

Rule 4.2A

Appendix 4D

Half yearly report

Name of Entity	AIRCROUSING AUSTRALIA LIMITED
ACN	25 010 484 938
Financial Period Ended	31 DECEMBER 2008
Previous Corresponding Reporting Period	31 DECEMBER 2007

Results for Announcement to the Market

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	3,354,615	-8.5%
Profit / (loss) from ordinary activities after tax attributable to members	-58,015	-152.6.0%
Net profit / (loss) for the period attributable to members	-58,015	-152.6.0%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Please refer to directors report on page 5.		

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	Nil
Total dividend	Nil
Amount per security of foreign sourced dividend or distribution	Nil
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	(.023) cents	(.037) cents

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Nil
Date control gained	N/A
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Not Applicable
Date control lost	Not Applicable
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	Not Applicable
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	Not Applicable

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
Not Applicable				
Aggregate Share of Net Profits				

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: <p style="text-align: center;">Not Applicable</p>			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: <p style="text-align: center;">Not Applicable</p>			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed By (Director/Company Secretary)	
Print Name	Jan Musgrave
Date	27 th February 2009

DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2008.

Directors

The names of directors who held office during or since the end of the half-year:

N F Knudsen
J C Musgrave
G J Paynter
T Patterson
S Doyle

Review and results of Operations

The Directors report a loss of \$58,015 for the six months to 31 December 2008 compared to a profit of \$110,328 for the same period last year. Turnover decreased by \$286,095 (-7.9%).

In the Annual Financial Report to Shareholders last October, the Directors expressed their confidence in producing a profit for the 2009 financial year. As a result of the current uncertain economic conditions, and the unfavourable weather conditions in the North Coast of New South Wales affecting the bookings at the "Bellinger River Tourist Park", the Directors are forecasting a decline in revenue and profit for the 2009 financial year.

The Directors are constantly reviewing the situation.

Independence declaration

We have received a declaration from the auditors, Storey Blackwood, of their independence, which is attached as the second page of this directors' report.

The report is signed in accordance with a resolution of the Board of Directors.



Jan Musgrave

Director

Dated: 27th February 2009



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LIQUIDATIONS

AUDITOR'S INDEPENDENCE DECLARATION

**To: The Directors
Aircruising Australia Limited**

In accordance with section 307C of the Corporations Act 2001, I am please to provide the following declaration of independence to the directors of Aircruising Australia Limited.

As lead engagement partner for the review of Aircruising Australia Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

Storey Blackwood

Storey Blackwood

J Adcock

Geoffrey N Adcock - Partner

Date: 27 February 2009



AIRCruising Australia Limited and Controlled Entities
Consolidated Income Statement
For the half year ended 31 December 2008

	Note	Consolidated 31 Dec 2008 \$	31 Dec 2007 \$
Sales revenues		3,342,412	3,628,507
Other revenues	2	12,203	37,556
Revenue from ordinary activities		3,354,615	3,666,063
Expenses excluding borrowing cost	3	(3,359,493)	(3,547,395)
Borrowing costs		(53,137)	(8,340)
Profit/(loss) before income tax expense		(58,015)	110,328
Income tax expense		-	-
Profit/(loss) after income tax expense		(58,015)	110,328
Net profit/(loss) attributed to members of the parent entity at the end of the financial year		(58,015)	110,328
Basic earnings per share (cents per share)		0.00c	0.01c
Diluted earnings per share (cents per share)		0.00c	0.01c

The Statement of Financial Performance is to be read in conjunction with the attached notes and the most recent annual financial report.

AIRCruising AUSTRALIA LIMITED AND CONTROLLED ENTITIES
Consolidated Balance Sheet
As at 31 December 2008

	Note	Consolidated	
		31 Dec 2008	31 Dec 2007
		\$	\$
CURRENT ASSETS			
Cash		479,595	737,992
Receivables		166,066	175,804
Inventory		107,142	119,896
Other		612,726	595,394
TOTAL CURRENT ASSETS		1,365,529	1,629,086
NON-CURRENT ASSETS			
Property, plant and equipment		2,407,371	2,080,940
Assets held for resale		-	64,635
Intangibles assets		1,298,704	1,427,191
TOTAL NON-CURRENT ASSETS		3,706,075	3,572,766
TOTAL ASSETS		5,071,604	5,201,852
CURRENT LIABILITIES			
Payables		532,774	418,778
Advance Deposits		1,103,097	1,905,141
Provisions		77,481	64,976
Interest bearing liabilities		2,041,747	1,753,236
TOTAL CURRENT LIABILITIES		3,755,099	4,142,131
NON-CURRENT LIABILITIES			
Interest bearing liabilities		133,582	-
Provisions		59,631	77,774
Deferred Tax Liability		99,514	-
TOTAL NON-CURRENT LIABILITIES		292,727	77,774
TOTAL LIABILITIES		4,047,826	4,219,905
NET ASSETS		1,023,778	981,947
EQUITY			
Contributed equity		4,800,000	4,800,000
Retained profits		(3,776,222)	(3,818,053)
TOTAL EQUITY		1,023,778	981,947

The Statement of Financial Position is to be read in conjunction with the attached notes and the most recent annual financial report.

