BEYOND INTERNATIONAL LTD 2012 RESULTS

	FY 12	FY11 NORMALISED	Variance $	Variance %
Revenue	90,731	82,242	8,489	10.32%
Expense	(80,421)	(74,064)	(6,357)	8.58%
EBIT	**10,310**	**8,178**	**2,132**	**26.07%**
Interest Expense	42	136	(94)	-69.12%
Operating Profit Before Tax	**10,268**	**8,042**	**2,226**	**27.68%**
Significant Items	-	(2,316)	2,316	-100.00%
Tax Expense	(1,619)	(479)	(1,140)	238.00%
Profit After Tax	**8,649**	**5,247**	**3,402**	**64.84%**
OEI	(186)	(148)	(38)	25.68%
Net Profit	**8,463**	**5,099**	**3,364**	**65.97%**
EPS	**14.39**	**8.67**	**5.72**	**65.97%**

1. Financial Performance for the 12-Month Period to 30th June 2012

- Revenue for the year has increased by 10% from $82,242,000 to $90,371,000;
- Net profit is $8,463,000 compared to $5,099,000 for the 2011 financial year – an increase of 66%;
- Earnings Per Share increased by 66% to 14.39 cents;
- The operating profit before tax is $10,268,000 compared to normalised operating profit before tax and significant one off costs of $8,042,000 in 2011, an increase of 28%.
- The Company has no bank debt
- The company holds cash on hand of $5,725,000 at 30 June 2012 (2011: $5,925,000) after dividend payments totalling $3,664,000, the acquisition payment of $2,135,000 for the digital marketing business, Beyond D, and the funding of working capital.
- Return on shareholders funds increased from 16% to 23.3%

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2. Review Of Group Operations By Segment for the 12-Month Period to 30th June 2012.

During the current financial year there were three segments which operated for the full 12 month period and the digital marketing segment that was acquired in April 2012. The below is an analysis of the performance of the segments in the 2012 financial year compared to 2011:

FY	2012	2011	Var	Var %
Revenue	$ 000's	$ 000's	$ 000's	
TV Productions & Copyright	41,178	38,416	2,762	7%
Home Entertainment	27,781	28,429	(648)	-2%
Distribution	18,455	15,298	3,157	21%
Digital Marketing	3,213	-	3,213	
Corporate	104	99	5	5%
Total Revenue	90,731	82,242	8,489	10%

EBITDA*	$ 000's	$ 000's	$ 000's	
Productions & Copyright	14,907	13,927	980	7%
Home Entertainment	3,772	4,162	(390)	-9%
Distribution	1,921	1,614	307	19%
Digital Marketing	176	-	176	
Corporate	(5,343)	(5,211)	(132)	3%
Foreign Exchange Gain / (Loss)	(30)	(20)	(10)	50%
EBITDA	15,403	14,472	931	6%

*** Excluding 2011 significant one-off costs of $2,316,000**

EBIT*	$ 000's	$ 000's	$ 000's	
Productions & Copyright	11,241	10,157	1,084	11%
Home Entertainment	2,662	3,209	(547)	-17%
Distribution	1,912	196	1,716	876%
Digital Marketing	(8)	-	(8)	
Corporate	(5,467)	(5,364)	(103)	2%
Foreign Exchange Gain / (Loss)	(30)	(20)	(10)	50%
EBIT	10,310	8,178	2,132	26%

*** Excluding 2011 significant one-off costs of $2,316,000**

BEYOND INTERNATIONAL

a. Television Production and Copyright Segment

Television production revenue increased by $2,762,000 or 7% to $41,178,000 (2011: $38,416,000).

In 2012 the net “copyright income” from the further exploitation of the programs by Beyond Distribution is $5,842,000 compared to $5,275,000 in 2011.

Segment EBITDA (prior to one-off items) for the 12-month period increased 7% to $14,907,000 from $13,927,000 in 2011.

