% to \$4,386,000 after taking into account the write back of producer rebate booked in the 2009/10 financial years totalling \$1,291,000;
- Earnings Per Share has increased by 12.05% to 5.95 cents;
- Net cash flows from operating activities increased by \$1,535,000 (65%) to \$3,906,000 compared to the previous corresponding period;
- The Company has no bank debt;

Review Of Operations for the 6-Month Period to 31 December 2010

1. Television Production and Copyright Segment

Television production revenue increased by \$3,347,000 or 20% compared to the prior corresponding period.

The US program commission market improved in 2010 following a relatively weak 2-year period of demand. New commissions include "Deadly Women" series 5, "Hunting Justice", "Headrush", and "Behind Mansion Walls".

In the current period 57% of total segment revenues are transacted in US\$ (2009:68%).

The Australian market is also showing signs of improvement with a number of new programs being commissioned by Australian broadcasters including "Toy Box", "Hot Property", and "Selling Houses Australia Extreme".

Copyright income has increased by \$763,000 compared to the corresponding six-month period.

The segment result was negatively impacted by the write back of the producer offset claim for a television series totalling \$1,291,000

following the unsuccessful appeal to the Administrative Appeals Tribunal.

2. DVD Segment (BHE)

Revenue decreased by 7% to \$16,821,000 (2009: \$18,085,000) compared to the corresponding 6-month period due to challenging retail conditions.

The segment operating profit has decreased by 6.3% to \$2,701,000.

The unfavourable result was due to the prevailing depressed retail market conditions with the months of September and October being particularly weak with conditions improving in the critical months of November and December.

During calendar year 2010 the DVD market declined by 15% year on year (source: GFK). Despite this Beyond increased its sales in targeted categories including factual entertainment, documentary, television series and children.

Revenue in the first half was driven by the successful release of new content including Man Vs. Wild and the highly successful Pokemon franchise. Key customers included JB Hi-Fi, Big W, Sanity and Kmart.

New content acquired for delivery in 2011 includes Man Vs Wild Season 5, American Chopper, Senior Versus Junior, Deadliest Catch Season 6, LA Ink Season 4, Ice Road Truckers, and Deadliest Roads.

Acquisitions from eOne Entertainment and due for release in 2011 include the drama Incendiary starring Ewan McGregor, Haven, a supernatural drama series created by Stephen King, the third season of popular science fiction series Sanctuary, and The Walking Dead, a tent pole series that has broken ratings records on US cable television network AMC and will air on Australian screens later in 2011.

Major children's properties acquired in the half include Canimals, a new preschool series co-produced by Aardman Animation, Bejuba Entertainment's The Hive and Phuuz Entertainment's Iconicles. All three series will air locally on ABC.

In addition to the company's physical media business Beyond has reached agreement with Apple iTunes and will launch this service with limited content in March 2011.

3. TV and Film Distribution Segment

Revenue has decreased by \$867,000 or 12.7% compared to the corresponding 6 month period to December 2009. EBITDA for the segment is \$340,000 compared to EBITDA of \$212,000 in 2009.

The improvement in the EBITDA is primarily from costs being reduced together with a small increase in gross margin.

During the period significant sales were achieved for the internally produced series Mythbusters and Deadly Women. Successful third party acquired product includes Numberjacks and Love It Or List It.

Third party acquisitions are sourced from independent producers in the US, UK and Canada.

Product focus continues to be factual series, documentaries, family and children's programs as there is an increasing demand for these products from the niche broadcasters throughout the world.

Foreign Exchange – Impact on Results

There was significant volatility in the currency markets during each of the comparative periods. This volatility is reflected in different business segments in the 2009 and 2010 reporting periods.

The total foreign exchange gain for the six-month period is \$378,477 (2009: loss \$606,709). This gain is allocated to the operating segments as follows: -

Item	Segment	December 2010	December 2009
Realised Loss	Distribution / TV	(\$83,987)	(\$304,053)
Unrealised Loss	Distribution / TV	(\$201,202)	(\$199,840)

Mark to market revaluation of Currency Hedges			
Gain	Other*	<u>\$663,666</u>	<u>(\$102,816)</u>
<u>Net Total Gain</u> <u>/ (Loss)</u>		<u>\$378,477</u>	<u>(\$606,709)</u>

* The Australian dollar expense component of US dollar denominated production contracts are hedged when the contracts are entered into.

