

BKM MANAGEMENT LIMITED AND CONTROLLED ENTITIES

APPENDIX 4D FOR THE HALF YEAR ENDED 31 DECEMBER 2012

1. Results for announcement to the market

Current Reporting Period - Half year Ended 31 December 2012

Previous Reporting Period - Half year Ended 31 December 2011

This report is to be read in conjunction with the 30 June 2012 Annual Report and is given in compliance with Listing Rule 4.2A.

Revenues	down	29.75%	to	\$'000 711
Loss after tax attributable to members	down	22.17%	to	(188)
Net loss for the period attributable to members	down	22.17%	to	(188)

2. Net Tangible Assets per Security

Net Tangible Assets per Security (cents per security)

As at 31 December 2012 (0.01)
As at 30 June 2012 (0.02)

3. Details of entities over which control has been gained or lost during the period

None.

4. Details of individual and total dividends

None

5. Details of dividend reinvestment plans in operation.

None

6. Details of Associates and Joint Ventures

None

7. These accounts have been subject to Review and a Qualified Opinion, including an Emphasis of Matter. Refer to the Auditor's Review Report on page 15

BKM MANAGEMENT LIMITED AND CONTROLLED ENTITIES

Appendix 4D Interim Financial Report

For the Half Year Ended 31 December 2012

(previous corresponding period: Half Year Ended 31 December 2011)

To be read in conjunction with the 30 June 2012 Annual Report.
In compliance with Listing Rule 4.2A

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This half year financial report does not include all notes of the type normal included in an annual financial report. Accordingly, this reports to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by BKM Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of BKM Management Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2012.

Directors

The following persons were directors of BKM Management Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Mr. Alvin Tan	Non-Executive Chairman
Mr. Evan McGregor	Non-Executive Director
Mr. Phillip Hains	Non-Executive Director (Appointed Friday 7 th December 2012)
Mr. Michael Sim	Non-Executive Director (Resigned Friday 7 th December 2012)

Review of Operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$187,667 (30 June 2012: \$691,654).

During the period under review, the Company has strengthened its balance sheet with further conversion of debt securities. The strategy to rationalize and concentrate the Company on new investment opportunities shows some promise with the Board receiving a number of credible and exciting investment opportunities.

The Board is reviewing to progress these opportunities and will update the market as these develop.

BKM has maintained its interest in Scene Model Management Pty Ltd (Scene) and IGC Asia Pte Ltd (IGC) during the period.

IGC's operations have returned to profit with its revised operating model as flagged in our last report. The Company is confident that IGC will continue to strengthen on the profit turnaround. Given the turnaround and commentary from management, the Company is confident that IGC will build on its profitability.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.



Mr. Alvin Tan
Non Executive Chairman
BKM Management Limited

Dated: Wednesday, 27 February 2013


**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF BKM MANAGEMENT
LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2012 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A handwritten signature in blue ink, appearing to read "J. C. Luckins".

J. C. Luckins
Director

Dated this 27th day of February, 2013

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Melbourne
Brisbane
Perth
Adelaide
Auckland

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STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Consolidated Entity			
	Note	31 December 2012 \$	30 December 2011 \$
Revenue from Ordinary Activities		710,513	1,026,528
Corporate Administration Expenses		(102,791)	(133,690)
Employment and Consulting Fees		(218,751)	(152,209)
Finance Costs		(7,788)	(59,085)
Impairment Expenses		-	(215,711)
Model and Talent Costs		(532,593)	(674,521)
Occupancy Costs		(36,257)	(32,443)
Loss Before Income Tax		(187,667)	(241,131)
Income Tax Expense		-	-
Loss After Income Tax for the Half Year		(187,667)	(241,131)
Other Comprehensive Income for the Period, Net of Tax		-	-
Total Comprehensive Income for the Half Year		(187,667)	(241,131)
Loss for the Half Year is Attributable to:			
Owners of the BKM Management Limited		(179,252)	(244,242)
Non-Controlling Interests		(8,415)	3,111
		(187,667)	(241,131)
Total Comprehensive Income Attributable to:			
Owners of the BKM Management Limited		(179,252)	(244,242)
Non-Controlling Interests		(8,415)	3,111
		(187,667)	(241,131)
		Cents	Cents
Loss per share for loss from attributable to the ordinary equity holders of the company:			
Basic earnings per share	7	(0.02)	(0.04)
Diluted earnings per share	7	(0.02)	(0.04)