The Company is focusing its television program development and production resources on factual series, sporting events, family/childrens’ and documentaries. These program genres are in demand from commissioning broadcasters in the major markets such as Australia, the USA and Germany. Beyond is also successful in producing programs that are in demand as “finished programs” throughout the world.

The combination of revenues from commissions of new television programs and the downstream finished program sales have resulted in the lift in EBITDA for the year.

In the 2012 financial year 50% of total segment revenues were transacted in US dollars (2011: 53%).

New commissions from US broadcasters include Deadly Women series 6, Monster Bug Wars series 2 and Behind Mansion Walls series 2. Mythbusters series 9 commenced production in the period.

Revenue denominated in A$ increased from $16.4 million to $20.1 million. A number of programs were commissioned by Australian broadcasters and commenced production during the year including Selling Houses Australia series 5, Between The Wars, Tour Down Under, Rush series 2, Lab Rats series 2, Toy Box series 3 and Hot Property series 12.

b. Home Entertainment Segment (BHE)

Revenue decreased by 2% to $27,781,000 (2011: $28,429,000) compared to the corresponding 2011 period.

The segment EBITDA has decreased by 9% to $3,772,000 compared to $4,162,000 in the 2011 year.

The result is due to difficult retail trading conditions coupled with the overall physical DVD market contracting 12% during the period under review.

The gross margin declined by approximately 6% points due to increases in the cost of sales of product in the period and product sales discounts necessary to secure revenue in a challenging retail trading environment.

The company has responded to these difficult market conditions by merging its two operating labels (Magna and Beyond) to become one larger label - Beyond Home Entertainment. This has resulted in the reduction in the headcount by 11% to sixty-one people and rationalisation of freight costs. The financial benefit of this restructure will be realised in the 2013 financial year.

In 2012 BHE performed strongly within its strategic market categories. The business continues to gain market share in its target genres and as at 30th June holds: -

- Number one market share in stand up comedy;
- Number two market share in factual television;
- Number two market share in sport (up from #6 last year);
- Number two market share in children’s (up from #3 last year); and
- Number three market share in documentary content.

Across the total Australian home entertainment market for the year, BHE increased its market share from 3.7% to 4.0%. The market leader holds approximately 18.9% share.

BHE was successful in increasing revenue from the AETN International catalogue, owners of the History, Bio and Crime & Investigation Network television brands. Market-leading content producers The Pokemon Company, MTV Networks, IMPS (Smurfs), Jim Henson Company and NBA Properties also delivered successful content in 2012.

BHE maintains a long-term home output deal with global factual programming leader Discovery Communications, who control Man Vs Wild and American Chopper.

The Company exploits its film library via digital distribution. This has been predominantly through iTunes and Big Pond Movies in 2012 however the division is identifying new opportunities to distribute its content through all local digital platforms to compliment its physical media business.

c. TV and Film Distribution Segment (Beyond Distribution)

Segment revenue has increased by $3,157,000 or 21% to $18,455,000 (2011: $15,298,000).

The segment EBITDA for the twelve months increased by 19% to $1,921,000- from $1,614,000 in 2011.

During the current period 47% of total segment revenues are denominated in US$ (2011: 55%).

The increase in revenue is from higher sales in Australia and euro zone markets, and stable sales in the remaining markets. Australian sales have improved due to the growth of the free to air digital channels and new channels on the pay tv platform.

The product focus continues to be on factual series, documentaries, and children's programs due to the consistent demand for these programs from broadcasters throughout the world.

During the period significant sales were achieved for in-house produced series such as Mythbusters, Monster Bug Wars, Backyard Science and Deadly Women.

Successful product acquired from third party producers include Love It Or List It and Dick n Dom Go Wild.

Third party acquisitions mainly come from producers based in the USA, New Zealand and Canada.

The analysis of sales revenue by source of product is as follows:

	2011	2012.
In-house production	61%	65%
Third party productions	36%	34%
Associated companies	3%	1%
Total	100%	100%

d. Digital Marketing Division (Beyond D)

Beyond D was formed in April 2012 by the acquisition of digital agencies First Rate/Market United and the digital media business 3Di, from Q Ltd.