Dividend.

The Directors have determined to maintain the Interim Dividend at 3 cents (unfranked) per share.

Shareholders registered on the books on 14 March 2011 will be entitled to this dividend, which will be paid on 15th April 2011.

A 3-cent (unfranked) Final Dividend per share was paid on the 17th November 2010.

The Directors expect to maintain the Final Dividend at 3 cents per share (unfranked).

Outlook to 30th June 2011

Subject to no major negative currency fluctuations or a significant deterioration in the broadcast or home entertainment markets in the second half of the year the Company expects low single digit EBIT and EPS growth for the full 2011 financial year compared to 2010.

Trading in the Home Entertainment segment for the first six weeks of the second half have been marginally below management forecasts and sales are expected to remain challenging to June 2011.

Due to the gradual improvement in the international broadcast market and the continued volatility in currency markets the Company is

projecting low growth in the Distribution (TV and Film) and TV Production segments to 30th June 2011.

It is anticipated that the Distribution segment will achieve higher levels of growth in the 2012 financial year due to a number of new third party programs being acquired and delivered for international broadcast markets. A number of new programs produced internally will also become available for international sales.

The advertising market is starting to improve in both the USA and Australia. It is expected that revenue and earnings growth will be achieved in the production segment in the 2012 year when new projects will be commissioned and produced.

Fixed overheads continue to be strictly controlled in each business segment.

Cash flow from operations is projected to remain robust during the six months to 30th June 2011 and the Company is using these funds for dividend payments and to build cash reserves for working capital and strategic acquisitions.

Management continues to evaluate complementary businesses for acquisition with a view to accelerating the Company's growth and to further diversify income streams.

Mikael Borglund
CEO & Managing Director
25 February 2011

About Beyond

Beyond International Limited (ASX:BYI) is a leading international producer and distributor of television and digital content and is one of the largest independent distributors of home entertainment product in Australia. The Company is headquartered in Sydney and listed on the Australian Stock Exchange.

Beyond has produced over five thousand hours of television programs for broadcast internationally including Mythbusters, Taboo, Selling Houses Australia Extreme, Deadly Women and Toybox. The company has production offices in Sydney, San Fransisco and Queensland and produces programs for Australian, US and International broadcasters.

Beyond's international distribution business markets an extensive program catalogue sourced from third party producers and internal production. This business unit is headquartered in Dublin, with sale offices in London and Sydney.

The Home Entertainment operation focuses on digital and DVD distribution and has an extensive catalogue of product which is distributed throughout Australia and New Zealand.

This announcement is made pursuant to Listing Rule 4.1 & 3.1.

All enquiries should be directed to:

Mr Mikael Borglund. Managing Director, Beyond International Limited
Telephone 02 9437 2000 or email investor_relations@beyond.com.au

Rules 4.1, 4.3

Appendix 4D

Half yearly report

Introduced 1/1/2003.

Name of Entity	Beyond International Limited
ACN	65 003 174 409
Half Year Interim Financial Report	31 DECEMBER 2010
Previous Corresponding Reporting Period	31 DECEMBER 2009

Results for Announcement to the Market

	\$000's	Percentage increase /(decrease) over previous corresponding period
Revenues from ordinary activities	43,200	UP 4%
Profit from ordinary activities after tax attributable to members	3,500	UP 12%
Net profit for the period attributable to members	3,500	UP 12%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend (paid 17 Nov 2010)	3 cents	N/A
Interim Dividend	3 cents	N/A
Previous corresponding period	3 cents	N/A
Record date for determining entitlements to the dividends (if any)	14 March 2011	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer attached release cover sheet		

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	15 April 2011
Record date to determine entitlement to the dividend	14 March 2011
Amount per security	3 cents
Total dividend	\$1,840,109
Amount per security of foreign sourced dividend or distribution	3 cents
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset per security	0.47	0.45

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit from ordinary activities since the date in the current period on which control was acquired	N/A
Profit from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	N/A

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
Aggregate Share of Net Profits	-	-	-	-

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			
N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
N/A			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	ASX Announcement
2	Interim Financial Report

Signed By (Director/Company Secretary)	Robert Milne
Print Name	Robert Milne
Date	25 February 2011

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2010.

