Sirius Corporation Limited

(ABN 94 050 240 330)

Appendix 4D
Half Year Report for the period ended 31 December 2012

Contents Page

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Sirius Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Sirius Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Sirius Corporation Limited
Suite 2, Level 8
616 St Kilda Road
Melbourne, Vic 3004

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the company. All press releases, financial statements and other information are available at our Shareholders' Centre on our website: www.sirius.com.au.

For queries in relation to our reporting please call the Company Secretary (03) 9520 7914 or e-mail melbourne@sirius.com.au.

APPENDIX 4D

The Appendix 4D should be read in conjunction with the most recent Financial Report

Results for announcement to the market

	6 Months Ending 31 December 2012	6 Months Ending 31 December 2011	Change		
	$'000	**$'000**		**$'000**	**%**
Revenue from continuing operations	**3,301**	2,554	**Up**	**747**	29.3%
Profit / (Loss) from continuing operations after tax attributable to members	**(447)**	(1,690)	**Up**	**1,243**	73.6%
Total Comprehensive Income for the period attributable to members	**(447)**	(1,690)	**Up**	**1,243**	73.6%

Dividends (distributions)	Amount per Security	Franked amount per security	Record Date for dividend entitlement
6 months ended 31 December, 2012	**Nil**	**N/A**	**N/A**
6 months ended 31 December, 2011	**Nil**	**N/A**	**N/A**

	Current Period	Previous Corresponding Period
Net Tangible asset backing per ordinary security	**(0.01)**	(0.01)

The commentary on the results for the period is contained in the review of operations in the Director's Report accompanying the interim Half Year Report.

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Sirius Corporation Limited and the entities it controlled ("Sirius") at the end, or during, the half-year ended 31 December 2012.

Directors

The following persons were directors of Sirius during the whole of the half-year, unless otherwise specified:

Mr Anthony Onsley (Group Managing Director and CEO)
Mr Rajiv (Raju) Parrab (Non-Executive Director, Chairman)
Mr David Mandel, (Non-Executive Director)

Overview and review of operations

Following on from the business review outlined in the 2012 annual report, the focus for the six (6) months to 31 December 2012 was the execution of the four (4) elements to the strategy *Stabilise & Improve, Build the foundations for growth, Grow and extend the business, and People & Culture*. Activities in each of these areas have contributed to the results for the period.

	FY 2013 H1 2013	FY 2012 H1 2012	Increase/ Decrease	% Change
Revenue	3,300,958	2,553,856	**747,102**	**29.3%**
Employee benefits, other labour & related expenses	(2,612,541)	(2,899,895)	**287,354**	
Selling, Admin & General expenses	(677,863)	(933,878)	**256,015**	
EBITDA	**10,554**	**(1,279,917)**	**1,290,471**	**100.8%**
Gain (loss) on disposal of Fixed Assets	-	(75,911)	**75,911**	
Depreciation & Amortisation expenses	(315,570)	(270,599)	**(44,971)**	
EBIT	**(305,016)**	**(1,626,427)**	**1,321,411**	**81.2%**
Interest	(141,779)	(63,921)	**(77,858)**	
Income tax (expense)/benefit	-	-	**-**	
NPAT	**(446,795)**	**(1,690,348)**	**1,243,553**	**73.6%**

Group revenue for the period of $3.3m is 29.3% up on the same period last year. Revenue includes R&D grants of $568k. Revenue growth for the period came from the InfoMaster portfolio of products and services with revenue (excluding the R&D grants) of $1.78m, up 22.5% on the prior year. Pinnacle revenue (excluding the R&D grants) for the period was $691k, down 10.3% on the same period last year. Revenue for the period from Sirius Managed Services was $205k, down 10.7%.

