



Appendix 4D

Half-Yearly Report – Half Year ended 31 December 2008

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

ABN 90 009 140 550

Results for Announcement to the Market

Current reporting period: Half-year ended 31 December 2008
 Previous reporting period: Half-year ended 31 December 2007

Revenues from ordinary activities	Up	19%	To	\$16.4 M
Earnings from continuing operations before interest, taxation, depreciation and amortisation (EBITDA)	Up	228%	To	\$3.507 M
Profit from ordinary activities after tax attributable to members	Up		To	\$.289 M
Net profit (loss) for the period attributable to members	Up		To	\$.289 M

Dividends

No dividends have been proposed or declared for the period ended 31 December 2008. No record date is required as no dividends have been proposed or declared for the period ended 31 December 2008.

Net tangible assets per ordinary share

	<u>31 Dec 08</u>	<u>31 Dec 07</u>
Basic net tangible asset per ordinary share (cents per share)	11.09	10

Earnings per share (EPS)

	<u>31 Dec 08</u>	<u>31 Dec 07</u>
Basic EPS (cents per share)	0.2	(0.8)
Diluted EPS (cents per share)	0.2	(0.8)

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

Half-Yearly Report – Half Year ended 31 December 2008

Entities over which control was gained or lost during the period

DMX did not gain or lose control over any entities during the current reporting period.

Explanation of Results

The attached Financial Report for the half-year ended 31 December 2008 forms part of this document. This interim financial report is to be read in conjunction with the most recent annual financial report. A copy of the 2008 annual financial report and other documents are available on the DMX website www.dolomatrix.com or the ASX website at www.asx.com.au.

Review Report

The unqualified independent review report of the company's auditors, HLB Mann Judd, is attached to this document and highlights no areas of dispute.



Jon P McArthur
Chief Financial Officer & Company Secretary

28 January 2009



DoloMatrix International Limited
ABN 90 009 140 550

and its

Controlled Entities

Half Year Financial Report

31 December 2008

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DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

COMPANY DIRECTORY

Board of Directors

Iain Thompson (Chairman)
John White (Managing Director)
Anthony Ho (Non Executive Director)
Elliott Kaplan (Non Executive Director) Appointed 26 November 2008
Gerry van Wyngen (Non Executive Director)

Chief Financial Officer & Company Secretary

Jon McArthur

Registered Office

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273 Alfred Street
North Sydney NSW 2060

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Share Registry

Advanced Share Registry Services Pty Ltd
200 Adelaide Terrace
Perth WA 6000

Telephone: (+618) 9389 8033
Facsimile: (+618) 9221 7869

Auditor

HLB Mann Judd (NSW Partnership)
Chartered Accountants
Level 19, 207 Kent Street
Sydney NSW 2000

Stock Exchange Listing

The Company's securities are listed on the Australian Securities Exchange Limited (ASX).

ASX Stock Exchange Code

DMX: fully paid ordinary shares

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2008 and the review report thereon.

Directors

The names of each person serving as a Director, either during or since the end of the half-year, are set out below:

Iain Thompson (Chairman)
John White (Managing Director)
Anthony Ho (Non Executive Director)
Elliott Kaplan (Non Executive Director) (Appointed 26 November 2008)
Gerry van Wyngen (Non Executive Director)

Principal Activities

The principal activity of the Consolidated Entity during the financial year was the management of hazardous and other complex waste materials at its facilities and the development and commercialisation of its related technologies.

Review of Results and Operations

Net profit before tax for the 31 Dec 08 half year is \$1.015 million compared with a loss of (\$1.706) million for the same period last year - a turnaround of \$2.721 million. Legal fees in relation to the claim by Mr Doumbos amounting to \$113,000 were also expensed in the current period.

With revenues up on the previous corresponding half by 19% the consolidated entity produced EBITDA of \$3.507 million compared to the same period last year of \$1.068 million a 228% improvement. Operating cashflow for the half year is substantially improved over the same period last year.