Directors

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

Ian Ingram – Non Executive Chairman
Mikael Borglund – Managing Director
Ian Robertson – Non Executive Director
Anthony Lee - Non Executive Director

Review of Operations

Revenue for the six months increased by 3.8% to \$43,200,000.

EBIT has increased by 14% to \$4,386,000 after taking into account the write back of producer rebate booked in the 2009/10 financial years totalling \$1,291,000, which is included within provisions in the Consolidated Statement of Comprehensive Income.

Earnings Per Share increased by 12.05 % to 5.95 cents.

Net cash flows from operating activities increased by \$1,535,000 (65%) to \$3,906,000 compared to the previous corresponding period.

The Company has no bank debt.

Television Production and Copyright Segment

Television production revenue increased by \$3,347,000 or 20% compared to the prior corresponding period due to the US program commission market improving in 2010 following a relatively weak 2-year period of demand.

Copyright income has increased by \$763,000 compared to the corresponding six-month period.

The segment result was negatively impacted by the write back of the producer offset claim for a television series totalling \$1,291,000 following the unsuccessful appeal to the Administrative Appeals Tribunal.

Home Entertainment Segment (BHE)

Revenue decreased by 7% to \$16,821,000 (2009: \$18,085,000) compared to the corresponding 6-month period due to challenging retail conditions.

The segment operating profit has decreased by 6.3% to \$2,701,000.

The unfavourable result was due to the prevailing depressed retail market conditions with the months of September and October being particularly weak with conditions improving in the critical months of November and December.

TV and Film Distribution Segment (Beyond Distribution)

Revenue has decreased by \$867,000 or 12.7% compared to the corresponding 6 month period to December 2009. EBITDA for the segment is \$340,000 compared to EBITDA of \$212,000 in 2009.

The improvement in the EBITDA is primarily from costs being reduced together with a small increase in gross margin.

Dividends

The Directors have determined to maintain the Interim Dividend at 3 cents (unfranked) per share.

Shareholders registered on the books on 14 March 2011 will be entitled to this dividend, which will be paid on 15 April 2011.

A 3-cent (unfranked) Final Dividend per share was paid on the 17 November 2010.

The Directors expect to maintain the Final Dividend at 3 cents per share (unfranked).

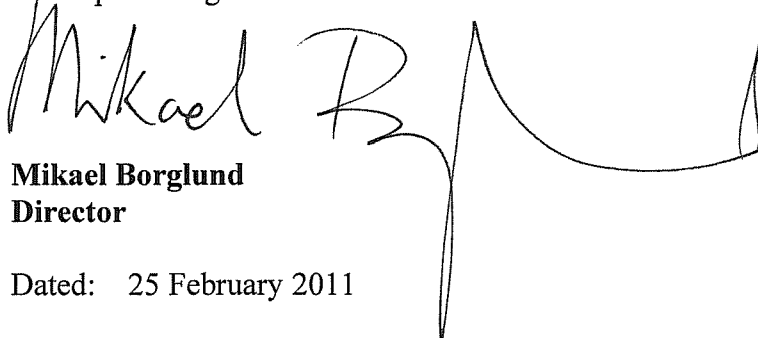
Rounding of Amounts

The economic entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded to the nearest \$1,000.

Auditors

We have received a declaration from the auditor, PKF, of their independence, which is attached as the third page of this directors' report.

The report is signed in accordance with a resolution of the Board of Directors.



Mikael Borglund
Director

Dated: 25 February 2011



Chartered Accountants
& Business Advisers

Auditor's Independence Declaration

As lead auditor for the review of Beyond International Limited for the period ended 31 December 2010, I declare that to the best of my knowledge and belief there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Beyond International Limited and the entities it controlled during the year.

