

<b>To:</b>	<b>Company Announcements Office</b>	<b>Facsimile:</b>	<b>1300 135 638</b>
<b>Company:</b>	<b>ASX Limited</b>	<b>Date:</b>	<b>17 February 2012</b>
<b>From:</b>	<b>Valerie Duncan</b>	<b>Pages:</b>	
<b>Subject:</b>	<b>Half Yearly Results for the Period Ending 31 December 2011.</b>		

Please find attached a release on the above subject.

Regards,



**Valerie Duncan**  
CEO / Company Secretary  
Energy Action Limited  
Phone: (02) 9891 6911  
Email: [valduncan@energyaction.com.au](mailto:valduncan@energyaction.com.au)

Friday, 17 February 2012

## Half Yearly Results for the Period Ending 31 December 2011

Please find attached the following documents relating to Energy Action Limited's results for the six months ending 31 December 2011:

1. ASX Statement (Appendix 4D)
2. Half Yearly Financials
3. Media Release
4. Presentation

Regards,

A handwritten signature in black ink, appearing to read "Valerie Duncan".

**Valerie Duncan**  
CEO / Company Secretary  
Energy Action Limited  
Phone: (02) 9891 6911  
Email: [valduncan@energyaction.com.au](mailto:valduncan@energyaction.com.au)

### **About Energy Action:**

*Energy Action (ASX: EAX) is Australia's leading independent energy management company offering comprehensive buying and management services aimed at reducing energy usage and saving businesses money.*

*Founded in 2003, Energy Action has developed extensive specialist experience in energy management services including the establishment of its flagship service, the Australian Energy Exchange, Australia's only reverse auction energy procurement platform. This platform allows energy suppliers to competitively bid against one another to supply an organisation's energy – with a best fit contract secured in around 15 minutes. This unique service has secured energy contracts in excess of \$5 billion and delivered millions of dollars worth of savings for Australian organisations.*

*Energy Action has experienced revenue growth of around 30% year on year, and traded profitably with no material bank debt since FY06. The company benefits from management with substantial experience in the sector and a clear vision for delivering value to all stakeholders in the business.*

*For more information about Energy Action, visit [www.energyaction.com.au](http://www.energyaction.com.au).*

**ENERGY ACTION LIMITED**  
**INTERIM FINANCIAL REPORT**  
**HALF YEAR ENDED 31 DECEMBER 2011**

**1. Results for announcement to the market**

Current Period

1 July 2011 - 31 December 2011

Previous Corresponding Period

1 July 2010 - 31 December 2010

	Change %	31-Dec 2011 \$'000	31-Dec 2010 \$'000
<b>Revenue and other income</b>			
Earnings before interest, income tax expense, depreciation and amortisation ("EBITDA")	10.30%	2,568	2,328
Profit before income tax expense	8.50%	2,371	2,184
Profit attributable to members of Energy Action Limited	14.76%	1,745	1,520
Basic earnings per share (cents)	5.50%	7.69	7.29
Diluted earnings per share (cents)	4.60%	7.63	7.29

Dividends	Amount per share	Franked amount per share
Interim ordinary dividend (cents) proposed for six months to 31 December 2011	[3.48]	[3.48]
Interim ordinary dividend (cents) paid for six months to 31 December 2010	[2.41]	[2.41]

**NTA backing**

Net tangible asset backing per ordinary share (cents)

Half-year ended  
31-Dec-11

[ 37.1 ]

Half-year ended  
31-Dec-10

[ 23.4 ]

**REVIEW OF OPERATIONS**

Commentary on the results for the half year is contained in the Media Release, accompanying this Appendix 4D and interim financial report.

## **Corporate Information**

A.C.N: 137 363 636

### **Directors**

Ronald Watts – Non Executive Chairman

Paul Meehan – Non Executive

Steve Twaddell – Non Executive

Bill Moss – Non Executive

Valerie Duncan – Chief Executive Officer

Edward Hanna – Executive Director

### **Company Secretary**

Valerie Duncan

### **Registered Office and Principal Place of Business**

Level 5

56 Station Street

Parramatta NSW 2150

### **Share Registry**

Link Market Services Limited

Level 12

680 George Street

Sydney NSW 2000

Energy Action Limited shares are listed on the Australian Stock Exchange (ASX:EAX)

### **Solicitors**

Greenwich Legal Services Pty Ltd

Level 11

50 Margaret Street

Sydney NSW 2000

### **Bankers**

Commonwealth Bank

Level 3

101 George Street

Parramatta NSW 2150

### **Auditors**

Ernst & Young

Ernst & Young Centre

680 George Street

Sydney NSW 2000

### **Corporate Advisor**

Moss Capital Pty Limited

Level 26

135 King Street

Sydney NSW 2000

## DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the group, being the company and its controlled entities, for the half year ended 31 December 2011.

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.

<b>Valerie Jean Duncan</b>	- Chief Executive Officer
<b>Edward Hanna</b>	- Executive Director
<b>Paul Francis Meehan</b>	- Non-Executive Director
<b>Stephen Treadway Twaddell</b>	- Non-Executive Director
<b>Ronald Stafford Watts</b>	- Non-Executive Chairman
<b>William James Moss</b>	- Non-Executive Director
<b>Barry Denton</b>	- Executive Director (resigned 25 August 2011)

### Principal Activities and Significant Changes in Nature of Activities

Energy Action's principal activities are providing integrated energy management services to a diverse base of commercial and industrial customers. Its core services are:

AEX: Reverse auctions for electricity: specialised electricity procurement via online reverse auctions with gas conducted via tender;

ACTIV8: Energy Action Monitoring: independent energy monitoring and contract management; and

ACTIV8+: energy efficiency and sustainability partnering.

