

APPENDIX 4D

Half-year Report for the period ending 31 December 2012

1. Name of entity

RECLAIM INDUSTRIES LIMITED

ABN	Reporting Period	Previous Corresponding Period
47 090 671 819	Half year ended 31 December 2012	Half year ended 31 December 2011

2. Results for Announcement to the Market

Financial Results				\$A
Revenues from ordinary activities (<i>item 2.1</i>)	-	-	to	-
Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Down	2,103 %	to	(905,833)
Net loss for the period attributable to members (<i>item 2.3</i>)	Down	2,103 %	to	(905,833)
Final and interim dividends (<i>item 2.4</i>)	It is not proposed that either a final or interim dividend be paid .			
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	N/A			
Brief explanation of any of the figures reported above (<i>item 2.6</i>):	This loss was the result of being in Administration from 17 February 2011 to 29 November 2012.			

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary share (<i>Item 3</i>)	0.29 cents	(1.42) cents

4. Control gained over entities

Details of entities over which control has been gained or lost (<i>item 4</i>)	There has been no change to the subsidiaries during the period.
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5. Dividends paid and payable

Details of dividends or distribution payments (<i>item 5</i>)	No dividends or distributions are payable.
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6. Dividend reinvestment plans

Details of dividend or distribution reinvestment plans (<i>item 6</i>)	There is no dividend reinvestment program in operation for Reclaim Industries Limited
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7. Details of associates

Details of associates and joint venture entities (<i>item 7</i>)	N/A
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8. Foreign entities

Foreign entities to disclose which accounting standards are used in compiling the report (<i>item 8</i>)	N/A
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9. Review Opinion

Details of any audit dispute or qualification (<i>item 9</i>)
None.



RECLAIM INDUSTRIES LIMITED

ACN 090 671 819

Half-year financial report for the half-year ended 31 December 2012

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Directors	Mr Stephen Hewitt-Dutton Mr KC Ong Mr Bruce Franzen
Company Secretary	Miss Deborah Ho
Registered Office	Level 24, 44 St Georges Terrace PERTH WA 6000
Share Registry	Security Transfer Registrars Pty Limited 770 Canning Highway, APPLECROSS WA 6153 Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
Website	www.reclaimindustries.com.au
Place of Incorporation	Western Australia
Principal Place of Business	Level 24, 44 St Georges Terrace PERTH WA 6000 Telephone: (08) 6211 5099 Facsimile: (08) 9218 8875
Auditors	Deloitte Touche Tohmatsu Level 17, 11 Waymouth Street, ADELAIDE SA 5000 Telephone: (08) 8407 7000 Facsimile: (08) 8407 7001
Solicitors	Price Sierakowski Corporate Level 24, 44 St Georges Terrace PERTH WA 6000
Banker	National Australia Bank Limited Ground Floor, 100 St Georges Terrace PERTH WA 6000
Stock Exchange	ASX Limited Exchange Plaza, 2 The Esplanade PERTH WA 6000
ASX Code	RCM

Directors' report

The directors of Reclaim Industries Limited submit herewith the half-year financial report of Reclaim Industries Limited and its subsidiaries (the Group) for the half-year ended 31 December 2012. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of the directors of the company during or since the end of the half-year are:

Name

- Stephen Hewitt-Dutton
- KC Ong
- Bruce Franzen

Company Secretary

- Ms Paige Exley - Resigned 7th November 2012
- Miss Deborah Ho - Appointed 7th November 2012

Operating Results

The loss after tax of the consolidated entity for the half year ended 31 December 2012 was \$905,833 (2011: loss \$41,119).

Principal Activities and Review of Operations

On 17 February 2011, a creditor appointed David Ross, Richard Albarran and Blair Pleash of Hall Chadwick Chartered Accountants as Joint and Several Administrators of the Company, pursuant to section 436C of the *Corporations Act 2001*. The securities of the Company were suspended from official quotation on the Official List of the ASX.