Tax expense includes a prior year adjustment of \$187k : there will be no cash payment of tax as the prior year losses are still being consumed.

On 10 September 2007, the former CEO of DoloMatrix International Limited lodged a Statement of Claim in the Supreme Court of NSW seeking damages, interest and costs for contractual entitlements under his employment service agreement and lost income in relation to his now expired option entitlements. Following mediation, the Company believes that the matter will settle shortly and estimates that an amount of approximately \$600,000 will be payable on settlement and have included this detail in the contingent liabilities note in this report. This amount has not been provided for in the financial statements and is in addition to the legal costs incurred and expensed by the Company this half.

Achievement of the full year revised forecast set out in November will depend on a continuation of improvements made to date and the sales for Plascon machines being achieved. Most financial commentators and business indicators show that there will be a slowdown in 2009. The majority of the operations of Chemsal and BCD are to some extent insulated from any general slowdown, however in the case of Chemsal there are a significant number of commercial customers who may face declining output and this may affect our operations. That said our revenues for the first six months were in line with expectations and at this time the operations of Chemsal and BCD are running to forecast.

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Bank debt principal has reduced in this half year by \$1.135 million, with another \$1.135 million reduction forecast in the second half of FY2009.

The company has over the past six months continued to improve operations across the business. The management changes made in the previous year have significantly enhanced the company's prospects, control and profitability.

Rounding

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars unless otherwise stated.

Subsequent Events

There were no events subsequent to 31 December 2008 not already disclosed to the market.

Auditor's Independence Declaration

A copy of the independence declaration given to the Directors by the lead auditor for the review undertaken by HLB Mann Judd is included on page 20.



John White
Managing Director

28 January 2009

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED CONDENSED INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

		Consolidated	
		6 months to 31 Dec 08 \$'000	6 months to 31 Dec 07 \$'000
	Note		
Revenue from continuing operations	2	16,403	13,774
Cost of sales		(8,747)	(6,626)
Accounting and audit		(113)	(178)
Employee benefits expense		(2,918)	(2,804)
Legal expenses		(164)	(270)
Marketing		(22)	(539)
Patent costs		(32)	(55)
Professional services		(130)	(90)
Rent		(65)	(376)
Travel and accommodation		(110)	(254)
Other expenses from ordinary activities		(595)	(1,514)
		<hr/>	<hr/>
Earnings Before Interest Tax Depreciation & Amortisation (EBITDA)		3,507	1,068
Depreciation of non-current assets		(964)	(921)
Amortisation of intangible assets		(1,045)	(1,017)
Finance costs		(612)	(1,024)
Interest received		129	188
		<hr/>	<hr/>
Profit/(Loss) before income tax	3	1,015	(1,706)
Income tax expense		(726)	527
		<hr/>	<hr/>
Profit/(Loss) from continuing operations		289	(1,179)
(Profit)/ Loss attributable to minority interest		-	67
		<hr/>	<hr/>
Profit/ (Loss) attributable to members		289	(1,112)
		<hr/>	<hr/>
Earnings per share		Cents 0.2	Cents (0.8)
Diluted EPS		0.2	(0.8)