PKF

John Bresolin
Partner

Sydney

Dated this 25th day of February 2011

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au

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The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Consolidated	
	31-Dec 2010 \$000's	31-Dec 2009 \$000's
Revenue from continuing operations	43,200	41,602
Royalty expense	7,564	9,183
Production costs	13,401	10,431
Cost of goods sold	3,554	4,189
Administration	3,711	4,494
Employee benefits expense	6,134	5,717
Finance costs	81	59
Provisions	1,883	407
Depreciation and amortisation expense	2,567	2,705
Net foreign exchange loss	-	607
	<hr/>	
Profit before income tax	4,305	3,810
Income tax expense	(762)	(674)
	<hr/>	
Profit for the period	3,543	3,136
Other comprehensive income		
Changes in the fair-value of available-for-sale financial assets	207	(11)
Foreign currency translation	(21)	-
	<hr/>	
Other comprehensive income for the period, net of tax	186	(11)
	<hr/>	
Total comprehensive income for the period	3,729	3,125
	<hr/>	
Profit is attributable to:		
Owners of Beyond International Limited	3,500	3,124
Non-controlling Interest	43	12
	<hr/>	
	3,543	3,136
	<hr/>	
Total comprehensive income for the period is attributable to:		
Owners of Beyond International Limited	3,686	3,113
Non-controlling Interest	43	12
	<hr/>	
	3,729	3,125
	<hr/>	
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share	5.95	5.31
Diluted earnings per share	5.71	5.23

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	<i>Note</i>	Consolidated	
		31-Dec 2010 \$000's	30-Jun 2010 \$000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,626	1,432
Trade and other receivables		23,570	22,574
Financial assets	5	709	127
Inventories		3,804	4,074
Capitalised production costs		5,631	5,135
Other current assets	4	10,230	10,546
TOTAL CURRENT ASSETS		46,570	43,888
NON-CURRENT ASSETS			
Trade and other receivables		1,201	566
Financial assets	5	414	207
Property, plant and equipment		2,125	2,308
Intangible assets	6	3,641	3,644
Deferred tax assets		3,080	2,998
Other non-current assets	4	404	681
TOTAL NON-CURRENT ASSETS		10,865	10,404
TOTAL ASSETS		57,435	54,292
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		7,437	7,111
Short-term borrowings		77	83
Current tax liabilities		271	158
Other current liabilities	7	8,921	8,554
TOTAL CURRENT LIABILITIES		16,706	15,906
NON-CURRENT LIABILITIES			
Long-term borrowings		91	132
Long-term provisions		1,394	1,304
Other non-current liabilities	7	468	234
Deferred tax liabilities		6,470	6,332
TOTAL NON-CURRENT LIABILITIES		8,423	8,002
TOTAL LIABILITIES		25,129	23,908
NET ASSETS		32,306	30,384
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		33,315	33,315
Reserves		163	(56)
Accumulated losses		(430)	(2,090)
Parent interests		33,048	31,169
Minority equity interests		(742)	(785)
TOTAL EQUITY		32,306	30,384

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Consolidated	
<i>Note</i>	31-Dec-2010	31-Dec-2009
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	40,034	39,375
Payments to suppliers and employees	(36,041)	(36,568)
Interest received	33	22
Finance costs paid	(81)	(63)
Tax paid	(39)	(395)
Net cash flows provided by operating activities	3,906	2,371
Cash flows from investing activities		
Distribution guarantees paid	(192)	(342)
Distribution guarantees recouped	408	487
Prepaid royalties	(1,689)	(1,749)
Prepaid royalties recouped	1,503	1,386
Purchase of property, plant and equipment	(463)	(246)
Investment in development projects	(477)	(136)
Purchase of investments	9	(790)
Net cash flows used in investing activities	(910)	(1,390)
Cash flows from financing activities		
Finance lease principal repayments	(48)	(28)
Dividends paid	(1,754)	(1,644)
Net cash flows used in financing activities	(1,802)	(1,672)
Net increase/(decrease) in cash held	1,194	(691)
Cash at beginning of period	1,432	1,959
Cash at end of period	2,626	1,268