Initially founded in 2000 it has grown rapidly and since 2005 the company has procured more than \$3 billion worth of electricity on behalf of its clients.

The company was listed on the Australian Stock Exchange (ASX) on 13<sup>th</sup> October 2011

There were no other significant changes in the nature of the consolidated group's principal activities during the financial period.

### Operating Results and Review of Operations for the Half Year

#### Operating Results

The profit after tax of the consolidated group amounted to \$1,744,517, after providing for income tax (2010: \$1,520,092). This represented a 14.8% increase on the results reported for the half year ended 31 December 2010 after allowing for \$520,087 listing expenses. Revenue was underpinned by a solid base of forward contracts and profit benefited from a strong focus on cost control.

#### Review of Operations

Energy Action is profitable with strong recurring revenues and forward sold contracts, cash flows and balance sheet. It employs 65 people in the head office in Sydney and in other offices in the eastern states and South Australia.

This year has seen the company implement a number of structural changes to prepare it for growth in the coming years, including the following:

- Increased focus on alignment between Sales, Marketing and PR to leverage the market presence of Energy Action and enhance sales;

- Coordinated management of all channel partners to achieve more efficient outcomes

- Continued focus on redeveloping the AEX auction platform to meet the new challenges in the Australian Energy Market:

  - Development of the fledgling energy brokering market in Western Australia;

  - Expansion of the Energy Efficiency & Sustainability sales and delivery teams to improve customer outcomes, revenue and reach;

  - The provision of specialist training for our Regional Sales Managers: and

  - Engaged Moss Capital to actively search for profitable Australian businesses as potential acquisitions.

## DIRECTORS' REPORT (CONTINUED)

### Financial Position

The net assets of the consolidated group have increased by \$4,874,753 from 30 June 2011 to \$9,434,553 in December 2011. This increase is largely due to the net proceeds from the IPO, profits derived from operations for the period, less dividends paid.

The consolidated group's strong financial position has enabled the group to remain debt free, while maintaining a healthy working capital ratio. The group's working capital, being current assets less current liabilities, has improved from \$2,665,834 in June 2011 to \$7,150,294 in December 2011.

The directors believe the group is in a strong and stable financial position to expand and grow its current operations.

### Dividends Paid or Recommended

Dividends paid or declared for payment during the financial year are as follows:

Final ordinary dividend of 2.25 cents per share paid on 9/08/2011 out of retained profits at 30/06/2011	\$469,672
Interim ordinary dividend of 3.48 cents per share recommended by the directors to be paid on 13/03/2012	\$872,260

### Events after the Reporting Period

Other than interim dividend recommended by the directors, there are no other matters or circumstances that have arisen since the end of the half financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

### Future Developments and Business Strategies

Likely developments in the operations of the consolidated group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

### Environmental Issues

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### Auditor Independence Declaration

The auditor's independence declaration for the half year ended 31 December 2011 has been received and can be found on the following page of the financial report, and forms part of the directors report.

This director's report is signed in accordance with a resolution of the Board of Directors.

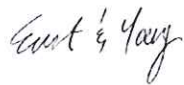


Valerie Duncan, Director

Dated: 17<sup>th</sup> February 2012

## Auditor's Independence Declaration to the Directors of Energy Action Limited

In relation to our review of the financial report of Energy Action Limited for the half-year ended 31 December 2011, 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 cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Schalk Barnard'.

Schalk Barnard  
Partner

Sydney, 17 February 2012

## ENERGY ACTION LIMITED and Controlled Entities

### Consolidated Statement of Comprehensive Income for the Half Year ended 31 December 2011

	Note	Consolidated Group	
		Dec-11	Dec-10
		\$	\$
Revenue	2	8,274,546	6,966,160
Employee benefits expense		(4,113,693)	(3,705,640)
Depreciation and Amortisation expense		(256,335)	(165,523)
Rental & occupancy costs		(228,934)	(168,289)
Travel costs		(88,225)	(94,922)
Listing related expenses		(520,087)	-
Administration expenses		(696,068)	(647,463)
Profit before income tax		2,371,204	2,184,323
Income tax expense	4	(626,687)	(664,231)
Profit for the period attributable to owners of the parent entity		1,744,517	1,520,092
<b>Other comprehensive income:</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period attributable to owners of the parent entity</b>		<b>1,744,517</b>	<b>1,520,092</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)		7.69	7.29
Diluted earnings per share (cents per share)		7.63	7.29

## ENERGY ACTION LIMITED and Controlled Entities

### Statement of Financial Position as at 31 December 2011

	Note	Consolidated Group	
		Dec-11	Jun-11
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	5,927,066	1,566,517
Trade and other receivables	8	2,476,587	2,539,568
Other assets		224,809	258,633
<b>TOTAL CURRENT ASSETS</b>		<b>8,628,462</b>	<b>4,364,718</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	8	40,346	28,680
Property, plant and equipment		227,591	195,869
Deferred tax assets	11	412,857	286,199
Intangible assets	9	1,667,533	1,434,538
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,348,327</b>	<b>1,945,286</b>
<b>TOTAL ASSETS</b>		<b>10,976,789</b>	<b>6,310,004</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	821,947	892,434
Current tax liabilities	11	175,610	387,398
Short-term provisions		480,611	419,052
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,478,168</b>	<b>1,698,884</b>
<b>NON-CURRENT LIABILITIES</b>			
Other long-term provisions		64,068	51,320
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>64,068</b>	<b>51,320</b>
<b>TOTAL LIABILITIES</b>		<b>1,542,236</b>	<b>1,750,204</b>
<b>NET ASSETS</b>		<b>9,434,553</b>	<b>4,559,800</b>
<b>EQUITY</b>			
Issued capital	12	4,014,171	449,263
Retained earnings		5,385,382	4,110,537
Reserves		35,000	-
<b>TOTAL EQUITY</b>		<b>9,434,553</b>	<b>4,559,800</b>