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

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED CONDENSED BALANCE SHEET

AS AT 31 DECEMBER 2008

		Consolidated	
	Note	31 Dec 08 \$'000	30 Jun 08 \$'000
CURRENT ASSETS			
Cash and cash equivalents	4	5,357	5,438
Trade and other receivables		6,545	8,088
Inventories		1,507	1,510
TOTAL CURRENT ASSETS		<u>13,409</u>	<u>15,036</u>
NON-CURRENT ASSETS			
Receivables		42	34
Property, plant and equipment		20,533	20,883
Intangibles	5	33,414	34,431
Deferred tax		2,432	3,117
TOTAL NON-CURRENT ASSETS		<u>56,421</u>	<u>58,465</u>
TOTAL ASSETS		<u>69,830</u>	<u>73,501</u>
CURRENT LIABILITIES			
Trade and other payables		3,992	5,821
Borrowings		2,807	3,005
Income tax		192	152
Provisions		3,623	4,403
TOTAL CURRENT LIABILITIES		<u>10,614</u>	<u>13,381</u>
NON-CURRENT LIABILITIES			
Borrowings		10,628	11,772
Provisions		-	244
TOTAL NON-CURRENT LIABILITIES		<u>10,628</u>	<u>12,016</u>
TOTAL LIABILITIES		<u>21,242</u>	<u>25,397</u>
NET ASSETS		<u>48,588</u>	<u>48,104</u>
EQUITY			
Contributed equity	7	70,136	69,943
Reserves		59	57
Accumulated losses		(21,580)	(21,869)
Parent entity interest		48,615	48,131
Minority interest		(27)	(27)
TOTAL EQUITY		<u>48,588</u>	<u>48,104</u>

The consolidated balance sheet should be read in conjunction with the accompanying notes.

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Half year ended 31 Dec 08 \$'000	Half year ended 31 Dec 07 \$'000
	Note	
Cash flows from operating activities		
Cash receipts in the course of operations	16,584	12,607
Cash payments in the course of operations	(12,468)	(12,264)
	<hr/>	<hr/>
Cash flow before finance costs	4,116	343
Interest received	129	172
Interest paid	(612)	(1,227)
	<hr/>	<hr/>
Net cash flows (used in) operating activities	3,633	(712)
Cash flows from investing activities		
Acquisition of Sydney property - Chemsal	-	(6,184)
Acquisition of Entech Industries Pty Ltd	-	(146)
Payments to acquire fixed assets	(680)	(1,350)
Payments for Plascon Machine WIP	-	(790)
Payment to Chemsal Vendors	7 (1,649)	-
Payment to Waste Audit Vendors	(250)	-
	<hr/>	<hr/>
Net cash flows /(used in) investing activities	(2,579)	(8,470)
Cash flows from financing activities		
Proceeds from issue of shares	-	9,781
Costs incurred in relation to share issue	-	(16)
Repayment of borrowings	(1,135)	(5,500)
Loan proceeds received	-	5,700
	<hr/>	<hr/>
Net cash flows/(used in) financing activities	(1,135)	9,965
Net increase/(decrease) in cash and cash equivalents	(81)	783
Cash and cash equivalents at beginning of period	5,438	5,593
Cash and cash equivalents at end of period	4 5,357	6,376

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

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Issued capital	Accumulated losses	Share based payment reserve	Foreign exchange translation reserve	Minority interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Period ended 31 December 2008						
Profit (loss) for the period	-	289	-	-	-	289
Currency translation differences	-	-	-	-	-	-
Share options issued during the period	-	-	2	-	-	2
Total recognised income and expense for the period recognised directly in equity	-	-	2	-	-	2
Total recognised income and expense for the year	-	289	2	-	-	291
Transactions with equity holders in their capacity as equity holders:						
Chemisal vendor adjustment	193	-	-	-	-	193
Total equity at 1 July 2008	69,943	(21,869)	57	-	(27)	48,104
Total equity at 31 December 2008	70,136	(21,580)	59	-	(27)	48,588
Period ended 31 December 2007						
Profit (loss) for the period	-	(1,179)	-	-	(67)	(1,112)
Currency translation differences	-	-	-	36	-	36
Share options issued during the period	-	-	45	-	-	45
Total recognised income and expense for the period recognised directly in equity	-	-	45	36	-	81
Total recognised income and expense for the year	-	(1,179)	45	36	(67)	(1,165)
Transactions with equity holders in their capacity as equity holders:						
Shares issued during period, net of transaction costs	9,937	-	-	-	-	9,937
Total equity at 1 July 2007	61,848	(22,357)	-	6	(33)	39,464
Total equity at 31 December 2007	71,785	(23,536)	45	42	(100)	48,236

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

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Note 1: Statement of Significant Accounting Policies

(a) Reporting entity

Dolomatrix International Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2008 comprises the Company and its controlled entities (together referred to as the "consolidated entity").

