



The Manager Companies  
Company Announcements Office  
ASX Limited  
Level 4, Stock Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

## **HALF YEAR RESULT – 31 DECEMBER 2012**

Despite difficult trading conditions, the Company achieved a 6.5% increase in sales over the previous corresponding period. The Company recorded a profit from ordinary activities before one-off redundancy costs of \$664,000 and a net profit of \$549,000 for the six month period ended 31 December 2012.

During the 2012 financial year, the Company returned approximately \$12.6 million to shareholders by way of dividends and reduction of share capital. This reduction in cash has impacted interest income for the half year ended 31 December 2012 with a resultant reduction in net profit of approximately \$450,000 when compared to the previous corresponding period. The Company's balance sheet remains sound with zero borrowings and cash of approximately \$3 million at reporting date.

The Company is continuing to work on both organic and acquisitive growth opportunities. Subsequent to the end of the reporting period the Company embarked on a significant cost cutting exercise with benefits of this initiative to commence flowing through to the bottom line in Q4 of the current financial year.

Alexander Beard  
Chairman  
02 9087 8000

**Cellnet Group Limited**  
and its controlled entities

**ABN: 97 010 721 749**

**Half-Year Financial Report**  
**Period Ended 31 December 2012**

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	<b>Section</b>
<b>Appendix 4D</b>	<b>A</b>
<b>Financial Report</b>	<b>B</b>

## Section A

### Appendix 4D HALF YEAR REPORT Statutory Results

<b>Name of Entity</b>	Cellnet Group Limited
<b>ABN</b>	97 010 721 749
<b>Reporting Period</b>	Half-year ended 31 December 2012
<b>Previous Corresponding Period</b>	Half-year ended 31 December 2011

This information presented should be read in conjunction with the 30 June 2012 financial report.

#### Results for announcement to the market

	Reporting Period	Previous Corresponding Period	% Change Increase / (Decrease)
	\$'000	\$'000	
Revenue from continuing operations	38,083	35,816	6.33%
Revenue from discontinued operations	528	252	109.52%
Revenues from ordinary activities	38,611	36,068	7.05%
Profit from ordinary activities before one off redundancy costs after tax	664	704	(5.68%)
Profit from ordinary activities after tax attributable to members	549	704	(22.02%)
Net Profit for the period attributable to members	549	704	(22.02%)

For commentary on the results refer to the Directors' Report which forms part of the Half Year Report.

	Reporting Period	Previous Corresponding Period
Final Dividend	-	1.0¢
Amount per security	N/A	1.0¢
Franked amount per security	N/A	1.0¢
Record Date	N/A	5 August 2011
Special Dividend	-	1.5¢
Amount per security	N/A	1.5¢

Franked amount per security	N/A	1.5¢
Record Date	N/A	5 August 2011
Interim Dividends	-	1.0¢
Amount per Security	N/A	1.0¢
Franked Amount per Security	N/A	1.0¢
Record Date	N/A	9 December 2011

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### **NTA Backing**

Net tangible assets backing per share	21.5¢	39.9¢
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### **Additional Appendix 4D Disclosure Requirements**

During the half year ended 31 December 2012 Cellnet Group Ltd disposed of the following fully controlled entities:

1. OYT Pty Ltd was fully disposed via sale for a realised loss of \$14,000 on 12 September 2012.
2. Buyii Pty Ltd was fully disposed via sale for a realised profit of \$33,000 on 31 August 2012.

Additional Appendix 4D disclosure requirements can be found in the notes accompanying the Financial Statements.

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### **Financial Information**

This Appendix 4D should be read in conjunction with the Half Year Report for the half year ended 31 December 2012 as set out on pages 4 to 21.

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### **Compliance Statement**

This report is based on accounts that have been reviewed. The review report, which was not subject to audit dispute or qualification, is included in the interim financial report.

## **Section B**

# **Cellnet Group Limited and its controlled entities Half-Year Financial Report**

**Condensed Financial Report  
for the Half-Year Ended  
31 December 2012**

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## **Cellnet Group Limited and its controlled entities**

### **Half-Year Financial Report**

#### **Corporate Information**

ABN 97 010 721 749

#### **Directors**

A. Beard (Chairman)

M. Brookman

E. Kaplan

#### **Company Secretary**

C. Barnes

#### **Principal Registered Office**

Cellnet Group Limited

59-61 Qantas Drive

Eagle Farm QLD 4009

Phone: 1300 CELLNET

Fax: 1800 CELLNET

#### **Banker**

Westpac Banking Corporation

260 Queen Street

Brisbane QLD 4000

#### **Auditor**

Ernst & Young

111 Eagle Street

Brisbane QLD 4000

Phone: 07 3011 3333

#### **Share Registrar**

Link Market Services Ltd

Level 15 ANZ Building

324 Queen Street, Brisbane QLD 4000

Phone: 1300 554 474

#### **Stock Exchange**

The Company is listed on the Australian Stock Exchange. The Home exchange is Brisbane.