## ENERGY ACTION LIMITED and Controlled Entities

### Statement of Changes in Equity for the Half Year ended 31 December 2011

Consolidated Group	Share Capital Ordinary \$	Retained Earnings \$	Share Option Reserve \$	Total \$
<b>Balance at 1 July 2010</b>	449,263	2,498,194	-	2,947,457
Profit attributable to owners of parent entity	-	1,520,092	-	1,520,092
Dividends paid or provided for	-	(699,650)	-	(699,650)
<b>Balance at 31 December 10</b>	<b>449,263</b>	<b>3,318,636</b>	<b>-</b>	<b>3,767,899</b>
<b>Balance at 1 July 2011</b>	449,263	4,110,537	-	4,559,800
Profit attributable to members of parent entity	-	1,744,517	-	1,744,517
Share based payments	-	-	35,000	35,000
Net proceeds on increase in capital	3,564,908	-	-	3,564,908
Dividends paid or provided for	-	(469,672)	-	(469,672)
<b>Balance at 31 December 11</b>	<b>4,014,171</b>	<b>5,385,382</b>	<b>35,000</b>	<b>9,434,553</b>

## ENERGY ACTION LIMITED and Controlled Entities

### Statement of Cash Flow for the Half Year ended 31 December 2011

	Note	Consolidated Group	
		Dec-11	Dec-10
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		9,180,621	7,437,796
Payments to suppliers and employees		(6,274,057)	(5,632,440)
Interest received		59,499	22,217
Income tax paid		(792,279)	(530,542)
Net cash provided by operating activities		<u>2,173,784</u>	<u>1,297,031</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(82,619)	(104,550)
Purchase of intangible assets		(405,011)	(166,094)
Net cash used in investing activities		<u>(487,630)</u>	<u>(270,644)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid by parent entity	6	(469,676)	(699,650)
Proceeds from capital raising		3,800,000	-
Equity raising costs		(655,929)	-
Net cash provided by (used in) financing activities		<u>2,674,395</u>	<u>(699,650)</u>
Net increase in cash held		4,360,549	326,737
Cash and cash equivalents at beginning of the period	7	1,566,517	975,718
Cash and cash equivalents at end of the period	7	<u>5,927,066</u>	<u>1,302,455</u>

## ENERGY ACTION LIMITED and Controlled Entities

### Notes to the Financial Statements for the Half Year ended 31 December 2011

#### Note 1: BASIS OF PREPARATION

The half year consolidated financial statements are a general purpose condensed financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: "Interim Financial Reporting".

It is recommended that these financial statements be read in conjunction with the financial statements for the year ended 30 June 2011 which were lodged with the Australian Stock Exchange in October 2011 and considered together with any public announcements made by Energy Action Limited and its controlled entities during the half year in accordance with the continuous disclosure obligations of the ASX listing rules. The half year financial statements do not include all the information and disclosures of the type required within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

No new standards or interpretations have been issued (either effective or not yet effective) which are considered to have a material impact on the financial statements or performance of the group.

Accounting policies adopted are consistent with those of the previous financial year as disclosed within the 30 June 2011 Financial Statements.

## ENERGY ACTION LIMITED and Controlled Entities

Notes to the Financial Statements for the Half Year ended 31 December 2011

### Note 2: REVENUE AND OTHER INCOME

	Note	Consolidated Group	
		Dec-11	Dec-10
		\$	\$
<b>Revenue</b>			
Sales revenue – provision of services		8,215,047	6,943,943
Other revenue – interest received	2a	59,499	22,217
<b>Total Revenue</b>		<u>8,274,546</u>	<u>6,966,160</u>
a. Interest revenue from:			
— other persons		<u>59,499</u>	<u>22,217</u>

### Note 3: EXPENSES

#### a. Expenses

Rental expense on operating leases	<u>174,445</u>	<u>149,281</u>
------------------------------------	----------------	----------------

### Note 4: INCOME TAX EXPENSE

#### a. The components of tax expense comprise:

Current tax	580,491	581,387
Deferred tax	46,196	82,844
	<u>626,687</u>	<u>664,231</u>

## **ENERGY ACTION LIMITED and Controlled Entities**

Notes to the Financial Statements for the Half Year ended 31 December 2011

### **Note 5: OPERATING SEGMENTS**

#### **Identification of reportable segments.**

The Group has identified its operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group has identified one reportable operating segment, being the provision of electricity procurement and related management and consultancy services in Australia. The types of services provided are detailed below.

#### **Types of Services**

The business's service range is composed of the three major services, including the AEX, Activ8 and Activ8+, and each service contributes a varying amount to the company's overall revenue. For the half year ended 31 December 2011, the Australian Energy Exchange delivers 32% of the overall revenue, Activ8 contributes 65% and Activ8+ provides 3%.