AIRCruising Australia Limited and Controlled Entities
Consolidated Statement of Changes in Equity.

For the Half Year Ended 31st December 2008

	Ordinary Shares	Retained Earnings \$	Total \$
Balance at 1 July 2008	4,800,000	(3,718,207)	871,619
Profit/(Loss) attributed to members of entity	-	(58,015)	(58,015)
Total equity at the end of the half year	<u>4,800,000</u>	<u>(3,776,222)</u>	<u>1,023,778</u>
Balance at 1 July 2007	4,800,000	(3,928,381)	871,619
Profit/(Loss) attributed to members of entity	-	110,328	110,328
Total equity at the end of the half year	<u>4,800,000</u>	<u>(3,818,053)</u>	<u>981,947</u>

AIRCruising AUSTRALIA LIMITED AND CONTROLLED ENTITIES
Statement of Cash Flows
For the half year ended 31 December 2008

	Consolidated	
	31 December	31 December
	2008	2007
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	5,737,142	3,392,966
Payments to suppliers and employees	(7,891,505)	(3,706,662)
Interest received	9,583	31,846
Interest and other costs of finance paid	(53,137)	(8,340)
Net operating cash flows	(2,197,917)	(290,190)
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(161,991)	(1,049,382)
Payments for intangible assets	-	(1,300,000)
Net investing cash flows	(161,991)	(2,349,382)
Cash flows from financing activities		
Proceeds from borrowings	1,649,329	1,483,100
Finance lease principal repayments	(17,544)	(24,657)
Net financing cash flows	1,631,785	1,458,443
Net increase (decrease) in cash	(728,123)	(1,181,129)
Cash at beginning of period	751,362	1,919,121
Cash at end of period	23,239	737,992

The Statement of Cash Flows to be read in conjunction with the attached notes and the most recent annual financial report.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS**

NOTE 1. Basis of preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all the information required for a full annual financial report and it is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Aircruising Australia Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The principal accounting policies adopted in the preparation of the financial report are set out below.

Going Concern

The financial statements have been prepared on a going concern basis. The consolidated entity has net current liabilities of \$2,389,570 at 31 December 2008. The net current liability situation initially arose mainly due to the purchase of fixed assets in the year ended 30 June 2003 of \$1,017,014 funded from cash resources. In December 2007, Repton Riverside Tourist Park was purchased for \$2,315,765 with funding from cash reserves of \$832,665 and \$1,483,100 in short term bank bills. Short term bank bills is considered to be the most efficient form of borrowing to take advantage of the fluctuating cash flow of the holding company to contain interest expense. The consolidated entity earned an operating loss from ordinary activities of \$58,015 for the six months ended 31st December 2008, compared with a profit of \$110,328 after provision for tax in the previous corresponding period. In addition, as noted in the Directors' Report, current trends indicate that the prospects for the future are good.

The ability of the consolidated entity to continue to trade as a going concern is dependent on the consolidated entity being able to obtain additional funding either from continued profitable trading or from the continued support of the major shareholders and banks. If the entity is unable to obtain such funding, they may be required to realise assets and extinguish liabilities and commitments other than in the ordinary course of business and at amounts which are different from those currently stated in the financial statements.

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$	\$
NOTE 2:REVENUE		
Other revenues	12,203	37,556
NOTE 3: EXPENSES		
Expenses excluding borrowing costs is comprised as follows:		
Tour costs and operating expenses	2,511,720	2,732,212
Marketing and selling expenses	571,658	570,476
Administrative expenses	276,115	244,707
Total expenses excluding borrowing cost	3,359,493	3,547,395

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS**

Consolidated	
31 Dec 2009	31 Dec 2008
\$	\$

NOTE 4: DIVIDENDS PAID

No dividends have been paid during the period, and the directors have not recommended the payment of a final dividend in respect of the interim period.

NOTE 5: SEGMENT INFORMATION

Aircruising Australia Limited operates wholly within one geographic region – Australia. The principal activity is the operation of specialist interest tour programmes and aircruises within and from Australia.

DIRECTORS' DECLARATION

The directors of Aircruising Australia Limited declare that:

1. The financial statements and notes, as set out on pages 7 to 12:
 - (a) comply with accounting standards and are in accordance with the Corporations Act 2001,
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date,
2. In the directors' opinion there are reasonable grounds to believe the company will be able to pay its debts when they become due and payable.
3. They have been given the declaration required by section 295A of the Act.

Signed in accordance with a resolution of directors made pursuant to S303(5) of the Corporations Act 2001..



.....
Director

Dated this 27th day of February 2009



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INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF AIRCROISING AUSTRALIA LIMITED

We have reviewed the accompanying half-year financial report of Aircruising Australia Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, and cash flow statement 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 7 to 13.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 2008 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 Aircruising Australia 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

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 Aircruising Australia Limited in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Storey Blackwood

Storey Blackwood

J Adcock

Geoffrey N Adcock

Level 4, 222 Clarence Street
Sydney NSW 2000

Dated *27 February 2009*