



AUTODOM

AUTODOM LIMITED

**AUTODOM LIMITED
AND CONTROLLED ENTITIES
ABN 43 009 123 782**

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
APPENDIX 4D**

31 DECEMBER 2011

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

CORPORATE DIRECTORY

<p>Directors Anthony Dale Robert Martin Scott Mutton Tom Spurling</p> <p>Company Secretary Justin Mellett</p> <p>Australian Business Number 43 009 123 782</p> <p>Principal Registered Address 6-24 Monash Drive DANDENONG SOUTH VIC 3175</p> <p>Postal Address 6-24 Monash Drive DANDENONG SOUTH VIC 3175</p>	<p>Auditor RSM Bird Cameron Partners 8 St Georges Terrace PERTH WA 6000</p> <p>Financiers National Australia Bank Limited Level 1 22-28 King William Street ADELAIDE SA 5000</p> <p>Stock Exchange Listing Autodom Limited shares are listed on the Australian Securities Exchange. The company's listing code is AIE</p> <p>Web Address www.autodom.com.au</p>
---	---

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Profit/(Loss) before tax	AU\$ '000's
Revenue from ordinary activities has increased 2.9% on previous corresponding period.	46,832
Loss from ordinary activities before tax attributable to members has decreased 21.5% over the previous corresponding period.	(648)

Dividends

No interim dividend is to be paid for this period.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

CONSOLIDATED NET TANGIBLE ASSET BACKING

	31.12.11	31.12.10
	\$	\$
Net assets	9,468,938	12,303,220
Add deferred grant income received	2,695,483	3,749,444
Less intangible assets	(6,989,619)	(7,127,908)
Less net deferred tax assets	-	(3,949,144)
Net tangible assets of the Consolidated Entity	<u>5,174,802</u>	<u>4,975,612</u>
Fully paid ordinary shares on issue at balance date	163,038,902	102,306,470
Net tangible asset backing per issued ordinary share as at balance date (cents)	3.2 c	4.9 c

COMMENTARY ON RESULTS

Please refer to Review of Operations within the Directors' Report

ACQUISITIONS AND DISPOSALS OF CONTROLLED ENTITIES DURING THE PERIOD

None.

AUTODOM LIMITED
ABN 43 009 123 782
AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of Autodom Limited for the half-year ended 31 December 2011.

Directors

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

- Anthony Dale
- Robert Martin
- Scott Mutton
- Tom Spurling

Review of Operations

Overview

Consolidated loss after tax for the six months ended 31 December 2011 was \$647,922 (31 December 2010: \$577,847). Reported revenue for the six months ended 31 December 2011 increased by 2.9% over the previous corresponding period. The increase in revenue corresponds with the acquisition of the DAIR business net of the effect of a reduction in sales to Holden, Ford, and Toyota associated with lower production volumes of passenger vehicles.

During the six months ended 31 December 2011, the consolidated entity repaid borrowings of \$1.05m and vendor finance of \$1.11m. The debt reduction activities to date have resulted in a 48% reduction in interest expense in the current period. The consolidated entity's net loss before income tax expense improved from the prior corresponding period by 21.5%.

The operating profit includes a charge for legal costs of \$100K associated with the legal proceedings (as described in the 2011 Annual Report) against DAIR Industries Pty Ltd and DAIR Industries (Vic) Pty Ltd (collectively referred to as "the Vendors of the DAIR Business"). In addition, the operating profit includes one off costs in relation to the integration of the Bayswater and Dandenong facility of approximately \$30k.

Auditor's Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is included within this financial report.