The Australian Energy Exchange (AEX) is a specialised electricity procurement service provided via the Group's Australian Energy Exchange which is an online, real time, reverse auctions platform.

Activ8 is an independent energy monitoring contract management service which includes energy consumption monitoring and costing, energy emissions monitoring, contract administration, detailed technical reporting, a desktop energy efficiency review and additional reporting and monitoring.

Activ8+ is the energy efficiency and sustainability partnering service, which includes metering intelligence, sub metering, carbon footprint measurement and reduction advice, Australian Standard Level 2 compliance energy audits, project feasibility studies and supporting onsite power generation projects such as co-generation and tri-generation units from prefeasibility through to commissioning.

#### **Accounting Policies and inter-segment transaction**

The accounting policies used by the Group in the reporting segment internally is the same as those contained in note 1 to the accounts.

## ENERGY ACTION LIMITED and Controlled Entities

Notes to the Financial Statements for the Half Year ended 31 December 2011

### Note 5: OPERATING SEGMENTS (continued)

#### Revenue per type of service provided for the half-year ended 31 December 2011

	AEX	Activ8	Activ8+	Total
	\$	\$	\$	\$
Sales to external customers	2,649,894	5,307,141	258,012	8,215,047
	<b>2,649,894</b>	<b>5,307,141</b>	<b>258,012</b>	<b>8,215,047</b>

#### Revenue per type of service provided for the half-year ended 31 December 2010

	AEX	Activ8	Activ8+	Total
	\$	\$	\$	\$
Sales to external customers	2,160,271	4,483,496	300,176	6,943,943
	<b>2,160,271</b>	<b>4,483,496</b>	<b>300,176</b>	<b>6,943,943</b>

### Note 6: Dividends

	Consolidated Group	
	Dec-11	Dec-10
	\$	\$
Distributions paid:		
Final distribution from 2010 fully franked ordinary dividend of 1.84 cents per share franked at the tax rate of 30%	-	197,659
Interim fully franked ordinary dividend of 2.41 cents per share franked at the tax rate of 30%	-	501,991
Final distribution from 2011 fully franked ordinary dividend of 2.25 cents per share franked at the tax rate of 30%	469,672	-
	<b>469,672</b>	<b>699,650</b>

## ENERGY ACTION LIMITED and Controlled Entities

Notes to the Financial Statements for the Half Year ended 31 December 2011

### Note 7: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	Dec-11	Jun-11
	\$	\$
Cash at bank and in hand	5,927,066	1,566,517

### Note 8: TRADE AND OTHER RECEIVABLES

#### CURRENT

Trade receivables	2,533,614	2,645,158
Provision for impairment	(57,027)	(105,590)
Total current trade and other receivables	2,476,587	2,539,568

#### NON-CURRENT

Bonds and security deposits	40,346	28,680
-----------------------------	--------	--------

#### a. Provision for Impairment of Receivables

Current trade receivables are non-interest bearing and generally on 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in the other expenses item.

## ENERGY ACTION LIMITED and Controlled Entities

Notes to the Financial Statements for the Half Year ended 31 December 2011

### Note 9: INTANGIBLE ASSETS

	Consolidated Group	
	Dec-11	Jun-11
	\$	\$
Software development costs	2,585,242	2,146,806
Accumulated amortisation	(917,709)	(712,268)
Net carrying value	<u>1,667,533</u>	<u>1,434,538</u>
Total intangibles	<u>1,667,533</u>	<u>1,434,538</u>

	Software development costs	Total intangibles
	\$	\$
<b>Consolidated Group:</b>		
<b>Year ended 30 June 2011</b>		
Balance at the beginning of year	1,078,134	1,078,134
Additions - Internal Developments costs	644,375	644,375
Amortisation charge	(287,971)	(287,971)
	<u>1,434,538</u>	<u>1,434,538</u>
<b>Period ended 31 December 2011</b>		
Balance at the beginning of year	1,434,538	1,434,538
Additions - Internal Developments costs	438,438	438,438
Amortisation charge	(205,443)	(205,443)
	<u>1,667,533</u>	<u>1,667,533</u>

Intangible assets have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income.

## ENERGY ACTION LIMITED and Controlled Entities

Notes to the Financial Statements for the Half Year ended 31 December 2011

### Note 10: TRADE AND OTHER PAYABLES

	Consolidated Group	
	Dec-11	Jun-11
	\$	\$
<b>CURRENT</b>		
Unsecured liabilities:		
Trade payables	80,416	26,271
Sundry payables and accrued expenses	741,531	866,163
	<u>821,947</u>	<u>892,434</u>

### Note 11: TAX

#### **CURRENT**

Income tax payable	<u>175,610</u>	<u>387,398</u>
--------------------	----------------	----------------

#### **NON CURRENT**

Deferred tax asset	<u>412,857</u>	<u>286,198</u>
--------------------	----------------	----------------

## ENERGY ACTION LIMITED and Controlled Entities

Notes to the Financial Statements for the Half Year ended 31 December 2011

### Note 12: ISSUED CAPITAL

	Consolidated Group	
	Dec-11	Jun-11
	\$	\$
Fully paid ordinary shares	4,014,171	449,263
	4,014,171	449,263

	No.	\$
<b>Ordinary Shares</b>		
At the beginning of the reporting period ( 1 July 2011)	20,864,945	449,263
Shares issued on IPO*	3,800,000	3,800,000
Shares issued to Moss capital for IPO consulting service	400,000	400,000
Share issue costs after tax (total tax recognised on share issue cost is \$106,683)		(635,092)
At the end of the reporting period 31 December 2011	25,064,945	4,014,171

\*On 13 October 2011, Energy Action successfully listed on the Australian Stock Exchange (ASX). In total, \$3.8m was raised through the issue of 3,800,000 fully paid ordinary shares at an issue price of \$1.00 per share.