## **Cellnet Group Limited and its controlled entities**

### **Half-Year Financial Report**

#### **Directors' Report**

Your Directors submit their report for the half-year ended 31 December 2012.

#### **Directors**

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

A. Beard (Chairman)  
M. Brookman  
E. Kaplan (Appointed 25 July 2012)  
S. Smith (Resigned 25 July 2012)

#### **Principal activities**

The principal activities of the consolidated entity involve wholesale distribution of flash memory, mobile phone accessories and CE equipment and accessories, and fulfillment services to the mobile telecommunications and retail industries in Australia and New Zealand. Sales and distribution of products on-line.

#### **Review and results of operations**

Despite the difficult trading conditions of the past six months the Company has achieved a 6.5% increase in sales over the previous corresponding period. The Company recorded a profit from ordinary activities before one-off redundancy costs of \$664,000 and a net profit of \$549,000 for the six month period ended 31 December 2012.

The decline in profit from ordinary activities is a direct resultant of the significant reduction in interest income of approximately \$450,000. This was due to the Company returning approximately \$12.6 million to shareholders by way of dividend and reduction in share capital during the 2012 financial year. The Company's balance sheet remains sound with zero borrowings and cash of approximately \$3 million at reporting date.

The Company is continuing to work on both organic and acquisitive growth opportunities. Subsequent to the end of the reporting period the Company embarked on a significant cost cutting exercise with benefits of this initiative to commence flowing through to the bottom line in Q4 of the current financial year.

#### **Dividends**

No dividends were declared or paid in the six months ending 31 December 2012.

#### **Rounding**

The consolidated entity is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission. Amounts in the financial report and Directors' report have been rounded off to the nearest \$1,000 unless otherwise stated.



**Cellnet Group Limited and its controlled entities**

**Half-Year Financial Report**

**Director's Declaration**

Attached is a copy of the Auditors Independence Declaration provided under Section 307C of the *Corporations Act 2001* in relation to the review of the half year ended 31 December 2012. This Auditors Independence Declaration forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'A. Beard', written in a cursive style.

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A. Beard  
Director  
Sydney  
18 February 2013

**Cellnet Group Limited and its controlled entities  
Half-Year Financial Report**



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Brisbane QLD 4000 Australia  
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[www.ey.com/au](http://www.ey.com/au)

**Auditor's Independence Declaration to the Directors of Cellnet Group Limited**

In relation to our review of the financial report of Cellnet Group Limited for the half-year ended 31 December 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink that reads "Winna Brown".

Winna Brown  
Partner  
18 February 2013

**Cellnet Group Limited and its controlled entities**  
**Half-Year Financial Report**

**Interim consolidated statement of  
comprehensive income**

For the six months ended 31 December 2012

	Note	Consolidated	
		31 Dec 2012 \$'000	31 Dec 2011 \$'000
<b>Continuing operations</b>			
Sales of goods		37,198	34,938
Rendering of services		885	847
Other revenue		-	31
<b>Revenue</b>		<b>38,083</b>	<b>35,816</b>
Cost of sales		(29,248)	(27,336)
<b>Gross profit</b>		<b>8,835</b>	<b>8,480</b>
Other Income	5a	286	812
Distribution expenses		(1,496)	(1,279)
Sales and marketing expenses		(2,411)	(2,593)
Administrative expenses		(4,342)	(3,980)
Bad debts expense		(6)	(8)
Other expenses	5b	(188)	(267)
Net redundancy costs		(115)	-
<b>Operating Profit</b>		<b>563</b>	<b>1,165</b>
<b>Profit from continuing operations before income tax</b>		<b>563</b>	<b>1,165</b>
Income tax expense		-	-
<b>Profit from continuing operations after income tax</b>		<b>563</b>	<b>1,165</b>
<b>Discontinued operations</b>			
Loss from discontinued operations after income tax	4	(14)	(461)
<b>Net profit for the period</b>		<b>549</b>	<b>704</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		(12)	(72)
<b>Total comprehensive income for the period</b>		<b>537</b>	<b>632</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent</b>			
Basic earnings per share		1.0¢	2.0¢
Diluted earnings per share		1.0¢	2.0¢
<b>Earnings per share for profit attributable to the ordinary equity holders of the parent</b>			
Basic earnings per share		1.0¢	1.0¢
Diluted earnings per share		1.0¢	1.0¢