Group EBITDA improved by $1.29m from the corresponding period to December 2011 to achieve a small positive result, $10k, the second consecutive half of positive EBITDA. Net Profit after tax improved $1.24m from the corresponding period to December 2011. For the period InfoMaster achieved a NPAT of $291, an improvement of $750k from the corresponding period to December 2011. Pinnacle NPAT was -$107k, an improvement of $75k (41%) from the corresponding period to December 2011. Sirius Managed Services NPAT of $60k was up 23% from the corresponding period to December 2011.

DIRECTORS' REPORT (continued)

The following factors contributed to the consolidated operational results for the reporting period:

1. A stronger revenue performance from InfoMaster Planning and eServices driven by a combination of stronger client relationship management, product upgrade engagements and solution enhancement assignments from the existing client base.
2. AssetMaster™ revenue growth from the completion of new client implementations (Western Water, Town of Gawler and City of Stonnington) and increased services revenue from the existing client base for solution expansion and enhancements.
3. A continued focus on cost reduction and containment, including the restructure of the Asset Management business unit leadership, consolidation of support costs for Sirius Managed Services and reductions in occupancy costs.

Highlights during the half:

- AssetMaster awarded City of Stonnington Asset Management tender
- The consolidation of AssetMaster™ and Pinnacle into one Asset Management Business Unit
- The launch of PEiAT™, Preliminary Environmental impact Assessment Tool
- The launch of Sirius Mobility with the signing of a re-seller agreement with Canadian based mobility technology Fieldworker
- Extension of CASA managed services and Qantas messaging & fax services to 30 June 2013 and December 2013 respectively

The execution of the current strategy remains on track and is yielding positive results for the Group.

Stabilise and improve **-** the cost reduction and simplification initiatives have delivered immediate benefits to the operating result of the Group. However it is the focus on customer initiatives that are now delivering revenue and client retention benefits. The introduction of account management resources has been instrumental in achieving early success with clients and generating revenue.

Build the foundations for growth **-** The establishment of the two business units along industry verticals, Asset Management and Planning & eServices commenced on the first of July. The Planning & eServices business unit has quickly established focus and momentum behind new client acquisition and client relationship management, which are yielding positive results. The Asset Management business unit continues to develop with a new management structure implemented in October 2012.

Grow and extend the business **-** Initiatives to geographically expand the reach of current products and services has commenced and are showing positive signs. The first of these opportunities stemming from the innovation and R&D activities of the Group has seen PEiAT™ launched and is now in the early stages of commercialisation. We have launched Sirius Mobility with the signing of a reseller agreement with Fieldworker, a Canadian technology company providing infield mobility technology. A number of other promising partnering and reseller opportunities are also being explored.

People & Culture - We have made progress in the recruitment processes and have made changes in the composition of the teams to better fit the desired culture of the business. The focus on our people and culture is an ongoing process and will continue to be a significant component of the management team's responsibilities.

The pace of change in the first half of the financial year has been significant with these changes having yielded positive results. The company anticipates growth in both the customer base and revenue as the strategy continues to be implemented.

We have continued to receive significant support from a number of shareholders who have extended the repayment of unsecured loans to 30 June 2014. Since the end of the 2012 financial year shareholders have provided further funding, as unsecured loans, for working capital purposes. These additional unsecured loans have repayment dates of no later than 30 June 2014.

DIRECTORS' REPORT (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of the directors:

ANTHONY ONSLEY
Managing Director
Melbourne
27 February 2013

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Sirius Corporation 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.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Philip A Ransom