On 31 May 2012, the Company issued a Prospectus for the purpose of issuing:

- 225,000,000 Shares at an issue price of \$0.01 per Share to raise \$2,250,000
- 12,280,509 Shares to the Deed Administrators; and
- 120,000,000 Shares to the note holders.

On 31 August 2012, the Company issued a Supplementary Prospectus to extend:

- the closing date of the Offers to 31 October 2012
- the period for admission to quotation of Shares to 3 months from the date of the Supplementary Prospectus
- the period to raise the Minimum Subscription under the Public Offer to 4 months from the date of the Supplementary Prospectus

On 7 November 2012, Ms Paige Exley resigned as Company Secretary, and Ms Deborah Ho was appointed as Company Secretary.

Following full subscription being received for the Prospectus, on 15 November 2012 the following occurred:

- 225,000,000 fully paid up ordinary shares were issued raising \$2,250,000 of funds,
- 12,280,509 fully paid up ordinary shares were issued for nil consideration for the benefit of Creditors under the DOCA,
- 120,000,000 fully paid up ordinary shares were issued for nil consideration on conversion of convertible notes.

On 27 November 2012, the final tranche of funds (\$550,000) were paid to the Administrator, resulting in the DOCA being wholly effectuated on this date.

On 30 November 2012, the Company was reinstated to official quotation with the Australian Securities Exchange.

Principal Activities and Review of Operations (continued)

Since this date, the Group has commenced a review of the assets it has retained for the purpose of evaluating the commercial viability of each of the following:

- the business of tyre collection for use in production, export or for use by the Ag-float business;
- exporting tyres and tyre products, focusing on developing those products that markets require whilst also attracting appropriate margins; and
- the Ag-float business, utilising recycled tyres as an evaporation control device, limited the amount of wind and sunlight to the surface of dam water.

Future Developments

The Group will continue to review all potential business opportunities presented to identify those that are consistent with the future direction of the Group as set out in the Prospectus.

Going Concern

The financial report has been prepared on the going concern basis.

For the half year ended 31 December 2012, the Group made a loss of \$905,833 (2011: loss of \$41,119) and recorded a net cash outflow from operating activities of \$276,277 (2011: \$nil net cash outflow). At 31 December 2012, the Group had net current assets and net assets of \$1,116,468 (2011: net current asset deficiency and net asset deficiency of \$628,430).

The Directors believe that it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

- The Group has available cash of \$1,302,057 to meet recorded liabilities of \$241,539 at 31 December 2012;
- The funds received from the issue of the Prospectus are in line with the funds forecast to be required in the Expenditure Statement included in the Prospectus. To date, the Group has demonstrated the ability to spend in accordance with this Expenditure Statement.

The Directors believe that the reasons outlined in the two points above will enable the Company to maintain sufficient cash flows to meet their liabilities as and when they fall due and payable.

Dividends

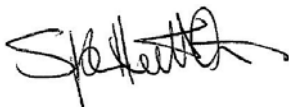
No dividend has been proposed or paid during the period.

Auditor's independence declaration

The auditor's independence declaration is included on page 7 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



Stephen Hewitt-Dutton
Chairman
Perth 28th February 2013



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The Board of Directors
Reclaim Industries Limited
Level 24
44 St George's Terrace
PERTH WA 6000

28 February 2013

Dear Board Members

Reclaim Industries Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Reclaim Industries Limited.

As lead partner for the review of the financial statements of Reclaim Industries Limited for the half-year ended 31 December 2012, 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.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

P J Woods
Partner
Chartered Accountants

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Independent Auditor's Review Report to the Members of Reclaim Industries Limited

We have reviewed the accompanying half-year financial report of Reclaim Industries Limited, which comprises the condensed statement of financial position as at 31 December 2012, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 15.

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 internal 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 half-year 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 2012 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 Reclaim Industries 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.

Auditor's Independence Declaration

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 Reclaim Industries Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Member of Deloitte Touche Tohmatsu Limited

Deloitte.

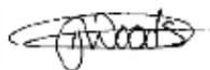
Conclusion

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 Reclaim Industries 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 2012 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*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



P J Woods
Partner
Chartered Accountants
Adelaide, 28 February 2013

Directors' declaration

The directors declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'S Hewitt-Dutton', with a long horizontal flourish extending to the right.

