APPENDIX 4E

PRELIMINARY FINAL REPORT
12 MONTHS ENDED 30 JUNE 2012

Details of the reporting period and the previous corresponding period

Name of entity

SPRINTEX LIMITED

ACN	Reporting Period	Previous Corresponding Period
106 337 599	Year ended 30/06/2012	Year ended 30/06/2011

Results for announcement to the market

		Change		Amount
Revenue from ordinary activities	Up	84%	to	$1,401,179
Loss for ordinary activities after tax attributed to members	Up	22%	to	$5,191,710
Basic loss per share cents per share	Down	38%	to	0.89 cents

Dividends	Amount per Security	Franked amount per Security
Interim Dividend	Nil	Nil
Final Dividend	Nil	Nil

Record Dates of determining dividend – N/A

Commentary on results and other significant information

Please refer to the attached 2012 financial report for further information on the Group's financial position and performance for the year ended 30 June 2012.

Dividend reinvestment plans

The Company does not operate dividend reinvestment plans.

Net Tangible Asset Backing

	2012 (cents)	**2011** (cents)
Net Tangible Assets per ordinary share	0.780	1.532

Details of controlled entities acquired or disposed of

N/a

Details of associates and joint ventures

The Company has manufacturing facility in Malaysia with a joint venture partner (see note 8).

Audit

This report is based on the financial statements which are in the process of being audited.

Jay Stephenson
Company Secretary

Operating and financial review

The Group's focus is the development and commercialisation of the Sprintex® twin screw supercharger and supercharger systems incorporating the Sprintex® twin screw supercharger.

Operations have been from the Group's facility in Perth, Western Australia and in late 2011 the Company commenced commissioning a 1,800 sq/m production facility in the 'Glenmarie' area of Shah Alam in Selangor State, Malaysia which is jointly owned with AutoV Corporation, parent of Proreka (M) Sdn. Bhd, a tier 1 automotive component manufacturer and supplier. This facility is expected to be fully operational in the latter part of 2012, after which time it will have a capacity to produce 20,000 superchargers per year and will become the Group's primary production facility supplying superchargers globally.

After market supercharger systems

The Group has developed and is selling after market supercharger systems for the following vehicles:

1. Jeep JK Wrangler, 3.8L V6 - 2007 to 2010
2. Jeep TJ Wrangler, 4.0L – 2005 to 2006
3. Mini Cooper S 1.6L – 2002 to 2007
4. Honda Jazz/Fit/Feed 1.5L – 2008 to current
5. Proton Exora and Satria Neo CPS 1.6L – 2011 to current

In addition to the abovementioned products, the Group is also working with supercharger systems designers to incorporate the Sprintex® twin screw superchargers in their products.

Original equipment manufacturers (OEMs)

In addition to selling after market products, the Group is in discussion with a number of OEMs to supply superchargers.

<u>Operating results for the year</u>

The 2012 year was one in which the Group downsized its production operations in Perth while focusing on the development of after market supercharger systems and establishing a production facility in Malaysia. The financial results reflect this focus:

	2012 **$**	**2011** **$**	**Change** **%**
Revenue	1,401,179	761,840	84%
Net loss for the year	(5,191,710)	(4,238,296)	(22%)

Loss per Share

Basic loss and diluted loss per share for 2012 and 2011 was $0.0089 and $0.0144, respectively.

<u>Review of financial condition</u>

Liquidity and capital resources

The Group continued to incur operating losses as a result of the focus on development activities and setting up of it's Malaysian facility. These activities were financed by the sale of the Group's property at 73 Resource Way, Malaga, Western Australia and by raising capital.

At year end, cash and cash equivalents were $939,526 compared to $596,077 at 30 June 2011.

Asset and capital structure	**2012**	**2011**
	$	**$**
Total borrowings	203,761	438,483
Cash and cash equivalents	(939,526)	(596,077)

Share issues during the year
The Company raised $5,104,640 from an entitlement issue at $0.02 per share and $1,704,991 from private placements at $0.02 per share.

Capital expenditure
Property, plant and equipment of $1,064,741 (2011 $138,199) were acquired during the year ended 30 June. The Company had outstanding capital commitments in respect of acquisition of property plant and equipment contracted for but not provided for in the financial statements in the amount of $ nil(2011: US$50,000).

Profile of borrowings
The profile of the Group's debt finance is as follows:

	2012	**2011**
	$	**$**
Current		
Insurance premium funding	85,372	68,627
Finance lease liabilities	55,478	50,545
Loans from related parties	4,824	269,349
	145,674	388,521
Non current		
Finance lease liabilities	58,087	49,962
	203,761	438,483

The Company's debts have decreased by 54% over the last year as a result of an entitlement issue, private placements and the sale of the property at 73 Resource Way, Malaga. A further entitlement issue subsequent to year end (see below for details) was completed (refer to Events Subsequent to Reporting Period).