The accompanying notes form part of this financial report

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

Consolidated Entity			
	Note	31 December 2012 \$	30 June 2012 \$
Current Assets			
Cash and Cash Equivalents		317,191	306,319
Trade and Other Receivables		104,671	206,003
Other		6,120	2,236
Total Current Assets		427,982	514,558
Non-Current Assets			
Other Financial Assets	3	417,756	417,756
Plant and Equipment		3,733	4,666
Intangibles		49,878	49,878
Total Non-Current Assets		471,367	472,300
TOTAL ASSETS		899,349	986,858
Current Liabilities			
Trade and Other Payables		697,705	655,503
Borrowings		153,970	416,970
Employee Benefits		24,019	20,911
Total Current Liabilities		875,694	1,093,384
Non-Current Liabilities			
Employee Benefits		36,258	34,483
Total Non-Current Liabilities		36,258	34,483
TOTAL LIABILITIES		911,952	1,127,867
NET ASSETS/(LIABILITIES)		(12,603)	(141,009)
Equity			
Issued Capital	6	26,461,405	26,145,332
Retained Profits		(26,460,599)	(26,281,347)
Parent Entity Interest		806	(136,015)
Non-Controlling Interest		(13,409)	(4,994)
TOTAL EQUITY		(12,603)	(141,009)

The accompanying notes form part of this financial report

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Consolidated Entity

	Share Capital \$	Retained Earnings \$	Non-Controlling Interests \$	Total \$
Balance as at 30 June 2011	25,113,948	(25,585,298)	(9,389)	(480,739)
Profit/(Loss) for the period		(244,242)	3,111	(241,131)
Total comprehensive income for the period	-	(244,242)	3,111	(241,131)
<i>Transactions with owners in their capacity as owners:</i>				
Shares Issued Net of Costs	1,031,384	-	-	1,031,384
Balance at 31 December 2011	26,145,332	(25,829,540)	(6,278)	309,514
Profit/(Loss) for the period		(451,807)	1,284	(450,523)
Total comprehensive income for the period	-	(451,807)	1,284	(450,523)
<i>Transactions with owners in their capacity as owners:</i>				
Shares Issued Net of Costs	-	-	-	-
Balance at 30 June 2012	26,145,332	(26,281,347)	(4,994)	(141,009)
Profit/(Loss) for the period		(179,252)	(8,415)	(187,667)
Total comprehensive income for the period	-	(179,252)	(8,415)	(187,667)
<i>Transactions with owners in their capacity as owners:</i>				
Shares Issued Net of Costs	316,073	-	-	316,073
Balance at 31 December 2012	26,461,405	(26,460,599)	(13,409)	(12,603)

The accompanying notes form part of this financial report

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Consolidated Entity		
	31 December 2012	31 December 2011
	\$	\$
Cash Flows Related To Operating Activities		
Receipts from Customers	818,229	953,405
Payments to Suppliers and Employees	(804,537)	(999,037)
Interest Received	1,303	3,018
NET OPERATING CASH INFLOWS/(OUTFLOWS)	14,995	(42,614)
Cash Flows Related to Investing Activities		
Proceeds from Sales of Equity Investments	-	-
NET INVESTING CASH INFLOWS	-	-
Cash Flows Related to Financing Activities		
Capital Raising Costs	(4,123)	(4,995)
NET FINANCING CASH OUTFLOWS	(4,123)	(4,995)
Net Increase/(Decrease) in Cash and Cash Equivalents	10,872	(47,609)
Cash and Cash Equivalents at the Beginning of the Half Year	306,319	367,811
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR	317,191	320,202

The accompanying notes form part of this financial report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Preparation

(a) Basis of Preparation

The 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.

This half year financial report does not include all 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 BKM Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Compliance with AASB 134 "Interim Financial Report" ensures that the financial statements and notes of the entity comply with International Financial Reporting Standards equivalent IAS 34 "Interim Financial Reporting".

(b) Summary of the Significant Accounting Policies

The accounting policies adopted for the half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2012.

(c) Going Concern

As at 31 December 2012, the consolidated entity incurred an operating loss for the six month period of \$187,667 (2011 loss: \$241,131) and net liabilities stood at \$12,603 (June 2012: Net Liability \$141,009). The consolidated entity's cash position has increased to \$317,191 from \$306,319 at 30 June 2012.