### Note 13: RELATED PARTY TRANSACTIONS

#### Related Parties

##### a. The Group's related parties are as follows:

##### i. Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

##### ii. Other related parties:

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel exercise significant influence.

##### b. Transactions with related parties in the half year period:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Dec-11	Jun-11
	\$	\$
<b>Related party transactions</b>		
Paul Meehan's professional legal services rendered to the Company	14,640	13,630
Fees paid to Moss Capital	635,000	-

## ENERGY ACTION LIMITED and Controlled Entities

Notes to the Financial Statements for the Half Year ended 31 December 2011

### Note 14: CAPITAL AND LEASING COMMITMENTS

	Note	Consolidated Group	
		Dec-11	Jun-11
		\$	\$
<b>Operating Lease Commitments</b>			
Non-cancellable operating leases contracted for but not recognised in the financial statements			
Payable – minimum lease payments:			
– not later than 12 months		405,971	132,906
– between 1 - 5 years		1,050,043	43,242
		<u>1,456,014</u>	<u>176,148</u>

The property leases are non-cancellable leases with a maximum 5 year term with rent payable monthly in advance. Contingent rental provisions within the lease agreements require the minimum lease payments shall be increased by the lower of CPI or between 4-5% per annum. An option exists to renew the lease at the end of the term for a maximum of three years on some leases.

### Note 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### Capital commitments

The company was not committed to any capital expenditure at period end.

#### Bank Guarantee

Energy Action Limited has bank guarantees as at 31 December 2011 which all relates to leased property guarantees required by the lease agreements. The total of these bank guarantees are \$105,762.

**ENERGY ACTION LIMITED and Controlled Entities**

**ABN 90 137 363 636**

Directors Declaration

The Directors of the company declare that:

The financial statements and notes are in accordance with the *Corporations Act 2001*, and :

(a) comply with the Accounting Standard *AASB 134 Interim Reporting*, the Corporations Regulations 2001, and

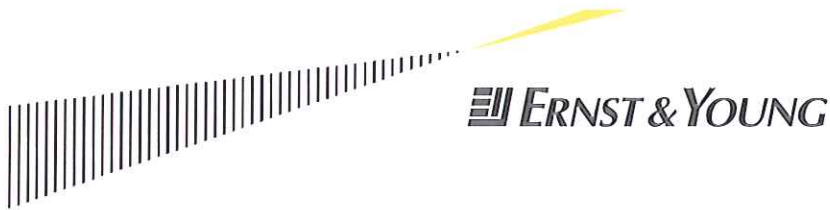
(b) give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the interim period ended on that date; and

In the director's opinion, there are reasonable grounds to believe that Energy Action Limited 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, and is signed for and on behalf of the directors by:

Director:   
-----  
Valerie Duncan

Dated this 17th February 2012



Ernst & Young Centre  
680 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
www.ey.com/au

## Independent Auditor's review report

To the members of Energy Action Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Energy Action Limited, which comprises the condensed statement of financial position as at 31 December 2011, 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. The consolidated entity comprises 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*. The directors are also responsible for such internal controls that 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 Interim and other Financial Reports 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*; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Energy Action 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.

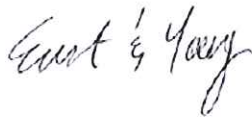
#### *Independence*

In conducting our review we have met 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.

### **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 Energy Action Limited is not in accordance with:

- a. the *Corporations Act 2001*, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 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*; and

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Schalk Barnard'.

Schalk Barnard  
Partner  
Sydney

17 February 2012

Friday, 17 February 2012

## Energy Action half-year NPAT up 14.76% to \$1.745 million

- **Result includes a non-recurring ASX-listing cost of \$520,000**
- **NPAT margin of 21.08%**
- **Revenue for the half up 18.78% on PCP to \$8.27 million**
- **Basic earnings per share of 7.69 cents**
- **Maiden dividend of 3.48 cents per share fully franked**
- **Strong forward contracts exceeding \$60 million**
- **Well placed to meet prospectus forecast for full year**

Energy management and procurement company Energy Action Limited (ASX: EAX) ("Energy Action") today reported net profit after tax (NPAT) of \$1.745 million for the six months to 31 December 2011, a 14.76% increase on the previous corresponding period. This result includes a non-recurring ASX-listing cost of \$520,000.

Revenue for the half was \$8.27 million, an 18.78% increase on the previous corresponding period (Half-year 2010: \$6.96 million). Earnings before interest and tax (EBIT) was \$2.31 million, and basic earnings per share (EPS) were 7.69 cents per share.

Given the strong trading result, the Directors are pleased to declare a half-year dividend of 3.48 cents per share, fully franked. The dividend will be paid on Tuesday 13 March, 2012 to shareholders on the register as at Tuesday 28 February 2012. Operating cash flow for the half was particularly strong at \$2.17 million, up 67.60% on the previous corresponding period. Energy Action finished the half year with a strong cash position of \$5.93 million which includes \$3.2 million raised from the Initial Public Offering undertaken in October 2011.

The trading results are Energy Action's first as an ASX-listed company, and were driven by two factors: the growing trend for businesses to outsource non-core services such as energy management, and greater use of Energy Action's leading energy auction procurement platform, The Australian Energy Exchange, by an increasing number of Australian businesses.