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Contributed equity	Reserves	Accumulated losses	Total	Non controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2010	33,315	(56)	(2,090)	31,169	(785)	30,384
Profit for the peirod	-	-	3,500	3,500	43	3,543
Available-for-sale financial assets	-	207	-	207	-	207
Foreign currency translation	-	(21)	-	(21)	-	(21)
Total comprehensive income for the period	-	186	3,500	3,686	43	3,729
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(1,840)	(1,840)	-	(1,840)
Employee share plan	-	33	-	33	-	33
Balance at 31 December 2010	33,315	163	(430)	33,048	(742)	32,306

	Contributed equity	Reserves	Accumulated losses	Total	Non controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2009	33,315	(2,060)	(1,416)	29,839	(875)	28,964
Profit for the period	-	-	3,124	3,124	12	3,136
Available-for-sale financial assets	-	(11)	-	(11)	-	(11)
Total comprehensive income for the period	-	(11)	3,124	3,113	12	3,125
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(1,790)	(1,790)	-	(1,790)
Balance at 31 December 2009	33,315	(2,071)	(82)	31,162	(863)	30,299

The Condensed Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

NOTE 1: CORPORATE INFORMATION

The financial report of Beyond International Limited and controlled entities for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 25 February 2011.

Beyond International Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian stock exchange.

NOTE 2: BASIS OF PREPARATION

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001, and Australian Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements.

The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, it is recommended that the half-year financial report should be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Beyond International Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the annual financial report for the year ended 30 June 2010.

NOTE 3: Dividends Paid

A final unfranked dividend for the financial year 30 June 2010 of 3 cents per share, totalling \$1,840,109 was paid during the half-year on ordinary shares (2009: 3 cents per share totalling \$1,791,359).

Subsequent to 31 December 2010, an interim unfranked dividend of 3 cents per share, totalling \$1,840,109 has been declared, payable on 15 April 2011 (2009: 3 cents per share totalling \$1,791,359). In accordance with Australian Accounting Standards this has not been provided for in the interim financial report to 31 December 2010.

	Consolidated	
	31-Dec	30-Jun
	2010	2010
	\$000's	\$000's
NOTE 4: Other assets		
Current		
Capitalised Development Costs	1,587	1,628
Less: Deferred Revenue	(432)	(443)
	<u>1,155</u>	<u>1,185</u>
Distribution Advances	3,829	4,069
Less: Provision for impairment	(1,438)	(1,375)
	<u>2,391</u>	<u>2,694</u>
Prepaid Royalties	6,266	6,224
Prepayments & other assets	418	443
	<u>6,684</u>	<u>6,667</u>
	<u>10,230</u>	<u>10,546</u>
Non-current		
Distribution Advances	2,113	2,311
Less: Provision for impairment	(1,709)	(1,630)
	<u>404</u>	<u>681</u>

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Consolidated	
	31-Dec 2010 \$000's	30-Jun 2010 \$000's
NOTE 5: Financial assets & liabilities		
Current assets		
Foreign currency forward contracts - at fair value	709	127
Non-current assets		
Available for sale financial assets	414	207
NOTE 6: Intangible assets		
Goodwill	3,469	3,469
Trademarks and Patents	172	175
	<u>3,641</u>	<u>3,644</u>
NOTE 7: Other liabilities		
Current (unsecured)		
Producer Share Payable	4,349	4,683
Deferred Revenue	3,912	3,201
GST Payable	660	670
	<u>8,921</u>	<u>8,554</u>
Non-current (unsecured)		
Producer Share Payable	<u>468</u>	<u>234</u>

NOTE 8: Contingent Assets and Liabilities

Other than the item noted below, there has been no change in contingent assets and liabilities since the last annual reporting date.

Commercial dispute

The receiver of destra MP Pty Ltd, from whom the Group acquired the Magna Pacific Home Entertainment business in February 2009, has commenced proceedings in the NSW Supreme Court claiming the sum of \$2.46 million from Magna Home Entertainment Pty Ltd, a subsidiary of the Company, and Beyond.