Likely developments and expected results

The directors are confident that the 2013 financial year will see an increase in sales of superchargers and after market supercharger systems. Additionally, costs are expected to decline as the Malaysian production facility begins to supply products at a lower cost than has been possible from the Australian facility.

The focus will then be to build a distribution network, with the US being the core target market for the Company's products.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	2012 $	2011 $
Sales of goods and services		1,401,179	761,840
Revenue		**1,401,179**	**761,840**
Cost of goods sold		(969,100)	(760,318)
Gross profit		**432,079**	**1,522**
Other income	3.1	93,915	343,303
Distribution & marketing expenses		(319,189)	(305,011)
Research & development expenses	3.8	(1,607,657)	(1,239,769)
Inventory impairment expense		(1,644,953)	(1,861,102)
Impairment of goodwill	9	(479,136)	-
Administration expenses		(1,895,267)	(1,762,381)
Other expenses	3.2	(227,150)	(156,227)
Operating loss		**(5,647,286)**	**(4,979,665)**
Finance income	3.3	14,340	11,986
Finance costs	3.4	(70,104)	(312,058)
Share of loss of joint venture		(103,889)	-
Loss before income tax expense		**(5,806,939)**	**(5,279,737)**
Income tax benefit	4	615,229	1,041,441
Net loss for the year		**(5,191,710)**	**(4,238,296)**
Other comprehensive income, net of tax			
Fair value revaluation of land and buildings		**-**	**61,913**
Total comprehensive income for the year		**(5,191,710)**	**(4,176,383)**
Loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share		0.89 cents	1.44 cents
Diluted loss per share		0.89 cents	1.44 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2012

	NOTES	2012 $	2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	11(c)	939,526	596,077
Pledged bank deposits	6	112,000	82,000
Trade and other receivables	7	998,009	1,277,512
Inventories		1,069,737	1,556,614
Loan due from a joint venture	8(c)	903,478	-
TOTAL CURRENT ASSETS		**4,022,750**	**3,512,203**
NON-CURRENT ASSETS			
Investment in a joint venture	8	217,448	-
Property, plant and equipment		1,886,793	2,618,620
Goodwill & intellectual property	9	39,111	532,506
TOTAL NON-CURRENT ASSETS		**2,143,352**	**3,151,126**
TOTAL ASSETS		**6,166,102**	**6,663,329**
CURRENT LIABILITIES			
Trade and other payables		486,222	333,081
Interest bearing liabilities		145,674	388,521
Provisions		143,780	111,331
Other liabilities		11	4,500
TOTAL CURRENT LIABILITIES		**775,687**	**837,433**
NON-CURRENT LIABILITIES			
Interest bearing liabilities		**58,087**	**49,962**
TOTAL LIABILITIES		**833,774**	**887,395**
NET ASSETS		**5,332,328**	**5,775,934**
EQUITY			
Contributed equity	10	38,244,943	33,592,819
Reserves		95,980	1,429,287
Accumulated losses		(33,008,595)	(29,246,172)
TOTAL EQUITY		**5,332,328**	**5,775,934**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

		Reserves				
CONSOLIDATED ENTITY	**Contributed equity** Note 10	**Convertible note equity**	**Asset revaluation reserve**	**Share option reserve**	**Accumulated losses**	**Total**
	$	$	$	$	$	$
Balance at 30 June 2010	**26,568,547**	**41,254**	**752,154**	**534,300**	**(25,007,876)**	**2,888,379**
Loss for the year	-	-	-	-	(4,238,296)	(4,238,296)
Other comprehensive income	-	-	61,913	-	-	61,913
Total Comprehensive income for the year	-	-	61,913	-	(4,238,296)	(4,176,383)
Transactions with owners in their capacity as owners						
Issue of shares	3,873,537	-	-	39,666	-	3,913,203
Funds received in advance of share issue	3,212,115	-	-	-	-	3,212,115
Share issue expenses	(61,380)	-	-	-	-	(61,380)
Balance at 30 June 2011	**33,592,819**	**41,254**	**814,067**	**573,966**	**(29,246,172)**	**5,775,934**
Loss for the year	-	-	-	-	(5,191,710)	(5,191,710)
Other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	(5,191,710)	(5,191,710)
Transactions with owners in their capacity as owners						
Issue of shares	3,597,516	-	-	-	-	3,597,516
Funds received in advance of share issue	1,196,090	-	-	-	-	1,196,090
Share issue expenses	(141,482)	-	-	-	-	(141,482)
Share based payment				95,980		95,980
Transfer on repayment of convertible note	-	(41,254)	-	-	41,254	-
Transfer on expiry of options	-	-	(814,067)	-	814,067	-
Transfer on sale of property	-	-	-	(573,966)	573,966	-
Balance at 30 June 2012	**38,244,943**	**-**	**-**	**95,980**	**(33,008,595)**	**5,332,328**