Stephen Hewitt-Dutton

Chairman

Perth, 28th February 2013

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2012

	Note	Consolidated	
		Half-year ended	
		31 Dec 2012	31 Dec 2011
		\$	\$
Continuing operations			
Revenue		-	-
Other income		3,271	-
Expenses			
Directors fees		(10,000)	-
Depreciation and amortisation expense		-	(3,762)
Audit fees		(119,934)	-
Corporate advisory costs		(150,000)	-
Rent		(12,000)	-
Finance costs		(335)	-
Other expenses		(66,835)	(37,357)
Final Payment made under DOCA		(550,000)	-
Loss before tax		(905,833)	(41,119)
Income tax expense		-	-
Loss for the period		(905,833)	(41,119)
Other comprehensive income		-	-
Total comprehensive loss for the period		(905,833)	(41,119)
Attributable to:			
Equity holders of the parent		(905,833)	(41,119)
Non-controlling interest		-	-
		(905,833)	(41,119)
Loss per share			
From continuing operations:			
Basic (cents per share)		(0.89) cents	(0.04) cents
Diluted (cents per share)		(0.89) cents	(0.04) cents

Notes to the condensed consolidated financial statements are included on pages 13 to 15.

**Condensed consolidated statement of financial position
as at 31 December 2012**

	Note	Consolidated	
		31 Dec 2012 \$	30 June 2012 \$
Current assets			
Cash and cash equivalents		1,302,057	74,332
Other receivables		41,375	33,973
Other		14,575	16,457
Total assets		1,358,007	124,762
Current liabilities			
Other payables		241,539	153,192
Borrowings		-	600,000
Total liabilities		241,539	753,192
Net assets		1,116,468	(628,430)
Equity			
Issued capital	3	2,705,731	-
Reserves		-	55,000
Accumulated losses		(1,589,263)	(683,430)
		1,116,468	(628,430)
Non-controlling interest		-	-
Total equity		1,116,468	(628,430)

Notes to the condensed consolidated financial statements are included on pages 13 to 15.

**Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2012**

	Issued capital \$	Reserves - employee share \$	Accumulated losses \$	Attributable to the owners of the parent \$	Total \$
Balance as at 1 July 2011	8,291,476	-	(8,573,684)	(282,208)	(282,208)
Loss for the period	-	-	(41,119)	(41,119)	(41,119)
Total comprehensive loss for the period	-	-	(41,119)	(41,119)	(41,119)
Share placement	-	-	-	-	-
Share issue costs	-	-	-	-	-
Balance as at 31 December 2011	8,291,476	-	(8,614,803)	(323,327)	(323,327)

	Issued capital \$	Reserves - employee share \$	Accumulated losses \$	Attributable to the owners of the parent \$	Total \$
Balance as at 1 July 2012	-	55,000	(683,430)	(628,430)	(628,430)
Loss for the period	-	-	(905,833)	(905,833)	(905,833)
Total comprehensive loss for the period	-	-	(905,833)	(905,833)	(905,833)
Share placement	2,850,000	(55,000)	-	2,795,000	2,795,000
Share issue costs	(144,269)	-	-	(144,269)	(144,269)
Balance as at 31 December 2012	2,705,731	-	(1,589,263)	1,116,468	1,116,468

Notes to the condensed consolidated financial statements are included on pages 13 to 15.

**Condensed consolidated statement of cash flows
for the half-year ended 31 December 2012**

	Note	Consolidated	
		Half-year ended	
		31 Dec 2012	31 Dec 2011
		\$	\$
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(275,942)	-
Interest and other costs of finance paid		(335)	-
Other income		-	-
Income tax refund		-	-
Net cash used in operating activities		(276,277)	-
Cash flows from investing activities			
Payment for equity investments		-	-
Proceeds from government grant		-	-
Payment for security deposit		-	-
Interest received		3,271	-
Payment for property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment		-	-
Net cash provided by investing activities		3,271	-
Cash flows from financing activities			
Proceeds from issue of convertible notes		-	-
Proceeds from issue of shares		2,195,000	-
Payment for share issue costs		(144,269)	-
Payment made under DOCA		(550,000)	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash provided by financing activities		1,500,731	-
Net increase in cash and cash equivalents		1,227,725	-
Cash and cash equivalents at 1 July		74,332	100
Cash and cash equivalents at the end of the period		1,302,057	100

Notes to the condensed consolidated financial statements are included on pages 13 to 15.