Commenting on the results, Energy Action's CEO Valerie Duncan said: "The Australian Energy Exchange again performed very well during the half and awareness of the platform continues to grow, especially as more Australian businesses look to address the increasing cost of gas and electricity. The growing use of our Australian Energy Exchange is also building greater awareness of Energy Action's broader energy management services, which present us with a strong growth platform for the future.

"Whilst energy management services is a growing industry, both in Australia and international markets, Energy Action has a major advantage in that the Australian Energy Exchange gives us the platform to cross-sell a broader range of energy management services to our customers. This gives us a significant edge over our competitors as well as greater market visibility."

During the half, the company continued to invest in its growth, strengthening its sales team and investing in the training and development of its people. This investment has led to greater awareness among the customer base of Energy Action's wider range of services, and greater success rates with new customer sales.

The complexities of the energy market, and greater awareness of increasing energy costs, have also meant more businesses are looking to reduce their energy expenses. Issues around sustainability and a carbon tax have led to more inquiry and take up of Energy Action's broader energy management and sustainability services. These services present opportunities for new revenue and growth.

Cost management continues to be a focus, the more so since the transition to a public company. Cost reduction programs are being driven at all levels of the company.

### **Outlook**

Energy Action remains well placed to meet its FY2012 prospectus forecast of Net Profit after Tax (NPAT) of \$3.8 million.

Energy is provided in a highly regulated market, which is subject to the legislation and policy of state and federal governments. Changes to legislation and policy can affect energy prices and market opportunities.

The company is continuing to invest in its Australian Energy Exchange, targeting new sectors and locations across Australia. A ramp up in business development activities is expected to support the growth of the energy management services business and Activ8, the company's energy monitoring and contract management business.

The business is well supported by a broad mix of stable and long term customers with forward contracts estimated at over \$60 million. This underpins Energy Action's revenue base for a number of years. Customer contracts for the Australian Energy Exchange are typically between three and four years and retention rates exceed 90%.

"Energy Action is well placed for the remainder of FY2012 and into 2013," Valerie Duncan said. "We are confident of meeting our prospectus forecast given our stable revenue base, growing awareness of our products and services, and our ability to manage our cost base efficiently.

"While organic growth is our main focus, and we are actively expanding the Australian Energy Exchange and our energy management services into new markets, we continue to assess acquisition opportunities that fit with our business model and make an immediate contribution to earnings. We will take a prudent approach to any new investments.

"Energy Action is in a sound financial position and we will continue to update the market on our progress."

**\*ENDS\***

### **Further information:**

**Valerie Duncan, Chief Executive Officer: (61 2) 9891 6911**

**Rebecca Seamons, Marketing and Communications Manager: 0409 151 022**

**Released through: Sam Wallman, Six Degrees Investor Relations: 0405 399 430**



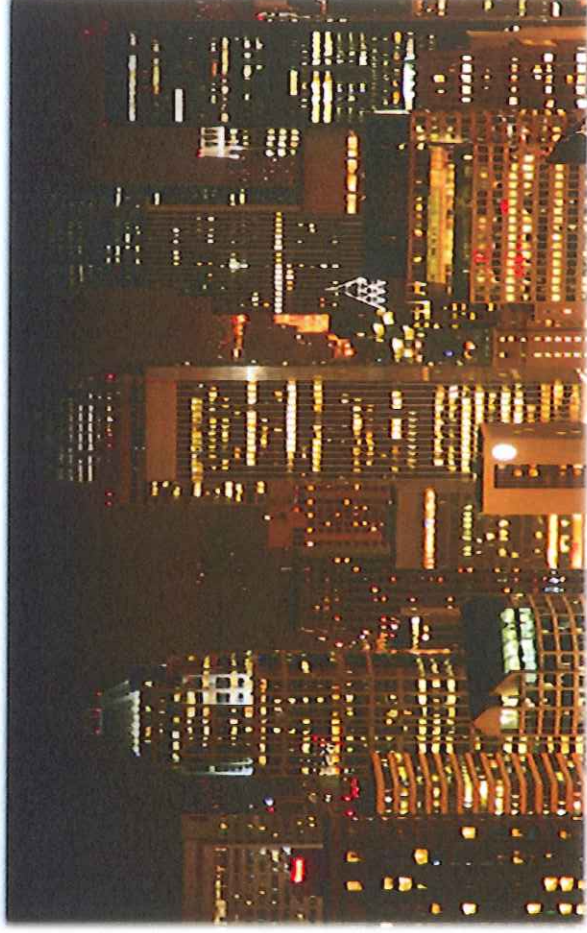
Half-year financial results for period  
ended 31 December 2011

GIVING **YOU** THE POWER



# Agenda

1. EAX Snapshot - About Energy Action
2. Half Year Highlights
3. Financial Highlights
4. Operational Achievements
5. Our Business
6. Drivers for Growth
7. Outlook



GIVING YOU THE POWER



## About Energy Action Ltd

- Energy management services provider (ASX:EAX)
- Multiple revenue streams across three products:
  - Australian Energy Exchange (AEX) – reverse auction for energy procurement
  - Activ8 - Energy Monitoring and Assessment
  - Activ8+ - Energy Efficiency & Sustainability Consultancy Services
- Australia's largest intermediary for Commercial and Industrial customers with over 5,000 sites under contract
- Broad mix of stable and long term customers with forward contracts estimated at over \$60 million