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



AJ DALE
Director

Dated this 28th day of February 2012

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

		Consolidated Entity	
		31 December	31 December
		2011	2010
	Note	\$	\$
Revenue		46,831,715	45,523,690
Other income	2	1,387,416	1,655,572
Changes in inventories and finished goods and work in progress		(693,422)	(503,501)
Raw materials and consumables used		(24,306,754)	(22,758,214)
Employee benefits expense		(13,266,539)	(13,941,319)
Depreciation and amortisation expense		(1,218,670)	(1,176,478)
Finance costs		(374,037)	(775,705)
Other expenses		(9,007,361)	(8,849,541)
Loss before income tax expense		(647,922)	(825,496)
Income tax benefit		-	247,649
Loss for the period		(647,922)	(577,847)
Other comprehensive income		-	-
Total comprehensive loss for the period		(647,922)	(577,847)
Overall Operations			
Basic and diluted (loss) per share		(0.4) cents	(1.0) cents

The accompanying notes form part of this interim financial report.

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Consolidated Entity		
	Note	31 December	30 June
		2011	2011
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,620,704	944,884
Trade and other receivables		8,485,223	15,644,405
Inventories		8,560,722	9,254,145
Other assets		2,339,241	2,264,953
TOTAL CURRENT ASSETS		21,005,890	28,108,387
NON-CURRENT ASSETS			
Property, plant and equipment		11,639,962	12,858,237
Intangible assets		6,989,619	6,822,126
Other assets		952,456	607,315
TOTAL NON-CURRENT ASSETS		19,582,037	20,287,678
TOTAL ASSETS		40,587,927	48,396,065
CURRENT LIABILITIES			
Trade and other payables		15,025,766	19,659,878
Financial liabilities	5	8,730,513	11,409,648
Provisions		5,770,801	6,143,040
TOTAL CURRENT LIABILITIES		29,527,080	37,212,566
NON-CURRENT LIABILITIES			
Financial liabilities	5	1,300,000	778,260
Provisions		291,909	288,379
TOTAL NON-CURRENT LIABILITIES		1,591,909	1,066,639
TOTAL LIABILITIES		31,118,989	38,279,205
NET ASSETS		9,468,938	10,116,860
EQUITY			
Issued capital		24,021,894	24,021,894
Reserves		440,858	440,858
Accumulated losses		(14,993,814)	(14,345,892)
TOTAL EQUITY		9,468,938	10,116,860

The accompanying notes form part of this interim financial report.

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued Capital \$	Option Reserve \$	Dividend Reserve \$	(Accumulated Losses) \$	Sub Total \$	Non- controlling interests \$	Total \$
Balance at 1 July 2010	17,916,201	200,950	239,908	(8,277,702)	10,079,357	4,135,584	14,214,941
Loss of the period	-	-	-	(577,847)	(577,847)	-	(577,847)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(577,847)	(577,847)	-	(577,847)
Profit for the period	2,801,710	-	-	-	2,801,710	-	2,801,710
De-consolidation of KAI Limited	-	-	-	-	-	(4,135,584)	(4,135,584)
Balance at 31 December 2010	20,717,911	200,950	239,908	(8,855,549)	12,303,220	-	12,303,220
Balance at 1 July 2011	24,021,894	200,950	239,908	(14,345,892)	10,116,860	-	10,116,860
Loss for the period	-	-	-	(647,922)	(647,922)	-	(647,922)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive Income	-	-	-	(647,922)	(647,922)	-	(647,922)
Balance at 31 December 2011	24,021,894	200,950	239,908	(14,993,814)	9,468,938	-	9,468,938

The accompanying notes form part of this interim financial report.

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated Entity	
	31 December 2011	31 December 2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and others	55,128,102	44,693,491
Payments to suppliers and employees	(51,634,837)	(43,164,189)
Interest paid	(374,037)	(775,705)
Net cash provided by operating activities	3,119,228	753,597
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(334,476)	(31,600)
Payment for purchase of business	* (1,106,434)	(8,912,579)
Proceeds from sale of property, plant and equipment	48,464	3,800
Government grants received under AISAP	-	3,970,000
Net cash provided by/ (used in) investing activities	(1,392,446)	(4,970,379)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	2,801,710
Net (repayments of)/proceeds from borrowings	(1,050,961)	2,443,683
Net cash provided by/ (used in) financing activities	(1,050,961)	5,245,393
Net Increase in cash held and cash equivalents	675,821	1,028,611
Cash at beginning of period	944,884	(315,261)
Cash at end of period	1,620,705	713,350

* The payments for the half year ended 31 December 2011 were paid to a trust account as part of an agreement with the vendor until settlement was reached.