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Statement of compliance

The half-year financial report is 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 notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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 Company's 2012 annual financial report for the year ended 30 June 2012.

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

The new and revised Standard and amendment thereof and Interpretation effective for the current half-year relevant to the Group relates to amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Going Concern

The financial report has been prepared on the going concern basis.

For the half year ended 31 December 2012, the Group made a loss of \$905,833 (2011: loss of \$41,119) and recorded a net cash outflow from operating activities of \$276,277 (2011: \$nil net cash outflow). At 31 December 2012, the Group had net current assets and net assets of \$1,116,468 (2011: net current asset deficiency and net asset deficiency of \$628,430).

The Directors believe that it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

- The Group has available cash of \$1,302,057 to meet recorded liabilities of \$241,539 at 31 December 2012;
- The funds received from the issue of the Prospectus are in line with the funds forecast to be required in the Expenditure Statement included in the Prospectus. To date, the Group has demonstrated the ability to spend in accordance with this Expenditure Statement.

The Directors believe that the reasons outlined in the two points above will enable the Company to maintain sufficient cash flows to meet their liabilities as and when they fall due and payable.

Reclaim Industries Limited

Notes to the condensed consolidated financial statements

2. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

There were no reportable operating segments at 31 December 2012 (2011: nil).

3. Share capital

	31 December 2012	30 June 2012	31 December 2012	30 June 2012
	Number	Number	\$	\$
Fully paid ordinary shares	379,999,473	22,718,964	2,705,731	8,291,476
Movement				
At the beginning of the financial year	22,718,964	113,597,454	-	8,291,476
Share transactions:				
- 20 June 2012 (i)	-	-	-	(8,291,476)
- 29 June 2012 (ii)	-	(90,878,490)	-	-
- 15 November 2012 (iii)	357,280,509	-	2,705,731	-
Transaction costs:	-	-	-	-
Balance at the end of financial year	379,999,473	22,718,964	2,705,731	-

- (i) On 20 June 2012, pursuant to the resolution approved at the shareholders meeting on that date, the Company's share capital was reduced by \$8,291,476 being a portion of the accumulated losses against the share capital which is considered permanently lost.
- (ii) On 29 June 2012, pursuant to the resolution approved at the shareholders meeting on 20 June 2012, the Company's securities were consolidated on a 1:5 basis, resulting in a reduction of the number of shares on issue, from 113,597,454 to 22,718,964 ordinary fully paid shares.
- (iii) On 15 November 2012, the following shares were issued:
- 225,000,000 fully paid up ordinary shares were issued raising \$2,250,000 of funds,
 - 12,280,509 fully paid up ordinary shares were issued for nil consideration for the benefit of Creditors under the DOCA,
 - 120,000,000 fully paid up ordinary shares were issued for nil consideration on conversion of convertible notes.

The company does not have a limited amount of authorised capital and issued shares do not have a par value. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

There were no movements in share options by the company during the half-year reporting period.

4. Results for the period

Reclaim Industries Limited generated a loss after tax for the half year ended 31 December 2012 of \$905,833 (2011: loss \$41,119). This loss was the result of being in Administration from 17 February 2011 to 29 November 2012.

5. Changes to consolidated group

There have been no changes to the Consolidated Group during the reporting period.

6. Change in accounting estimates

There has been no change in accounting estimates since the last annual reporting date.

7. Contingencies and commitments

There has been no change in contingent liabilities since the last annual reporting date.

Reclaim Industries Limited

Notes to the condensed consolidated financial statements

8. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

9. Subsequent events

There have been no subsequent events.