P A RANSOM
Partner

Melbourne, VIC
Dated: 27 February 2013

Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2012

	Half-year 2012 $	Half-year 2011
Revenue from continuing operations	**3,300,958**	2,553,856
Cost of goods sold	**(49,477)**	(85,876)
Operating lease payments (excl occupancy)	**(6,121)**	(6,652)
Telecommunication carrier expenses	**(48,140)**	(62,017)
Employee benefits, other labour & related expenses	**(2,612,541)**	(2,899,895)
Occupancy expenses	**(204,242)**	(318,525)
Travel, accommodation and entertainment expenses	**(111,623)**	(145,193)
Professional fees (non-director related)	**(126,900)**	(88,208)
Insurance	**(24,274)**	(34,399)
Borrowing cost expenses	**(4,204)**	(11,681)
Other expenses from operating activities	**(202,832)**	(224,952)
Marketing expenses	**(41,829)**	(86,881)
Depreciation expenses	**(35,805)**	(39,578)
Amortisation expenses	**(279,765)**	(231,021)
Acquisition expenses	**-**	(9,326)
Profit (Loss) from continuing operations before income tax	**(446,795)**	(1,690,348)
Income tax (expense)/benefit	**-**	-
Profit (Loss) from continuing operations after tax	**(446,795)**	(1,690,348)
Other comprehensive income	**-**	-
Total comprehensive income	**(446,795)**	(1,690,348)

	Cents	Cents
Earnings per share for profit (loss) attributable to the ordinary equity holders of the company:		
Basic earnings per share	**(0.14)**	(1.28)
Diluted earnings per share	**(0.14)**	(1.28)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2012

	Notes	**31 December 2012 $**	30 June 2012 $
Current Assets			
Cash and Cash Equivalents	2	**82,155**	518,272
Trade and Other Receivables	3	**624,519**	1,203,768
Other	4	**666,347**	171,216
Total Current Assets		**1,373,021**	1,893,256
Non Current Assets			
Property Plant and Equipment	5	**122,661**	141,363
Intangible Assets	6	**1,877,754**	2,157,519
Total Non Current Assets		**2,000,415**	2,298,882
TOTAL ASSETS		**3,373,436**	4,192,138
Current Liabilities			
Trade and Other Payables	7	**1,609,385**	1,843,314
Borrowings	8	**2,081,797**	1,154,645
Provisions	9	**105,100**	113,986
Other	10	**1,067,588**	1,775,727
Total Current Liabilities		**4,863,870**	4,887,672
Non Current Liabilities			
Provisions	11	**124,364**	144,259
Other	12	**-**	335,000
Total Non Current Liabilities		**124,364**	479,259
TOTAL LIABILITIES		**4,988,234**	5,366,931
NET ASSETS (LIABILITIES)		**(1,614,798)**	(1,174,793)
Equity			
Contributed Equity	14	**13,636,115**	13,636,115
Reserves		**6,790**	-
Accumulated Losses		**(15,257,703)**	(14,810,908)
TOTAL EQUITY (DEFICIENCY)		**(1,614,798)**	(1,174,793)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2012

	Issued Capital $	Share Based Payments Reserve $	Accumulated Profit/(Losses) $	TOTAL $
Balance at 1 July 2012	13,636,115	-	(14,810,908)	**(1,174,793)**
Profit (Loss) for the period	-	-	(446,795)	**(446,795)**
Increase in equity	-	6,790	-	**6790**
Balance at 31 December 2012	13,636,115	6,790	(15,257,703)	**(1,614,798)**
Balance at 1 July 2011	12,030,147	-	(12,610,195)	(580,048)
Profit (Loss) for the period	-	-	(1,690,348)	(1,690,348)
Increase in equity	1,650,566	-	-	1,650,566
Balance at 31 December 2011	13,680,713	-	(14,300,543)	(619,830)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2012

	Half-year 2012	2011
	$	$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	**2,866,192**	3,208,112
Payments to suppliers and employees (inclusive of GST)	**(4,092,926)**	(5,080,797)
Interest received	**2,070**	5,106
Finance costs	**(4,204)**	(13,483)
Receipts from R&D Grant	**56,737**	-
Insurance recoveries	**-**	135,000
Net cash (outflow) from operating activities	**(1,172,131)**	(1,746,062)
Cash flows from investing activities		
Payments for property plant and equipment	**(17,103)**	(6,019)
Payments for acquisition costs	**-**	(96,215)
Purchase of subsidiary	**-**	(571,995)
Purchase of debt	**-**	(75,000)
Payment of Asset Management Agreement	**(61,883)**	-
Net cash (outflow) from investing activities	**(78,986)**	(749,229)
Cash flows from financing activities		
Receipts from bank borrowings	**-**	250,000
Proceeds from rights issue	**-**	1,596,667
Receipt of unsecured loans	**815,000**	1,375,000
Repayment of unsecured loans	**-**	(645,000)
Repayment of interest on unsecured loans	**-**	(19,022)
Net cash inflow/(outflow) from financing activities	**815,000**	2,557,645
Net increase/(decrease) in cash held	**(436,117)**	62,354
Cash at the beginning of the financial year	**518,272**	255,498
Cash and cash equivalents at the end of the half-year	**82,155**	317,852