From April 2012 Beyond D contributed $3,213,000 of revenue and $176,000 EBITDA to the Group.

The Company has initiated a number of business improvements within these operations including the merger of First Rate and Market United into a single digital marketing agency called FIRST and the launch of new 3Di digital media products including a Video Ad Network (www.TPN.com.au) and Great Video, a direct response video adverting channel (www.GreatVideo.com.au).

FIRST specialises in servicing businesses that have digital marketing at the core of their business strategy. Industries where digital is a fundamental requirement for success includes; financial services, retail and travel, and FIRST have extensive client representation and experience in all of these industries. FIRST has significant experience working with some of the country's most successful ecommerce sites and expects ecommerce clients to be a key driver of the agency's growth.

3Di is undertaking a number of key developments that will significantly enhance its existing digital assets www.TPN.com.au (Ad Network) and www.GreatSites.com.au (Online Rewards Program). 3Di also intends to development and launch new digital assets, as well as exploring a number of overseas markets.

The digital industry has experienced rapid growth over the last 10 years and growth is forecast to continue over the coming years. BeyondD is well positioned to benefit from the strong demand for digital marketing services and targeted digital media.

3. Foreign Exchange – Impact on Group Results

The company has significant exposure to foreign exchange fluctuations in the television production and distribution operating segments with 32% of total group revenues denominated in US$ (36% in the previous year)

The total foreign exchange loss for the twelve-month period is $30,000 (2011: loss of $20,000). This loss is comprised of the following items: -

Item	June 2012	June 2011
Realised FX Gain (Loss)	($29,468)	($250,750)
Unrealised Gain (Loss)	$97,485	($43,472)
Mark to market revaluation of Currency Hedges.* Gain /(Loss)	($97,699)	$274,622
Net Total Gain / (Loss)	($29,682)	($19,600)

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

4. Dividend

A 3-cent (unfranked) Final Dividend per share for 2011 was paid on the 17th November 2011.

The 2012 Interim Dividend of 3 cents per share (unfranked) was paid on the 16th April 2012.

The Directors have decided to maintain the Final Dividend at 3 cents per share (unfranked) for the year ended 30 June 2012.

Shareholders registered on the books on 21st September 2012 will be entitled to this dividend, which will be paid on 19 October 2012.

5. Outlook

The businesses in the Group are performing well in a competitive global market and tough economic conditions.

The Beyond D businesses bring a new range of expertise and experience into the company. Beyond can use this expertise in-house to drive the digital exploitation of its own program rights.

Expertise in ecommerce, streaming media, mobile applications and social media will strengthen the company's capacity to transition its Home Entertainment, Distribution and Production businesses into the emerging digital marketplace and to better exploit its owned and licensed program rights in new formats and platforms.

The television production and TV and film distribution businesses are planning for single digit growth for the 2013 financial year due to the continued high level of the Australian dollar coupled with the depressed media market.

Retail trading remains challenging across the Australian/New Zealand market.
The home entertainment division cost base is being reduced to meet its business goals for 2012/13 and to facilitate the increased focus on the emerging digital market for home entertainment. It is projected that the EBITDA contribution from the business will reduce marginally for 2013 compared to 2012.

The company continues to be focused on cost control. Fixed overheads are being reduced whilst maintaining the ability of the company to develop and implement its plans for the further growth.

The company will utilise the strong cash flow from operations to increase its cash reserves over the coming year. These reserves will be utilised for increases in working capital due to sales growth, strategic acquisitions and dividend payments.

Provided there are no material negative currency fluctuations or a significant deterioration in the broadcast or retail markets the company expects modest Group EBIT and EPS growth in the 2013 financial year.

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Further Information on Beyond International Limited's full year results is provided in the Appendix 4E and Statutory Accounts.