GIVING **YOU** THE POWER



## Half Year Highlights

- Revenue of \$8.27 million – 18.78% increase on HY2010
- NPAT up 14.75% to \$1.745 million
- EBIT of \$2.31 million
- Basic earnings per share of 7.69 cents
- Maiden dividend of 3.48 cents per share - fully franked
- Strong operating cash flow of \$2.17 million – 67.60% increase on PCP
- Solid cash position to fund growth – \$5.93 million and no debt
- On track to meet prospectus forecasts for full year

GIVING **YOU** THE POWER



# Financial Highlights

## HY 2011 P&L

	Dec-11 \$	Dec-10 \$
Revenue	8,274,546	6,966,160
Employee benefits expense	(4,113,693)	(3,705,640)
Depreciation and Amortisation expense	(256,335)	(165,523)
Rental & occupancy costs	(228,934)	(168,289)
Travel costs	(88,225)	(94,922)
Listing related expenses	(520,087)	-
Administration expenses	(696,068)	(647,463)
<b>Profit before income tax</b>	<b>2,371,205</b>	<b>2,184,323</b>
Income tax expense	(626,687)	(664,231)
Profit for the period attributable to members of the parent entity	1,744,518	1,520,092
<b>Total comprehensive income for the period attributable to members of the parent entity</b>	<b>1,744,518</b>	<b>1,520,092</b>
Basic earnings per share (cents per share)	7.69	7.29
Diluted earnings per share (cents per share)	7.63	7.29

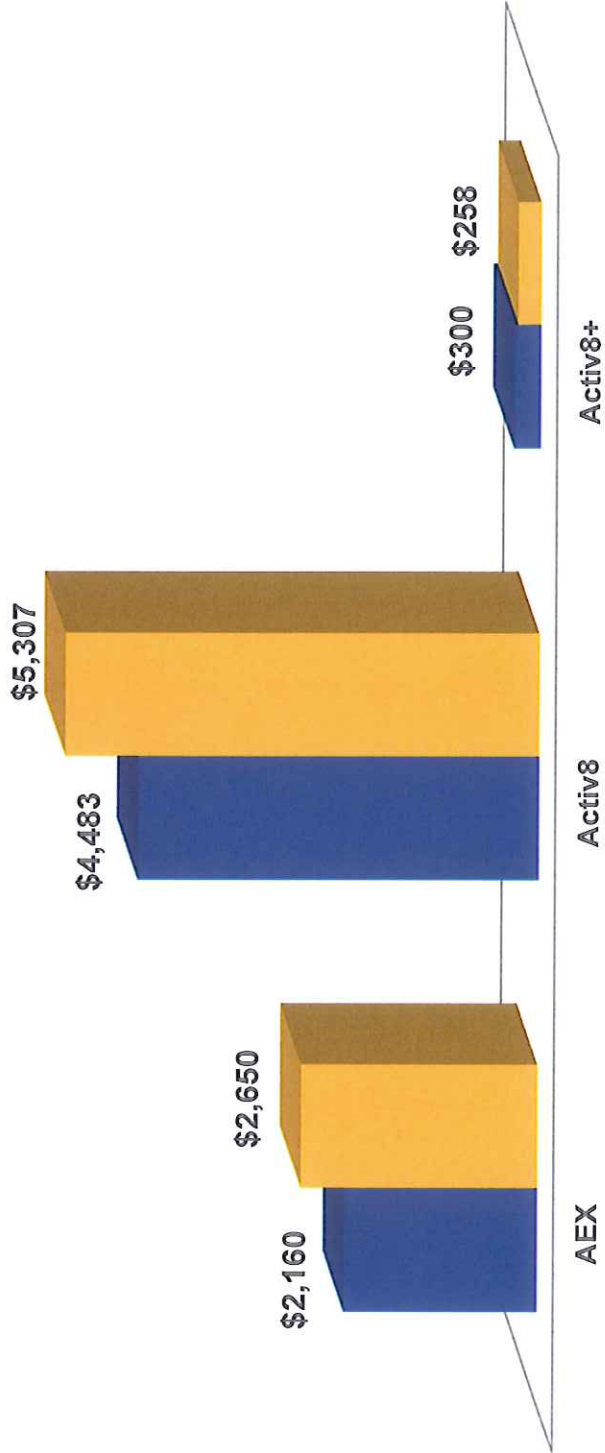
GIVING YOU THE POWER



# Financial Highlights

Revenue by Services (\$,000)

