Appendix 4E
Preliminary final report

DVM International Limited

31st December 2006

Lodged with the ASX under Listing Rule 4.3A

Contents

DVM International Limited

Year ended 31 December 2006

(Previous corresponding period: Year ended 31 December 2005)

Results for Announcement to the Market

				A$,000
Revenue from ordinary activities	up	215.25%	to	81
Profit/(loss) from ordinary activities after tax attributable to members	Down	108.20%	to	(307)
Net profit/(loss) for the period attributable to members	Down	108.20%	to	(307)

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	-	-
Interim dividend	-	-

Record date for determining entitlements to the dividend	N/A

Explanation of Revenue
Revenue from ordinary activities includes interest income of $81,055.

Explanation of Profit/(loss) from ordinary activities after tax
The financial year reports a loss of $306,808 compared to a profit of $3,780,510 in the prior year. The profit last year included income from the debt forgiven under Deed of Company Arrangement (DOCA) of $4,195,887 and DOCA costs of $243,824. Excluding income and expenses from the DOCA, DVM International Limited (the Company) incurred an operating loss of $171,553 last year, compared to a loss of $306,808 in the current year.

Explanation of Net Profit/(loss)
See above: explanation of profit/(loss) from ordinary activities after tax

DVM International Limited

Preliminary consolidated income statement

For the year ended 31 December 2006

	A$,000 Reporting Period	A$,000 Previous Corresponding Period
Revenue	81	38
Other income	–	4,196
Deed of Company Arrangement costs	–	(244)
Other expenses	(388)	(209)
Profit/(loss) before income tax	**(307)**	**3,781**
Income tax expense	–	–
Profit/(loss) attributable to members of the parent	**(307)**	**3,781**
Basic earnings per share (cents)	(0.25) ¢	5.4 ¢
Diluted earnings per share (cents)	(0.25) ¢	4.0 ¢

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

DVM International Limited

Preliminary consolidated balance sheet

As at 31 December 2006

	A$,000 Reporting Period	A$,000 Previous Corresponding Period
Current assets		
Cash and cash equivalents	953	1,663
Trade and other receivables	59	44
Total current assets	**1,012**	**1,707**
Non-current assets		
Investments held in associates	1,250	-
Total non-current assets	**1,250**	-
Total assets	**2,262**	**1,707**
Current liabilities		
Trade and other payables	25	44
Interest-bearing loans and borrowings	-	-
Total current liabilities	**25**	**44**
Total liabilities	**25**	**44**
Net assets	**2,237**	**1,663**
Equity		
Contributed equity	29,868	28,987
Accumulated losses	(27,631)	(27,324)
Total equity	**2,237**	**1,663**

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

DVM International Limited

Preliminary consolidated statement of cash flows

For the year ended 31 December 2006

	A$,000	A$,000
	Reporting Period	**Previous Corresponding Period**
Cash flows from operating activities		
Interest income	72	23
Payments to suppliers	(408)	(448)
Net cash flows (used in) operating activities	**(336)**	**(425)**
Cash flows from investing activities		
Purchase of investment in associate	(1,250)	-
Net cash flows (used in) investing activities	**(1,250)**	**-**
Cash flows from financing activities		
Proceeds from issue of shares	888	2,293
Share issue costs	(12)	(136)
Debts forgiven	-	360
Net cash flows from financing activities	**876**	**2,517**
Net increase / (decrease) in cash and cash equivalents	(710)	2,092
Cash and cash equivalents at beginning of period	1,663	(429)
Cash and cash equivalents at end of period	**953**	**1,663**

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

DVM International Limited

Other notes to the preliminary consolidated financial statements

For the year ended 31 December2006

Note 1. Future Developments

The Company is positioned to promote its marketing activities to the wider Australian and Chinese business markets. Current activities include:

1. Identifying potential customers that would use the Company's marketing mediums such as banks, fast and healthy foods, insurance agencies, well-being organisations and travel companies;
2. Reviewing new communication mediums outside of ATMs. Management have already appraised a number of other mediums including taxi advertising, general outdoor panel displays, mobile phone messaging and petrol bowsers;
3. Packaging mediums for total customer solutions. It has been well acknowledged that end-users are best targeted using a combination of communication mediums. For ATMs, management are reviewing a number of combinations that could enhance ATM display advertising.

It is not possible to estimate the future results at this stage.

Note 2. Material factors affecting the revenues and expenses of the economic entity for the current period

Revenues: see above: explanation of revenue

Expenses: see above: explanation of profit/(loss)

Note 3. Retained Earnings

	A$,000	A$,000
	Reporting Period	**Previous Corresponding Period**
Accumulated Losses at the beginning of the financial year	(27,324)	(31,105)
Net profit/(loss) attributable to members of DVM International Limited	(306)	3,781
Accumulated Losses at the end of the financial year	**(27,630)**	**(27,324)**

Note 4. NTA Backing

	Reporting Period	**Previous Corresponding Period**
Net tangible asset backing per ordinary share	1.6 ¢	1.4 ¢

DVM International Limited

Other notes to the preliminary consolidated financial statements

For the year ended 31 December2005

Note 5. Other significant information

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2006 and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Note 6. Earnings per security (EPS)

Basic earnings per share (cents)	(0.25) ¢	5.4 ¢
Diluted earnings per share (cents)	(0.25) ¢	4.0 ¢

Earning reconciliation	A$,000	A$,000
	Reporting Period	**Previous Corresponding Period**
Net Profit/(loss)	(306)	3,781
Basic and diluted earnings	(306)	3,781

Weighted average number of shares used as the denominator

Number for basic earnings per share:		
Ordinary shares	123,952,357	70,181,576
Effect of share options	33,750,492	24,478,051
Number for diluted earnings per share	157,702,849	94,659,627

Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

For the reporting period, the numerator used in the calculation of both Basic EPS and Diluted EPS is $306,808 and there are no reconciling items. The denominator used for the Basic EPS is 123,952,357 and for the Diluted EPS calculation is 157,702,849. Share options with an exercise price above the average market price during the period have been excluded from the calculation of the diluted EPS.

Audit

This report is based on accounts which have been audited.