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the consolidated financial statements
For the half-year ended 31 December 2012

1. Basis for preparation of half-year financial reports

This general purpose financial report for the interim half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Sirius Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements have been prepared on the basis of going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

1(a). Significant Accounting Policies

The accounting policies applied by the consolidated entity in the consolidated half year financial report are the same as those applied by the consolidated entity in it consolidated financial report for the year ended 30 June 2012.

1(b). Going Concern

The financial report has been prepared on a 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.

The consolidated entity reported an operating loss of $446,795 and cash outflows from operating activities of $1,172,131 for the six month period to 31 December 2012 (six month period to 31 December 2011 - loss of $1,690,348 and cash outflows of $1,746,062). As at that date the consolidated entity had a working capital deficiency and net asset deficiency of $3,490,849 and $1,614,798 respectively (30 June 2012 - working capital deficiency $2,994,416 and net asset deficiency $1,174,793). The working capital deficiency includes income received in advance of $1,067,588 which is accounted for as a liability.

The Directors are of the view that the consolidated entity needs to increase its revenue while containing costs, so that it is sustainably profitable, on an ongoing basis, despite;

(i) Long sales cycles common in this industry of over 6 months as much of the work is subject to local government tender and procurement provisions for tender bids of over $100,000 in value; and
(ii) Being a small cap publicly listed company and associated costs and compliance fees.

The Directors have approved management's cash flow forecasts for the next 12 months, which support the going concern assumption, and which include a number of significant cash inflows from operations to continue.

Since 31 December 2012:

(i) The repayment of $2,021,207 in unsecured loans has been extended until 30 June 2014 with approval from loan holders; and
(ii) The cash position of the Group has been improved by the receipt of $568,527 in January 2013 from the R&D Grants.

The key assumptions included in the cash flow forecasts are:

(i) An order book as at January 2013 in excess of $750k in consulting and services work;
(ii) Recurrent maintenance revenue is forecast to increase in FY 2014 to over $2 million, with majority of this revenue being received in June and July 2013;
(iii) That the Asset Management and Planning & eServices business units are successful in some of the current tender bids and other business proposals for which they have been officially short-listed and receive official advice of outcome prior to 30 June 2013;

Notes to the consolidated financial statements (continued)
For the half-year ended 31 December 2012

1(b). Going Concern (continued)

(iv) Further unsecured loans already approved with loan holders will be drawn down after 31 December 2012 and these further unsecured loans will be fully repaid by 30 June 2013; and
(v) The balance of existing unsecured loans will be partly repaid at the end of the 2013 financial year.

The consolidated entity is reliant on the continued financial support from existing shareholders through unsecured loans provided to the consolidated entity. In the event that cash flows are not achieved as forecast, the consolidated entity:

(i) Will seek financial support from existing shareholders through the continued extension of repayment terms on the unsecured loans; and
(ii) May also require additional funding from existing shareholders or other investors and financiers.

The Directors consider, based on the available information, it is unlikely that additional funding other than that noted in key assumptions point (iv) above, will be required as they anticipate the forecast level of cash flows are to be achieved.

In the event that both forecast cash flows and new investments are not achieved and in such circumstances that additional funding is not obtained and/or existing funding arrangements cannot be extended, there would be significant uncertainty as to whether the consolidated entity would 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 report.