**Cellnet Group Limited and its controlled entities**  
**Half-Year Financial Report**

**Interim consolidated statement of financial position**

As at 31 December 2012

	Note	Consolidated	
		31 Dec 2012 \$000	30 Jun 2012 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	3,096	4,623
Trade and other receivables		14,601	10,951
Inventories	7	9,047	5,194
Income tax receivable		9	17
		<b>26,753</b>	<b>20,785</b>
Assets classified as held for sale		270	532
<b>Total current assets</b>		<b>27,023</b>	<b>21,317</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	1,036	1,213
Deferred tax assets (net)		2,662	2,661
<b>Total non-current assets</b>		<b>3,698</b>	<b>3,874</b>
<b>TOTAL ASSETS</b>		<b>30,721</b>	<b>25,191</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		15,140	9,821
Provisions		472	543
<b>Total current liabilities</b>		<b>15,612</b>	<b>10,364</b>
Liabilities directly related to assets classified as held for sale		86	127
<b>Total current liabilities</b>		<b>15,698</b>	<b>10,491</b>
<b>Non-current liabilities</b>			
Provisions		410	412
<b>Total non-current liabilities</b>		<b>410</b>	<b>412</b>
<b>TOTAL LIABILITIES</b>		<b>16,108</b>	<b>10,903</b>
<b>NET ASSETS</b>		<b>14,613</b>	<b>14,288</b>
<b>EQUITY</b>			
Issued capital		31,699	31,699
Reserves		537	752
Accumulated losses		(17,623)	(18,163)
<b>TOTAL EQUITY</b>		<b>14,613</b>	<b>14,288</b>

**Cellnet Group Limited and its controlled entities**  
**Half-Year Financial Report**

**Interim consolidated statement of  
changes in equity**

**For the six months ended 31 December 2012**

	Note	Share capital \$000	Reserve for own shares \$000	Translation reserve \$000	Share based payment reserve \$000	Retained Earnings \$000	Total Equity \$000
At 1 July 2012		31,699	(25)	(3)	780	(18,163)	14,288
Profit for the period		-	-	-	-	549	549
Foreign currency translation		-	-	(12)	-	-	(12)
Total comprehensive income for the half year		-	-	(12)	-	549	537
Share buy-back	11	-	-	-	-	-	-
Share-based payments		-	-	-	(203)	(9)	(212)
Dividends	12	-	-	-	-	-	-
<b>Balance at 31 December 2012</b>		<b>31,699</b>	<b>(25)</b>	<b>(15)</b>	<b>577</b>	<b>(17,623)</b>	<b>14,613</b>
At 1 July 2011		37,861	(25)	36	689	(9,763)	28,798
Profit for the period		-	-	-	-	704	704
Foreign currency translation		-	-	(72)	-	-	(72)
Total comprehensive income for the half year		-	-	(72)	-	704	632
Share buy-back	11	(98)	(1)	-	-	-	(99)
Share-based payments		-	-	-	40	-	40
Dividends	12	-	-	-	-	(2,141)	(2,141)
<b>Balance at 31 December 2011</b>		<b>37,763</b>	<b>(26)</b>	<b>(36)</b>	<b>729</b>	<b>(11,200)</b>	<b>27,230</b>

**Cellnet Group Limited and its controlled entities**  
**Half-Year Financial Report**

**Interim consolidated statement of cash flows**

**For the six months ended 31 December 2012**

		<b>Consolidated</b>	
<b>Note</b>		<b>31 Dec 2012 \$000</b>	<b>31 Dec 2011 \$000</b>
<b>Cash flows from operating activities</b>			
	Receipts from customers (inclusive of GST)	34,731	33,026
	Payments to suppliers and employees (inclusive of GST)	(36,361)	(35,215)
	Net income tax received	8	-
	<b>Net cash flows used in operating activities</b>	<b>(1,622)</b>	<b>(2,189)</b>
<b>Cash flows from investing activities</b>			
	Proceeds from sale of property, plant and equipment	-	4
	Purchase of property, plant and equipment	(14)	(179)
	Investment in associate	-	(500)
5a	Interest received	32	489
	Acquisition of intangibles	-	(149)
4	Net inflow from sale of discontinued operation, net of cash disposed	38	-
	<b>Net cash flows from / (used in) investing activities</b>	<b>56</b>	<b>(335)</b>
<b>Cash flows from financing activities</b>			
11	Share buy-back	-	(98)
12	Dividend	-	(2,141)
	<b>Net cash flows from/(used in) financing activities</b>	<b>-</b>	<b>(2,239)</b>
	Net decrease in cash and cash equivalents	(1,566)	(4,763)
	Cash and cash equivalents at beginning of period	4,808	20,044
	Net foreign exchange differences	(5)	(61)
8	<b>Cash and cash equivalents at end of period</b>	<b>3,237</b>	<b>15,220</b>