The accompanying notes form part of this interim financial report.

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION

This half-year financial report covers the consolidated entity of Autodom and controlled entities. Autodom is a listed public company incorporated and domiciled in Australia.

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include full disclosures of the type normally included in an annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by Autodom and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*. For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

The financial statements have also been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted in the annual financial report for the year ended 30 June 2011, except as set out below:

New and Revised Accounting Standards

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

a) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity recorded for the half-year ended 31 December 2011 a net loss of \$647,922 (2010: \$577,847) and at balance sheet date the consolidated entity had net current liabilities of \$8,521,190 (2010: \$9,104,179). The net current liabilities of the consolidated entity resulted primarily from the classification of the consolidated entity's bank loans of \$7,054,687 as a current liability, because as at reporting date, the tenure of the loan facility was less than 12 months. During the half year, the consolidated entity was in compliance with its financial covenants, as revised in September 2011, for the last two reporting quarters. The revised loan covenants are cash available for debt servicing and EBITDA earned.

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION

While the above factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements, the Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The DAIR business, which was acquired during the 2011 financial year, will provide a full 12 months earnings in the 2012 financial period. The DAIR business provides the company with an expanded and more diverse customer base;
- The consolidated entity's banker has not exercised its review discretion at the date of this report;
- Subject to the difficulties associated with predicting future demand from the global automotive industry, the consolidated entity is budgeting to generate positive trading cash flows from operations in the twelve month period from the date of this financial report;
- Initiatives have been identified to streamline manufacturing operations, targeted to be delivered over the 2012 financial year;
- A reduction in interest expense for the 2012 financial year following the repayment of short-term loans incurred in the first half of the 2011 financial year to acquire the DAIR business. Debt repayments of \$1m have also been made to the consolidated entity's bankers during the half year financial period and this will further reduce interest expense;
- Discharge of DAIR vendor liabilities effective from 31 January 2012 (refer subsequent events Note 9); and
- The consolidated entity expects further consolidation in the automotive component manufacturing sector and continues to position itself to be an active participant in the consolidation process.

Accordingly the directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The financial statements do not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

	Consolidated Entity	
	31 December 2011	31 December 2010
NOTE 2: OTHER INCOME	\$	\$
Government Grants (net)	1,127,971	499,653
Other Income	259,445	1,155,919
	<u>1,387,416</u>	<u>1,655,572</u>

Other income in 31 December 2010 relates primarily to an accounting adjustment for long outstanding credit balances from several years ago.

NOTE 3: ISSUED CAPITAL	No. of shares	\$
Movement in fully paid ordinary shares		
Balance at 1 July 2011	163,038,902	24,021,894
Balance at 31 December 2011	<u>163,038,902</u>	<u>24,021,894</u>

NOTE 4: DIVIDENDS

There have been no dividends declared or recommended and no distributions made to the shareholders or other persons during this reporting period.

NOTE 5: FINANCIAL LIABILITIES	Consolidated Entity	
	31 December 2011	30 June 2011
Current:	\$	\$
Loan from State of South Australia	360,000	1,750,000
Loan from the Vendors of the DAIR business (Refer to Note 9)	1,315,826	1,644,000
Bills of exchange (secured)	7,054,687	8,015,640
	<u>8,730,513</u>	<u>11,409,648</u>
Non current:		
Loan from State of South Australia	1,300,000	-
Loan from the Vendors of the DAIR business	-	778,260
	<u>1,300,000</u>	<u>778,260</u>

NOTE 6: ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There have been no acquisitions or disposals of subsidiaries since the last annual reporting date.