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2008 is available upon request from the Company's registered office at Level 3, Suite 9, 273 Alfred Street North, North Sydney NSW 2060

(b) Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2008.

This consolidated interim financial report was approved by the Board of Directors on 28 January 2009.

The consolidated entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(c) Significant accounting policies

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2008.

(d) Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty are detailed in note 10.

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Half year ended 31 Dec 08 \$'000	Half year ended 31 Dec 07 \$'000
Note 2: Revenue from continuing operations		
Sales revenue		
Waste Treatment & Sale of Goods	16,403	13,757
Other income	-	17
	<hr/> 16,403	<hr/> 13,774
Other revenue		
Interest received	129	188
	<hr/> 129	<hr/> 188
Total revenue	<hr/> 16,532	<hr/> 13,962

	Half year ended 31 Dec 08 \$'000	Half year ended 31 Dec 07 \$'000
Note 3: Profit/(Loss) before income tax		
Profit/(Loss) before income tax is before the following specific expenses		
Interest and borrowing costs	612	1,024
Amortisation of intangibles	1,045	1,017
Depreciation	964	921

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	As at 31 Dec 08 \$'000	As at 30 Jun 08 \$'000
Note 4: Cash and cash equivalents		
Cash at bank and on hand	647	490
Cash deposits	4,710	4,948
	5,357	5,438

Note 5: Intangible assets

Intellectual Property	500	500
Goodwill	24,950	24,922
Management Systems	406	422
Customer Related Intangibles	5,727	6,573
Plascon Patent & Licences	1,831	2,014
	33,414	34,431
	Half year ended 31 Dec 08 \$'000	Year ended 30 Jun 08 \$'000

Movement in Intangible Assets

Opening balance	34,431	34,386
Additions	28	-
Additions through acquisitions	-	2,165
Less amortization	(1,045)	(2,120)
	33,414	34,431

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Reconciliation of carrying value of intellectual property at the beginning and end of the current financial period is as follows:

	Half year ended 31 Dec 08 \$'000	Year ended 30 Jun 08 \$'000
Consolidated entity		
Carrying value at start of period	500	500
Amortisation for half year	-	-
Carrying value at end of period	500	500

Note 6: Segment Reporting

The consolidated entity operates in one business segment, being the waste management industry.

The consolidated entity operates in one geographical segment, being Australia and South East Asia.

Note 7: Contributed Equity

Shares	No. Shares	\$'000
Ordinary shares at 1 July 08	136,792,059	69,943
Chemisal vendors – extension of restraint period adjustment	-	193
Ordinary shares at 31 December 08	136,792,059	70,136

Chemisal Vendors (extension of restraint period) provision

A provision of \$1,842,105 was made in the financial year ended 30 June 08 in relation to the estimated shortfall on the sale price of the shares. Final payment occurred in September 2008 of \$1,649,122 and accordingly the overaccrual of \$192,983 has been adjusted for in the half year accounts.

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Note 8: Share options

Share options vested at the end of the period:

Vest Date	Expiry Date	Exercise Price	Vested Options Available at Beginning of Period	Option Granted During Period	Exercised During Period	Cancelled During Period	Options Available at end of Period
Nov 2007	Nov 2010	\$0.55	1,750,000	-	-	(1,750,000)	- (A)
July 2008	July 2011	\$0.80	-	875,000	-	(875,000)	- (A)
July 2008	July 2012	\$1.05	-	875,000	-	(875,000)	- (A)
			<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
			1,750,000	1,750,000	-	(3,500,000)	-

(A) Options issued to the CEO and CFO in Nov 2007 and July 2008 were cancelled by mutual agreement.