## **Cellnet Group Limited and its controlled entities**

### **Half-Year Financial Report**

#### **Notes to the Financial Statements For the six months ended 31 December 2012**

##### **1. Corporate Information**

Cellnet Group Limited (the "Company") is a company domiciled in Australia whose shares are publicly traded. The interim condensed consolidated financial statements of the Company as at and for half-year ended 31 December 2012 comprises of the Company and its subsidiaries (together referred to as the "consolidated entity"). The principal activities of the company and its subsidiaries (the Group) are described in Note 3.

The interim condensed consolidated financial statements of the consolidated entity for the six months ended 31 December 2012 were authorised for issue in accordance with a resolution of the directors on 15 February 2013.

The interim condensed consolidated financial statements of the consolidated entity as at and for the year ended 30 June 2012 is available upon request from the Company's registered office at 59-61 Qantas Drive, Eagle Farm QLD 4009 or at [www.cellnet.com.au](http://www.cellnet.com.au).

##### **2. Basis of preparation and changes to the consolidated entities accounting policies**

###### **Basis of preparation**

The interim condensed consolidated financial statements for the six months ended 31 December 2012 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2012.

###### **New standards, interpretations and amendments thereof, adopted by the consolidated entity**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated entity's annual financial statements for the year ended 30 June 2012, except for the adoption of new standards and interpretations as of 1 July 2012, noted below:

► AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of other comprehensive income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]. This standard requires entities to group items presented in other comprehensive income on the basis of whether they might be classified subsequently to profit or loss and those that will not.

The consolidated entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Cellnet Group Limited and its controlled entities**  
**Half-Year Financial Report**

**Notes to the Financial Statements (continued)**  
**For the six months ended 31 December 2012**

**3. Operating segment information**

**Identification of reportable segments**

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the manner in which products are sold, whether direct to a retail customer or via on-line sales. Discrete financial information about each of these operating segments is reported to the Managing Director at least on a monthly basis. However, for the six months to 31 December 2012 the consolidated entity's activities relate solely to retail sales as the Board announced on 8 June 2012 that it planned to exit from the online segment. The online segment previously reported has been classified as a discontinued operation and is disclosed in note 4.

**4. Discontinued operation**

The company advised on the 8 June 2012 that it planned to exit the on-line business segment.

As at 31 December 2012, the company completed the sale of OYT Pty Ltd and Buyii Pty Ltd for \$95,000 in cash. The net cash flows of \$38,000 generated by the sale are in the Interim consolidated statement of cash flows as part of the cash flows from investing activities.

Results of the discontinued operation for the period are as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2012 \$000</b>	<b>31 Dec 2011 \$000</b>
Results of discontinued operation		
Revenue	509	252
Expenses	(542)	(509)
Gross loss	<b>(33)</b>	<b>(257)</b>
Impairment on investment in associate	-	(87)
Share of losses from associate	-	(109)
Gain on disposal of discontinued operation	19	-
Tax expense	-	(8)
Loss for the period from discontinued operations	<b>(14)</b>	<b>(461)</b>



**Cellnet Group Limited and its controlled entities**  
**Half-Year Financial Report**

**Notes to the Financial Statements (continued)**  
**For the six months ended 31 December 2012**

**4. Discontinued operation (continued)**

	Consolidated	
	31 Dec 2012 \$000	31 Dec 2011 \$000
Cash inflow on sale		
Consideration received	95	-
Net cash disposed of with the discontinued operation	(57)	-
Net cash inflow	<b>38</b>	-
Cash flows from discontinued operation		
Net cash from operating activities	12	185
Net cash from (used in) discontinued operation	<b>12</b>	<b>185</b>
<b>Earnings per share:</b>		
Basic loss for the year from discontinued operation	0.0¢	(1.0¢)
Diluted loss for the year from discontinued operation	0.0¢	(1.0¢)

**5. Other income / expenses**

	Consolidated	
	2012 \$000	2011 \$000
(a) Other income includes:		
Interest	32	489
Foreign exchange gain	254	319
Net gain on disposal of property	-	4
	<b>286</b>	<b>812</b>
(b) Other expenses includes:		
Depreciation	188	267
	<b>188</b>	<b>267</b>

**6. Property, Plant and Equipment**

During the six months ended 31 December 2012, the Group acquired assets with a cost of \$14,000 (2011:\$218,000).