The following matters have been considered by the Directors in determining the appropriateness of the going concern basis of preparation:

- The majority of the current borrowings of \$153,970 are unsecured convertible notes. It is expected that the balance of convertible notes expiring during the next twelve months will be redeemed and converted into equity in accordance with the note agreement,
- The trade and other payables balance as at 31 December 2012 contains accrued directors fees of \$105,060 (June 2012: \$25,060) and related party payables for director controlled entities of \$271,087 (June 2012: \$159,936). Of these amounts, \$119,887 (June 2012: \$159,936) is subject to an undertaking which has been provided to the consolidated entity by the directors that repayments of these amounts, and future director fees, will only be demanded in the event that the consolidated entity has sufficient cashflows available,
- The Directors have the capacity to issue additional securities with shareholder approval,
- The consolidated entity has the ability to scale down its operations sufficiently should the above not occur.

As a consequence of the above, the Directors believe that the consolidated entity will be able to continue as a going concern and, therefore these financial statements have been prepared on a going concern basis. Accordingly, the financial statements do not include any adjustments in relation to the recoverability or classification of recorded assets, or to the amounts of classification or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

Note 2. Dividends

The company has not declared any dividends in the period ended 31 December 2012 (2011: \$Nil)

Note 3. Other Financial Assets

	31 December 2012	30 June 2012
	\$	\$
Shares in IGC Asia Pte Ltd (Unlisted) at Fair Value	417,756	417,756
Total Other Financial Assets	417,756	417,756

Fair Value of IGC Asia Pte Ltd

The fair value of the investment in IGC Asia Pte Ltd has been determined by a value-in-use calculation using a discounted cash flow model, as recorded in the 30 June 2012 financial statements.

This is further supported by the IGC Asia Pte Ltd revised operating model, and improved profitability as shown in recent unaudited management accounts of the company. Annual audited financial statements for the year ended 31 December 2012 were not available at the date of signing this half-year report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued...)

Note 4. Segment Information

(a) Identification of Reportable Operating Segments

The consolidated entity is organised into two operating segments: modelling and investment. These operating segments are based on internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA) and profit before income tax. This information reported to the CODM is on at least a monthly basis.

The principle products and services of each of these operating segments are as follows:

Modelling - Provision of management services to the modelling industry.

Investment - Investment in businesses in the oil industry in Singapore.

(b) Operating Segment Information

	Modelling	Investment	Intersegment eliminations/ unallocated	Consolidated
	\$	\$	\$	\$
31 December 2012				
Revenue				
Sales to External Customers	718,611	-	-	718,611
Other Income	(9,401)	1,303	-	(8,098)
Total Revenue	709,210	1,303	-	710,513
EBITDA	(55,164)	(123,782)	-	(178,946)
Depreciation and Amortisation	(933)	-	-	(933)
Finance Costs	-	(7,788)	-	(7,788)
Loss Before Income Tax	(56,097)	(131,570)	-	(187,667)
Income Tax Expense	-	-	-	-
Loss after income tax expense	(56,097)	(131,570)	-	(187,667)
Assets				
Segment Assets	378,733	874,667	(130,051)	1,123,349
Intersegment Eliminations			(224,000)	(224,000)
Total Assets	378,733	874,667	(354,051)	899,349
<i>Total assets includes:</i>				
Acquisition of non-current assets	-	-		
Liabilities				
Segment Liabilities	468,130	677,751	(9,929)	1,135,952
Intersegment Eliminations			(224,000)	(224,000)
Total Liabilities	468,130	677,751	(233,929)	911,952
31 December 2011				
Revenue				
Sales to External Customers	1,021,763	-	-	1,021,763
Other Income	1,747	3,018	-	4,765
Total Revenue	1,023,510	3,018	-	1,026,528
Adjusted EBITDA	21,399	(202,787)	-	(181,388)
Depreciation and Amortisation	(658)	-	-	(658)
Finance Costs	-	(22,867)	(36,218)	(59,085)
Profit/(Loss) Before Income Tax	20,741	(225,654)	(36,218)	(241,131)
30 June 2012				
Assets				
Segment Assets	437,370	909,736	(136,248)	1,210,858
Intersegment eliminations			(224,000)	(224,000)
Total Assets	437,370	909,736	(360,248)	986,858
Liabilities				
Segment Liabilities	470,669	897,324	(16,126)	1,351,867
Intersegment eliminations			(224,000)	(224,000)
Total Liabilities	470,669	897,324	(240,126)	1,127,867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued...)