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

NOTE 7: SEGMENT INFORMATION

The consolidated entity manufactures automotive components at four manufacturing plants: one in South Australia and three in Victoria. Each area of operation has been aggregated and therefore the operations of the consolidated entity present one operating segment, Automotive, under AASB 8 Operating Segments.

NOTE 8: CONTINGENT LIABILITIES

In the Annual Report for the year ended 30 June 2011, the consolidated entity disclosed that Rankin Industries Inc. has been joined as a co-defendant in respect of a claim by former employees relating to welding fume related health issues. The consolidated entity's insurers were the primary defendants and to date have acted in accordance with their obligations and that no further liability by the consolidated entity is anticipated. Subsequent to the half year end, the consolidated entity's insurers will be setting up a fund to settle claims relating to the welding fumes. However, Rankin has not been nor will it be expected to contribute to the fund. On settlement, the defendants, including Rankin, will be released from further liability.

Other than the above, there was no change to the contingent liabilities since the last annual reporting date.

NOTE 9: SUBSEQUENT EVENTS

During the year ended 30 June 2011, wholly owned subsidiaries of the consolidated entity, aiDair Dandenong Pty Ltd and aiDair New Gisborne Pty Ltd, initiated legal proceedings against DAIR Industries Pty Ltd and DAIR Industries (Vic) Pty Ltd (collectively referred to as "the Vendors of the DAIR Business"). The consolidated entity was seeking compensation in relation to valuation disagreements between the consolidated entity and the vendors.

A settlement agreement was executed on 31 January 2012, whereby each party agreed to settle the disputes between them without any admission of liability.

As at settlement date, the consolidated entity has recorded liabilities owing to vendors of \$1,178,826, while \$1,249,680 was held in a trust account pending the outcome of the legal proceedings.

Pursuant to the settlement agreement:

- an amount of \$949,680 from the trust account was to be paid to the consolidated entity;
- an amount of \$300,000 from the trust account was to be paid to the vendors of the DAIR Business;
- the remaining liability as at 31 January 2012 of \$1,178,826 was discharged by the vendors; and
- the first ranking fixed and floating charge over assets and undertakings of aiDair New Gisborne Pty Ltd held by the vendors was removed.

Other than the matter discussed above, there have not been any material events subsequent to the end of the reporting date and the date of this half-year financial report that has not been recognised in this half-year financial report.

AUTODOM LIMITED
ABN 43 009 123 782

AND CONTROLLED ENTITIES

31 December 2011 Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out within this financial report:
 - a. comply with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



AJ DALE

Director

Dated this 28th day of February 2012

M Bird Cameron Partners
8 St George's Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

AUTODOM LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Autodom Limited which comprises the condensed consolidated statement of financial position as at 31 December 2011, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement 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 comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 2011 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 Autodom 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.

RSM Bird Cameron Partners

Chartered Accountants

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 2001*, which has been given to the directors of Autodom Limited, would be in the same terms if given to the directors as at the time 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 Autodom Limited 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 2011 and of 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*.

Emphasis of Matter

Without qualifying our conclusion expressed above, we draw attention to Note 1 in the financial report which indicates the consolidated entity incurred a net loss of \$647,922 during the half year ended 31 December 2011 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by \$8,521,190. These conditions, along with other matters set out in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities, in the normal course of business.


RSM BIRD CAMERON PARTNERS
Chartered Accountants

JAMES KOMNINOS
Partner

Perth, WA
Dated: 28 February 2012

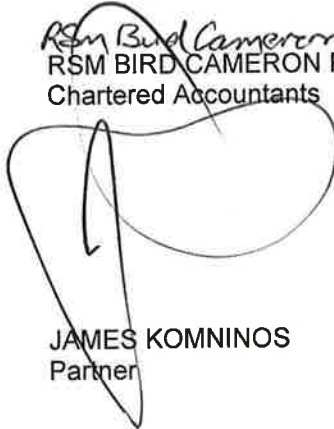
RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Autodom Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants


JAMES KOMNINOS
Partner

Perth, WA
Dated: 28 February 2012