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

	31 December 2012	30 June 2012
2. Current Assets – Cash & Cash Equivalents	**$**	$
Cash at bank and on hand	**82,155**	518,272
	82,155	518,272

3. Current Assets – Trade & Other Receivables

Trade Receivables	**624,519**	1,203,768
	624,519	1,203,768

4. Current Assets – Other

Prepayments	**22,121**	21,505
Accrued Income	**51,744**	70,053
Sundry debtors	**592,482**	79,658
	666,347	171,216

Notes to the consolidated financial statements (continued)
For the half-year ended 31 December 2012

	31 December 2012	30 June 2012
5. Non-Current Assets - Property, Plant & Equipment	**$**	$
Leasehold Improvements		
At Cost	**73,755**	69,126
Less: Accumulated depreciation	**(46,506)**	(43,355)
Total leasehold Improvements	**27,249**	25,771
Plant and Equipment		
At Cost	**4,328,284**	4,315,810
Less: Accumulated depreciation	**(4,232,872)**	(4,200,218)
Total plant and equipment	**95,412**	115,592
Total Property, Plant & Equipment	**122,661**	141,363

6. Non-Current Assets - Intangible Assets

Customer maintenance and hosting contracts	**4,196,471**	4,196,471
Less: Accumulated amortisation	**(2,318,717)**	(2,038,952)
	1,877,754	2,157,519
Total Intangibles Assets	**1,877,754**	2,157,519

7. Current Liabilities - Trade & Other Payables

Trade payables	**784,838**	1,156,782
Other payables	**824,547**	686,532
	1,609,385	1,843,314

8. Current Liabilities - Borrowings

Unsecured Loans – interest bearing	**2,081,797**	1,154,645
	2,081,797	1,154,645

9. Current Liabilities - Provisions

Employee benefits – long service leave	**105,100**	113,986
	105,100	113,986

	31 December 2012	30 June 2012
10. Current Liabilities - Other	$	$
Income in advance	**1,067,588**	1,775,727
	1,067,588	1,775,727

11. Non-Current Liabilities - Long Term Provisions

Employee benefits - long service leave	**124,364**	144,259
	124,364	144,259

12. Non-Current Liabilities - Other

Other payables	**-**	335,000
	-	335,000

13. Segment Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors has identified four reportable segments. Corporate consists of the compliance aspect of a public company such as the finance, human resources, IT and directors' costs. This segment provides management services to the other three segments being SMS, InfoMaster and Pinnacle. The SMS division provides help-desk and operator services to government departments. The InfoMaster business is a provider of on-line tools for planning and development assessment and asset management software for governments and corporate clients. Pinnacle Software provides specialized systems and support services such as asset management software and mobile web applications to a wide range of organizations in the public, private and corporate sectors.

The Board of Directors monitors the performance of all the segments which is why the four segments are being reported separately.

The segment information provided to the Board of Directors, for the reportable segments, for the six months ended 31 December 2012, is as follows:

	Corporate $	SMS $	InfoMaster $	Pinnacle	Total $
Revenue from external customers	53,564	204,634	2,152,903	889,857	3,300,958
Reportable segment profit/(loss) before tax	(739,666)	108,909	290,634	(106,672)	(446,795)
Total segment assets	117,368	13,070	1,714,588	1,528,409	3,373,436
Total segment liabilities	2,945,763	-	1,190,608	851,863	4,988,234

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13. Segment Information (continued)

The segment information provided to the Board of Directors, for the reportable segments, for the year ended 30 June 2012, is as follows:

	Corporate $	SMS $	InfoMaster $	Pinnacle $	Total $
Revenue from external customers	161,386	439,729	3,744,943	1,590,046	5,966,104
Reportable segment profit/(loss) before tax	(1,468,583)	126,366	(354,033)	(504,463)	(2,200,713)
Total segment assets	493,515	15,828	2,035,320	1,647,475	4,192,138
Total segment liabilities	2,761,611	91	1,804,090	801,139	5,366,931