The Directors believe the proceeding is without substance and will be strenuously defended.

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

NOTE 9: Investment in Controlled Entities and Associates

The cash outflow in the Cashflow statement for payment of businesses, net of cash acquired is as follows:

	31-Dec 2010 \$000's	31-Dec 2009 \$000's
Acquisition of Magna Pacific	-	790

Acquisition of Magna Pacific

Payments made during the period from 1 July 2009 to 31 December 2009 relates to the deferred consideration recorded on acquisition of Magna Pacific in February 2009. The balance of deferred consideration at 31 December 2009 for this acquisition was \$nil.

NOTE 10: Subsequent Events

Interim dividend declared as detailed in Note 3.

NOTE 11: Segment Information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the business on a global basis in the following four operating divisions:

TV production and copyright

Production of television programming and ownership of television product copyright.

Film and Television distribution

International distribution of television programmes and feature films.

Home Entertainment

Distribution in Australia and New Zealand of DVDs.

Other

Includes the parent entity, centralised administrative support services to the group comprising legal and business affairs, finance and human resources, in addition to internet development.

None of these activities constitute a separately reportable business segment.

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

NOTE 11 - Segment Information (Cont'd)

Financial Results at December 2010

Operating Segment	TV Production & Copyright S'000	Distribution TV & Film S'000	Home Entertainment S'000	Other S'000	Inter Segment Eliminations & Unallocated S'000	Consolidated S'000
Revenue						
External revenues excluding fx	20,017	5,956	16,821	36	-	42,830
Other segments	2,162	45	-	927	(3,134)	-
Total revenue	22,179	6,001	16,821	963	(3,134)	42,830
Result before fx, interest and D&A	5,654	340	3,184	(2,609)	-	6,569
Depreciation & amortisation	1,422	579	483	83	-	2,567
Result before interest & fx	4,232	(239)	2,701	(2,692)	-	4,002
Finance costs						(81)
Foreign exchange gain/(loss)						378
Unallocated corporate expenses						6
Profit from ordinary activities before income tax						4,305
Income Tax Expense						(762)
Net Profit						3,543
Other non cash expenses/(gains)	1,519	213	91	94	43	1,960

Financial Results at December 2009

Operating Segment	TV Production & Copyright S'000	Distribution TV & Film S'000	Home Entertainment S'000	Other S'000	Inter Segment Eliminations & Unallocated S'000	Consolidated S'000
Revenue						
External revenues excluding fx	16,670	6,823	18,085	24	-	41,602
Other segments	1,399	154	-	762	(2,315)	0
Total revenue	18,069	6,977	18,085	786	(2,315)	41,602
Result before fx, interest and D&A	5,977	212	3,412	(2,425)	-	7,176
Depreciation & amortisation	1,425	680	529	71	-	2,705
Result before interest & fx	4,552	(468)	2,883	(2,496)	-	4,471
Finance costs						(59)
Foreign exchange gain/(loss)						(607)
Unallocated corporate expenses						4
Profit from ordinary activities before income tax						3,809
Income Tax Expense						(674)
Net Profit						3,135
Other non cash expenses/(gains)	148	412	29	123	12	724

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Beyond International Limited, we state that:

In the opinion of the directors:

- (a) the accompanying financial statements and notes of the consolidated entity as set out on pages 7 to 14 are in accordance with the Corporations Act 2001 and;
 - (i) give a true and fair view of the financial position at 31 December 2010 and the performance for the half-year ended on that date of the consolidated entity; 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 consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Mikael Borglund', is written over a horizontal line. The signature is fluid and cursive.

Mikael Borglund
Managing Director

25 February 2011
Sydney



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Beyond International Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of Beyond International Limited and its controlled entities, which comprises the statements of financial position as at 31 December 2010, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity. The consolidated entity comprises Beyond International Limited and the entities it controlled at 31 December 2010 or from time to time during the half-year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 2010 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 Beyond International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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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 the consolidated entity is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



PKF



John Bresolin
Partner

Sydney

Dated this 25th day of February 2011