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		711,975	506,576
Payments to suppliers and employees		(5,832,644)	(5,043,767)
Interest and finance lease charges paid		(70,104)	(252,046)
Interest received		14,340	11,986
Research & development tax concession received		715,229	671,441
Net cash flows used in operating activities	11(a)	(4,461,204)	(4,105,810)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of secured deposit		(30,000)	-
Proceeds from sale of property, plant and equipment		1,484,191	42,017
Payments for property, plant and equipment		(1,066,940)	(138,199)
Net cash flows (used in) generated from investing activities		387,251	(96,182)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		360,278	346,422
Repayment of borrowings		(495,000)	(633,974)
Proceeds from share capital raised		4,693,606	5,071,480
Capital raising costs		(141,482)	(61,380)
Net cash flows generated from financing activities		4,417,402	4,722,548
Net increase in cash and cash equivalents held		343,449	520,556
Cash and cash equivalents at the beginning of the financial year		596,077	75,521
Cash and cash equivalents at the end of the financial year	11(c)	939,526	596,077

1. Basis of preparation

This preliminary final report has been prepared in compliance with Australian Accounting Standards (AASBs) (including Australian interpretations) as issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

This financial report does not include notes of the type normally included in annual financial statements.

It is recommended that the preliminary final report be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with the continuous disclosure obligations of the ASX listing rules.

The financial report has been prepared on the historical cost basis except for land and buildings which have been measured at fair value.

The accounting policies used in this report are the same as those used in the last annual report.

(a) Going concern

The Company has net assets of $5,332,328 (2011: $5,775,934) and net current assets of $3,247,063 (2011: $2,674,770) as at 30 June 2012 and incurred a loss of $5,191,710 (2011: $4,238,296) and net operating cash outflow of $4,461,204(2011: $4,105,810) for the year ended 30 June 2012.

The Company's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on a number of factors, including:

- delivery of existing and new products through the Company's distribution network to generate sales revenues and positive cash flows; and
- the success of the manufacturing facility in Malaysia.

The financial report has been prepared on a going concern basis. In arriving at this position the directors have had regard to the fact that the Company has, or in the directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

Should the Company not achieve the matters set out above, there is significant uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

2. Segment information

The Company identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and in determining the allocation of resources. Operating segments are identified by management based on the similarity of the products produced and sold.

The Company is operating in one segment, being the manufacture and distribution of the patented range of Sprintex® superchargers.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012

		2012 $	2011 $
3.	**Revenue and expenses**		
3.1	**Other income**		
	Export market development grant	66,059	343,303
	Insurance recovery	27,856	-
		93,915	343,303
3.2	**Other expenses**		
	Share based payments	95,980	62,726
	Loss on disposal of property, plant and equipment, net	36,250	1,154
	Net foreign exchange loss	5,831	26,348
	Provision for receivables impairment	89,017	65,999
	Total other expenses	227,150	156,227
3.3	**Other revenue**		
	Interest income	14,340	11,986
3.4	**Finance costs**		
	Interest and finance charges paid	70,104	103,366
	Convertible note interest	-	208,692
	Total finance costs	70,104	312,058
3.5	**Employee payments including benefits expense**		
	Salaries and wages	1,582,879	1,730,024
	Superannuation expense	99,068	140,888
	Annual leave and long service leave	(12,615)	(45,218)
	Other employment expense	66,338	80,703
		1,735,670	1,906,397
3.6	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment	250,658	237,724
	Amortisation for leasehold improvements	27,668	23,536
	Amortisation for trademarks and patents	14,259	14,220
	Total depreciation and amortisation	292,585	275,480
3.7	**Operating lease expense**	181,794	181,437
3.8	**Research & Development Expense**		
	Research & Development staff costs	449,285	530,831
	Consult costs	200,154	195,489
	Materials / service costs	958,218	513,529
		1,607,657	1,239,769

4. Income tax benefit

The income tax benefit relates to a research and development tax benefit of $615,229 for the current year and includes $15,229 related to the year ended 30 June 2011 which was received in the year ended 30 June 2012 but had not been recorded in the year ended 30 June 2011.