**7. Inventories**

During the six months ended 31 December 2012 the consolidated entity recognised a write-down of inventory of \$532,000 (2011: \$373,000) which related to reductions in value required as a result of the company's inventory obsolescence policy. This expense is included in cost of sales in the interim consolidated statement of comprehensive income.

**Cellnet Group Limited and its controlled entities**  
**Half-Year Financial Report**

**Notes to the Financial Statements (continued)**  
**For the six months ended 31 December 2012**

**8. Cash and cash equivalents**

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<b>Consolidated</b>	
	<b>Dec 2012</b>	<b>Jun 2012</b>
	<b>\$000</b>	<b>\$000</b>
Cash at bank and in hand	2,768	4,273
Funds held by bank	328	350
<b>Total cash and cash equivalent deposits</b>	<b>3,096</b>	<b>4,623</b>
Cash and cash equivalents relating to discontinued operation	141	185
	<b>3,237</b>	<b>4,808</b>

**9. Commitments and contingencies**

Contingencies

There are no contingencies as at 31 December 2012.

**10. Related party transaction**

The following table provides the total amount of transactions which have been entered into with related parties during the six month periods ending 31 December 2012 and 31 December 2011.

		<b>Sales to related parties</b>	<b>Services from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Entity with significant influence over the consolidated entity:</b>					
CVC Ltd	2012	-	56	-	-
	2011	-	-	-	-
<b>Associate:</b>					
OYT Pty Ltd	2012	-	-	-	-
	2011	-	-	76	-

**Cellnet Group Limited and its controlled entities**  
**Half-Year Financial Report**

**Notes to the Financial Statements (continued)**  
**For the six months ended 31 December 2012**

**11. Share buy back**

The Company announced that it would commence an on-market share buy back program on 12 October 2009. The share buy back period was initially from the 12 October 2009 up to and including 27 October 2010. This was extended to 24 November 2012 as approved by shareholders at the Annual General Meeting held on 24 November 2011.

During the six months ended 31 December 2012, there were no shares repurchased by the company (2011: 308,647 shares repurchased at a total cost of \$98,000).

**12. Dividend paid and proposed**

Dividends on ordinary shares declared and paid during the six-month period:

	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>
Final franked dividend for 2011: 1.0 ¢	-	613
Special franked dividend for 2011: 1.5 ¢	-	918
Interim dividend for 2012: 1.0 ¢	-	610
	<b>-</b>	<b>2,141</b>

**Cellnet Group Limited and its controlled entities**  
**Half-Year Financial Report**

**Directors' declaration**

In accordance with a resolution of the Directors of Cellnet Group Limited, I state that:

In the opinion of the Directors:

1. The financial statements and notes of the consolidated entity for the half year ended 31 December 2012 are in accordance with the *Corporations Act 2001* including:
  - (a) giving a true and fair view of the financial position as at 31 December 2012 and the performance for the half-year ended on that date of the consolidated entity; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; 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.

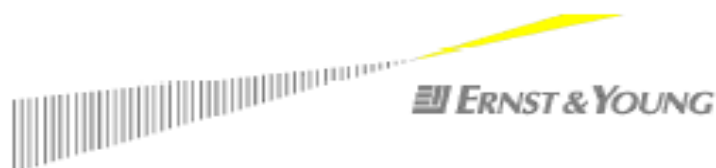
On behalf of the Board,



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A. Beard  
Director  
Sydney  
18 February 2013

## Cellnet Group Limited and its controlled entities Half-Year Financial Report



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To the members of Cellnet Group Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cellnet Group Limited, which comprises the condensed statement of financial position as at 31 December 2012, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are 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 consolidated entity'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 Cellnet Group Limited and the entities it controlled during the half-year, 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.

### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Liability limited by a scheme approved  
under Professional Standards Legislation

**Cellnet Group Limited and its controlled entities  
Half-Year Financial 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 Cellnet Group 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 half-year and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

A stylized, handwritten signature of the Ernst &amp; Young firm.

Ernst & Young

A handwritten signature of Winna Brown.

Winna Brown  
Partner  
Brisbane  
18 February 2013