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Note 8: Share options (continued)

On 19 December 2008, options were issued to employees under the ESOP (employee share option plan), including options to the CEO and CFO.

A total of 5,750,000 options were issued on 19 December 2008 which vest on 19 December 2011, have an exercise price of \$0.30 and an expiry date of 19 December 2013. This issue includes 1,750,000 options to the CEO which are subject to shareholder approval.

Conditions of the issue of options are:

1. All options vest if earnings per share (EPS) increase by 10% or more per annum from FY2009 through FY2011. If EPS increase is between 5% and 10% per annum, the options will vest proportionately.
2. If an eligible person ceases to be an eligible person before the options vest, the options will lapse, otherwise the ESOP rules apply.
3. All options will vest immediately if the Company is taken over (defined as the unconditional acquisition by an external party of at least 50.1% of the Company's issued equity)

The options are issued in accordance with the Rules of the Employee Share Option Plan.

3,500,000 options issued previously to the CEO and CFO have been cancelled by mutual agreement.

Note 9: Subsequent events

No events have occurred subsequent to 31 December 2008 not previously disclosed to the market.

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Note 10: Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The consolidated entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The consolidated entity tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(j) to the consolidated annual report of the consolidated entity for the year ended 30 June 2008. The recoverable amount of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 6 of the FY2008 Annual Report for details of these assumptions and the potential impact of changes to these assumptions.

Estimated impairment of intellectual property

The consolidated entity tests annually whether intellectual property has suffered any impairment, in accordance with note 1(j) to the consolidated annual report of the consolidated entity for the year ended 30 June 2008. The recoverable amount of cash-generating units have been determined based on value-in-use calculations.

Note 11: Contingent liabilities

Legal Claim

On 10 September 2007, the former CEO of DoloMatrix International Limited lodged a Statement of Claim in the Supreme Court of NSW seeking damages, interest and costs for contractual entitlements under his employment service agreement and lost income in relation to his now expired option entitlements.

Following mediation, the Company believes that the matter will settle shortly and estimates that an amount of approximately \$600,000 will be payable on settlement. This amount has not been provided for in the financial statements and is in addition to the legal costs incurred and expensed by the Company this half.

DOLOMATRIX INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the opinion of the Directors of DoloMatrix International Limited:

1. the financial statements and notes set out on pages 8 to 18:
 - (a) give a true and fair view of the financial position of the economic entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and
 - (b) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations; and
2. 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.

Dated at Sydney this 28th day of January 2009.



John White
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of DoloMatrix International Limited:

As lead auditor for the review of DoloMatrix International 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 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration applies to DoloMatrix International Limited and the entities it controlled during the half year ended 31 December 2008.



B V ROSE
Partner

Sydney
28 January 2009

DOLOMATRIX INTERNATIONAL LIMITED
ABN 90 009 140 550
INDEPENDENT REVIEW REPORT

To the members of DoloMatrix International Limited:

Scope

We have reviewed the accompanying half year financial report of the DoloMatrix International Limited group ("the consolidated entity") which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration as set out on pages 8 to 19. The consolidated entity comprises DoloMatrix International Limited and the entities it controlled during that half year.

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 designing, implementing and maintaining internal controls 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.

Auditors' 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 Standards 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 to believe that the 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 the consolidated entity, 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.

**DOLOMATRIX INTERNATIONAL LIMITED
ABN 90 009 140 550
INDEPENDENT REVIEW REPORT
(continued)**

Auditors' Responsibility (continued)

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

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*, provided to the directors of DoloMatrix International Limited on 28 January 2009, would be in the same terms if provided to the directors as at the date of this auditors' 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 the DoloMatrix International Limited group is not in accordance with the *Corporations Act 2001* including:

- (i) giving 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; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**HLB MANN JUDD
(NSW Partnership)
Chartered Accountants**



**B V ROSE
Partner**

**Sydney
28 January 2009**