5. Loss per share

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to equity holders of the Company for the year of $5,191,710 (2011: $4,238,296) and the weighted average of 582,098,257 (2011: 294,745,156) ordinary shares in issue during the year.

The diluted loss per share amount for the year was the same as the basic loss per share, as the Company did not have any share options outstanding and the outstanding performance rights are anti-dilutive at 30 June 2012.

6. Pledged bank deposits

Pledged bank deposits at 30 June 2012 represented a fixed deposit for a term of 6 months maturing on 27 October 2012, bearing interest at 6.0% per annum and is pledged against a guarantee in the amount of $82,000 issued by a bank on behalf of the Company and an at call deposit of $30,000 supporting credit card facilities. Pledged bank deposits at 30 June 2011 represented fixed deposits for terms of 2 months and bear interest at a weighted average rate of 6.0% per annum. The deposits were pledged against an operating lease facility granted to the Company.

7. Trade and other receivables

	2012	**2011**
	$	**$**
Trade receivables	163,584	201,397
Allowance for impairment loss	(95,313)	(25,999)
	68,271	175,398
Other receivables	650,028	783,316
Trade deposits	187,596	222,209
Prepayments	92,114	96,589
	998,009	1,277,512

Trade receivables are non- interest bearing and are generally on 0-90 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.

Other receivables mainly represent a research and development tax concession receivable and are considered fully recoverable.

Trade deposits represent payments to suppliers with no history of unsatisfactory product quality or delivery default and are considered fully recoverable.

8. Investment in a joint venture

Interests in joint venture are accounted for using the equity method of accounting. Information relating to the joint venture is set out below:

(a) Investment details

		2012 $	2011 $
Unlisted			
Proreka Sprintex Sdn. Bhd.	Investment	217,448	-
		217,448	-

The principal activity is the production of superchargers

(b) Movements in the carrying amount of the Company's investment in a joint venture

	2012 $	2011 $
Proreka Sprintex Sdn. Bhd.		
At beginning of year		
New investment	321,337	-
Share of losses	(103,889)	-
	217,448	-

(c) Loan due from a joint venture

	2012 $	2011 $
Proreka Sprintex Sdn. Bhd. (note i)	903,478	-

(i) The loan to the joint venture is interest free. Repayment is expected to be via the receipt of inventory purchases by the Company.

9. Goodwill & intellectual property

	2012 $	2011 $
Intellectual Property – Sprintex® Technology	39,111	53,370
Goodwill	-	479,136
	39,111	532,506

Intellectual property – Sprintex® Technology represents patents. Intellectual property is carried at cost less accumulated amortisation and impairment losses. The patents have been granted terms up to January 2013 or January 2014 by the relevant government agencies with the option of renewal without significant cost at the end of this period.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The Company operates in one CGU and therefore goodwill was allocated to the Company as a whole.

The Company considered that the goodwill was fully impaired as the projections forecast in the prior year were not achieved and therefore resulted in an impairment expense of $479,136 being recognised.

In prior years, the recoverable amount of the Company has been determined based on the value in use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.75%. Cash flows beyond the five year period are extrapolated using a pricing growth rate of 3%.

10. Contributed equity

	2012 $	2011 $
Paid up capital – ordinary shares	38,075,634	31,264,356
Capital raising costs capitalised	(1,026,781)	(883,652)
	37,048,853	30,380,704
Subscription proceeds – shares to be issued	1,196,090	3,212,115
	38,244,943	33,592,819

(a) Ordinary shares

Movements in Ordinary Share Capital	**Date**	**Number of shares**	**$**
Balance at 1 July 2011		342,716,263	33,592,819
Entitlement Issue Shares at $0.02 each (note i)	September to November 2011	255,231,987	5,104,640
Private Placement at $0.02 each (note ii)	December 2011	24,904,365	498,087
Private Placement at $0.02 each (note iii)	January 2012	3,000,000	60,000
Private Placement at $0.02 each (note iv)	March 2012	57,345,192	1,146,908
Exercise of options at $0.08 each (note v)	June 2012	5	-
Less capital raising costs capitalised		-	(143,129)
Contributions to equity net of transaction costs during the period		340,481,549	6,666,502
Less: proceeds received in prior period			(3,212,115)
Add: proceeds received in advance in current period (note 29)			1,196,090
Contributions to equity net of transaction costs during the period		-	4,650,4777
Balance as at 30 June 2012		683,194,812	38,243,296

(i) *Entitlement Issue Shares at A$0.02 per share*
On 6 July 2011, the Company announced a one for one non-renounceable rights issue of fully paid shares in the Company at an issue price of $0.02 per share ("Entitlement Issue").