Note 5. Contingent Liabilities and Assets

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

Note 6. Issued Capital

	31 December 2012		30 June 2012	
	No.	\$	No.	\$
Ordinary Shares	826,900,410	26,460,641	813,387,549	26,144,568
Options over Fully Paid Shares	-	764	-	764
Total Issued Capital		26,461,405		26,145,332

During the half year ended 31 December 2012, the following movements in equity occurred:

Shares

11 Oct 2012	Issue of 11,333,334 shares at \$0.003 on interest expense on convertible notes for a total price of \$24,000
11 Oct 2012	Issue of 3,333,333 shares at \$0.003 on conversion of convertible notes for a total price of \$20,000
11 Dec 2012	Issue of 92,065,662 shares at \$0.003 on conversion of convertible notes for a total price of \$276,197

Note 7. Loss per Share from Overall Operations

	31 December 2012	31 December 2011
	Cents	Cents
Basic earnings per share	(0.02)	(0.04)
Diluted earnings per share	(0.02)	(0.04)
	\$	\$
a) Earnings used to calculate basic EPS	(187,667)	(241,131)
	No.	No.
b) Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	826,900,410	650,428,945

Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. Where dilutive, potential ordinary shares are included in the calculation of diluted loss per share. All the options on issue do not have the effect to dilute the loss per share, therefore have been excluded from the calculation of diluted loss per share.

Note 8. Net Tangible Assets

	31 December 2012	30 June 2012
	\$	\$
Net Tangible Assets	(62,481)	(190,887)
	No.	No.
Shares	920,119,878	813,387,549
	\$	\$
Net Tangible Assets (cents)	(0.007)	(0.023)

Note 9. Events Subsequent to the end of the Reporting Period

No matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected or may significantly affect the operations of the economic entity, the result of these operations or the state of affairs of the economic entity in subsequent financial years.

DIRECTORS' DECLARATION

The directors' of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 11, are in accordance with the Corporations Act 2001, including:

(a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and

(b) giving a true and fair view of the economic entity's financial position as at 31 December 2012 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.



Mr. Alvin Tan
Non Executive Chairman
BKM Management Limited

Dated: Wednesday, 27 February 2013

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BKM MANAGEMENT LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of BKM Management Limited (the Company), 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.

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 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 BKM Management 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.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BKM MANAGEMENT LIMITED AND CONTROLLED ENTITIES (CONT)

Independence

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

Basis for Qualified Conclusion

BKM Management Limited's investment in IGC Asia Pte Ltd, an oil trading business based in Singapore, is carried at \$417,756 on the statement of financial position as at 31 December 2012. No revenue was recognised from this investment during the half-year ended 31 December 2012 and no assurance has been issued yet on the financial reports of IGC Asia Pte Ltd which are not due until after the date of this review. Accordingly, we were unable to obtain sufficient appropriate audit evidence to support the carrying amount of BKM Management Limited's investment in IGC Asia Pte Ltd as at 31 December 2012 and consequently, we were unable to determine whether any adjustments to this investment are necessary.

Qualified Conclusion

Based on our review, which is not an audit, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of BKM Management 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 Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Emphasis of Matter

Without further qualification to the conclusion expressed above, we draw attention to Note 1 to the half-year financial report, which indicates the consolidated entity incurred a net loss of \$187,667 (2011: \$241,131), current liabilities exceeded the current assets (working capital) by \$447,712 (June 2012: \$578,826) and consolidated entity's cash position has increased to \$317,191 from \$306,319 at 30 June 2012. These conditions, along with the other matters as set forth in Note 1, indicate the existence of an material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and 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.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BKM MANAGEMENT LIMITED AND CONTROLLED ENTITIES (CONT)

Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report

This auditor's review report relates to the half year financial report of BKM Management Limited for the half year ended 31 December 2012 included on BKM Management Limited's web site. The company's directors are responsible for the integrity of the BKM Management Limited's web site. We have not been engaged to report on the integrity of the BKM Management Limited's web site. The auditor's review report refers only to the half year financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half year financial report to confirm the information included in the reviewed financial report presented on this web site.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

A handwritten signature in blue ink, appearing to read 'J.C. Luckins', with a stylized flourish at the end.

J.C. Luckins
Director

Dated this 27th day of February, 2013