14. Contributed Equity

	31 December 2012	30 June 2012
(a) Ordinary Shares	**$**	**$**
Fully Paid	**13,636,115**	13,636,115
Total Contributed Equity	**13,636,115**	13,636,115

(b) Movements in ordinary share capital	**Number of Shares**	$
Opening balance @ 1 July 2012	**308,196,565**	13,636,115
Additions/Reductions	-	-
Closing balance @ 31 December 2012	**308,196,565**	13,636,115

15. Business Combination

Part of the arrangement for the business combination of Pinnacle Software Pty Ltd was an earn-out agreement for 2012/13, which required a specified minimum earnings threshold to be reached before any earn out is payable. The earn-out payable has been calculated on the basis that those thresholds are just achieved.

16. Events After Reporting Period

(a) Repayment date of Unsecured Loans

Since the 31st of December 2012 agreement has been reached with Unsecured Loan holders (for unsecured loans totalling $2,021,207 as at 31 December 2012), to extend the repayment date of these Unsecured Loans from 30 June 2013 to 30 June 2014.

(b) Receipt of cash proceeds from R&D Grants

Since the 31st of December 2012 the cash position of the Group has been improved by the receipt of $568,527 in January from the R&D Grants.

17. Contingencies

The Consolidated Entity had no contingent liabilities as at 31 December 2012.

18. Related Party Transactions

(a) Wholly owned Group

At the date of this report, the wholly-owned group consists of Sirius Corporation Limited, InfoMaster Pty Ltd, InfoMaster (NZ) Ltd (New Zealand based entity), Siricle Pty Ltd, Sirius Finance (Aust.) Pty Ltd, Sirius Budgets Pty Ltd and Pinnacle Software Pty Ltd.

(b) Controlling entities

The ultimate parent entity in the wholly owned group is Sirius Corporation Limited, a company incorporated in Australia.

(c) Amounts Outstanding from Related Parties

Unsecured loans are made to the ultimate parent entity on an arm's length basis. Repayment terms are set for each loan. Interest payable ranges from 9% to 20% and monthly principal and interest repayments are made over the term of the loans.

Loans from Related Parties	**31 December 2012**	30 June 2012
	$	$
Beginning of the period	**-**	-
Loans advanced	**50,000**	355,000
Loan repayment	**-**	(355,000)
Interest charged	**519**	10,856
Interest paid	**-**	(10,856)
End of the period	**50,519**	-

DIRECTORS' DECLARATION

The Directors declare that:

1. the financial statements and notes set out on pages 7 to 16, are in accordance with the Corporations Act 2001 and:
   a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   b) give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date;

2. as alluded to in Note 1(b) on going concern, 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.

ANTHONY ONSLEY
Managing Director

Melbourne, 27 February 2013

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

SIRIUS CORPORATION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sirius Corporation Limited which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 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 company'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 Sirius Corporation 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

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 Sirius Corporation 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 Sirius Corporation 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 *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion expressed above, we draw attention to Note 1(b) in the half-year financial report which indicates that the consolidated entity reported an operating loss after tax of $446,795 and cash outflows from operating activities of $1,172,131 for the six month period to 31 December 2012 (six month period to 31 December 2011 - loss of $1,690,348 and cash outflows of $1,746,062). As at that date the consolidated entity had a working capital deficiency and net asset deficiency of $3,490,849 and $1,614,798 respectively (30 June 2012 - working capital deficiency $2,994,416 and net asset deficiency $1,174,793).

In the event that cash flows or other investment opportunities are not achieved as forecast, there is a possibility that additional funding may be required from existing shareholders, investors or financiers and/or continued extension of repayment terms on existing unsecured loans may be necessary.

These conditions, along with other matters as set forth in Note 1(b), 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

RSM BIRD CAMERON PARTNERS

Philip A Ransom

P A RANSOM
Partner

Melbourne, VIC
Dated: 27 February 2013