The Company issued 255,231,987 ordinary shares raising $5,104,640 via this Entitlement Issue.

(ii) *Private Placement at A$0.02 per share*
In December 2011, the Company issued 24,904,365 shares via a private placement at an issue price of $0.02 per share raising $498,087.

(iii) *Private Placement at A$0.02 per share*
In January 2012 the Company issued 3,000,000 shares via a private placement at an issue price of $0.02 per share raising $60,000

(iv) *Private Placement at A$0.02 per share*
In March 2012 the Company issued 57,345,192 shares via a private placement at an issue price of $0.02 per share raising $1,146,908.

(v) *Exercise of options at $0.08*
Five options were exercised at $0.08.

10. Contributed equity (cont'd)

(vi) *Issue of Performance Rights*
On 30 November 2011, the Company issued 5,000,000 Class A, 5,000,000 Class B, 5,000,000 Class C and 5,000,000 Class D performance rights to senior management of the Company. 1,250,000 class A, 1,250,000 class B, 1,250,00 class C and 1,250,000 class D Performance Rights expired when a member of senior management resigned. The performance rights were issued for nil cash consideration and each performance right converts into one fully paid ordinary share upon the following vesting conditions being achieved:

CLASS	Condition
Class A Performance Rights	Commencement of manufacturing of superchargers at a facility being established in Malaysia via a joint venture with AutoV Corporation, as was announced by the Company on 5 July 2011.
Class B Performance Rights	First quarter of positive earnings before interest, taxation, depreciation and amortisation.
Class C Performance Rights	First year of positive earnings before interest, taxation, depreciation and amortisation.
Class D Performance Rights	Second consecutive year of positive earnings before interest, taxation, depreciation and amortisation.

(b) Share options

On 9 September 2011, the Company issued 20,000,000 options with an expiry date of 30 June 2012 and an exercise price of $0.08 to consultants in consideration for business development services provided to the Company.

As at 30 June 2012, nil (2011: 28,751,108) options of the Company exercisable at $0.08 per share on or before 30 June 2012 were in issue.

11. Cash flow statement reconciliation

(a) Reconciliation of cash flows from operating activities to operating loss after income tax

	2012 $	2011 $
Operating loss after income tax	(5,191,710)	(4,238,296)
Add non-cash items:		
Share based payments	95,980	9,000
Net loss (gain) on the sale of assets	36,250	1,154
Depreciation and amortisation	292,585	273,260
Goodwill written off	479,136	-
Impairment of inventory	255,463	-
Share of loss of joint venture	103,889	-
Exchange difference	-	26,348
Changes in assets and liabilities		
Decrease / (increase) in trade and other receivables	279,503	(466,368)
(Increase) in inventories	(993,401)	(623,278)
Increase / (decrease) in trade and other payables	148,652	(306,450)
Increase in provision for warranty	43,352	17,484
(Decrease) in provision for employee entitlements	(10,903)	(45,220)
Net cash flows used in operating activities	(4,461,204)	(4,105,810)

11. Cash flow statement reconciliation (cont'd)

(b) Non-cash financing and investing activities

(i) the Company sold $903,478 of inventory and intellectual property to it's joint venture on deferred terms.

(ii) the Company acquired $68,924 of equipment under finance leases. This acquisition will be reflected in the statement of cash flow over the terms of the finance leases via lease repayments.

	2012 $	2011 $
(c) Reconciliation of cash and cash equivalents to cash flow statement of cash flow For the purpose of the statement of cash flow, cash and cash equivalents comprise the following at 30 June:		
Cash at banks and on hand	939,526	596,077
	939,526	596,077

12. Events subsequent to reporting period

(a) Subsequent to the reporting period, the Company raised equity capital by way of a one for six non-renounceable entitlement issue at $0.02 per share with three free attaching options with an exercise price of $0.02 per share any time on or before 30 June 2013. 83,874,225 ordinary shares were issued for total gross proceeds of $1,677,484. The directors have until 13 November 2012 to place the remaining 29,992,079 shares.

(b) Subsequent to the reporting period, the Company's Joint Venture, Proreka Sprintex Sdn. Bhd. (JV) obtained bank financing of 80% of the equipment cost under a facility totalling RM 5 million (approximately $1.6 million) (Facility). The financing was conditional on each of two of the Malaysia resident directors of the JV, AutoV Corporation Bhd (the Company's joint venture partner) and AutoV Corporation BHD's parent, Globaltec BHD, providing 'an all monies guarantee' to secure the Facility. The Company agreed to provide indemnities totalling half of the limit under the Facility, being a maximum of RM 2.5 million (approximately $0.8 million), to support the guarantees issued by the aforesaid parties.