■ HY Dec 2010 ■ HY Dec 2011



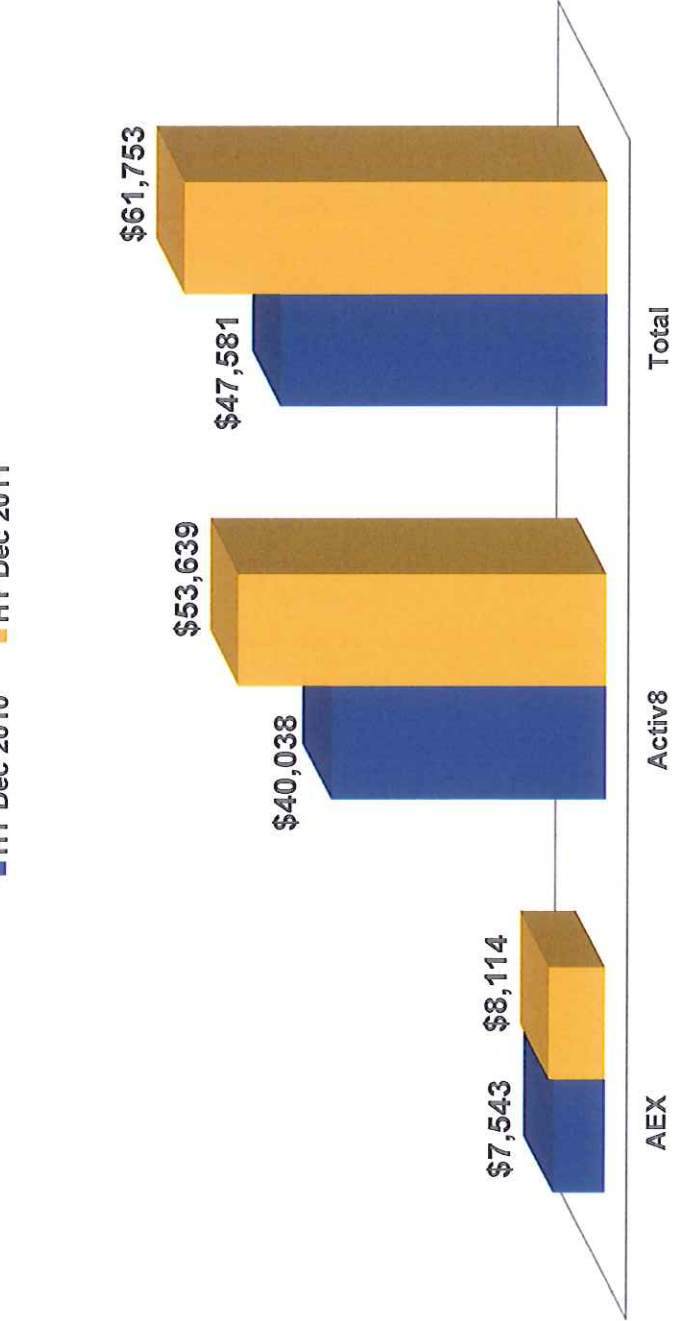
GIVING YOU THE POWER



# Financial Highlights

### Future Income by Product (\$,000)

■ HY Dec 2010 ■ HY Dec 2011



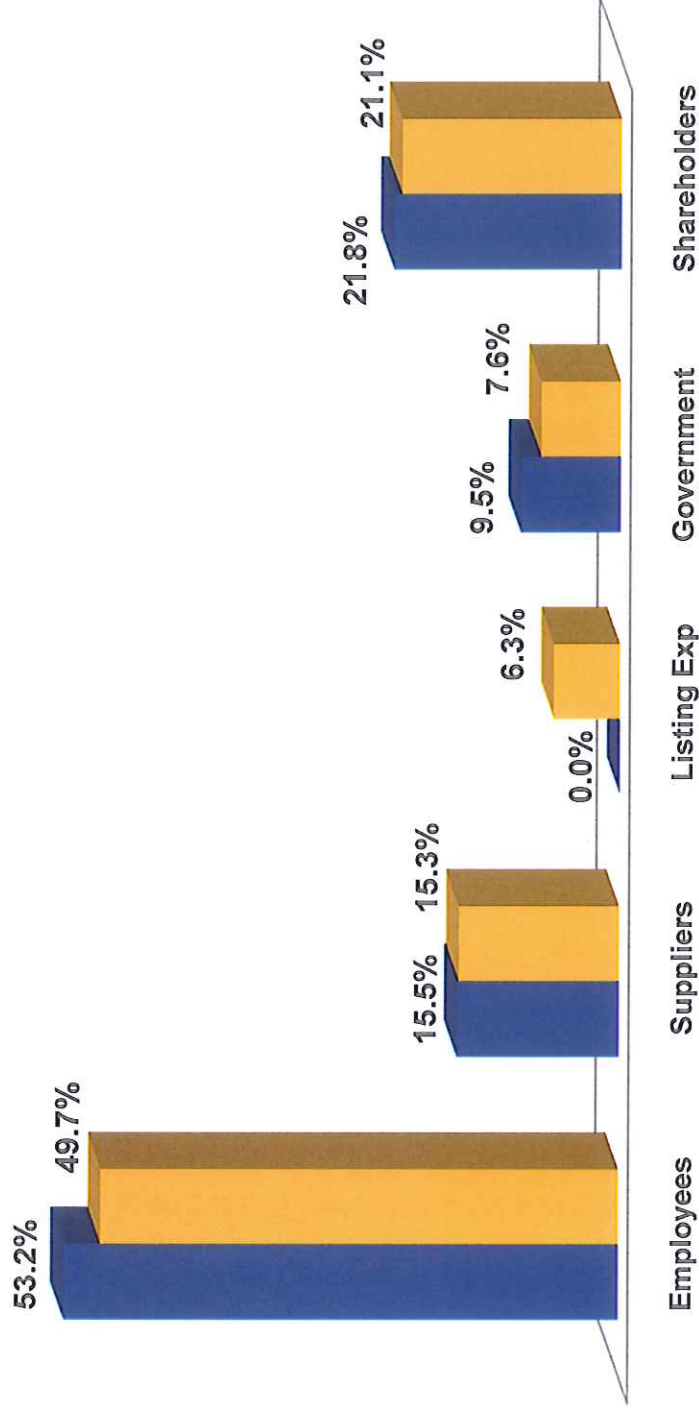
GIVING YOU THE POWER



# Financial Highlights

## Return to Stakeholders

■ HY Dec 2010 ■ HY Dec 2011

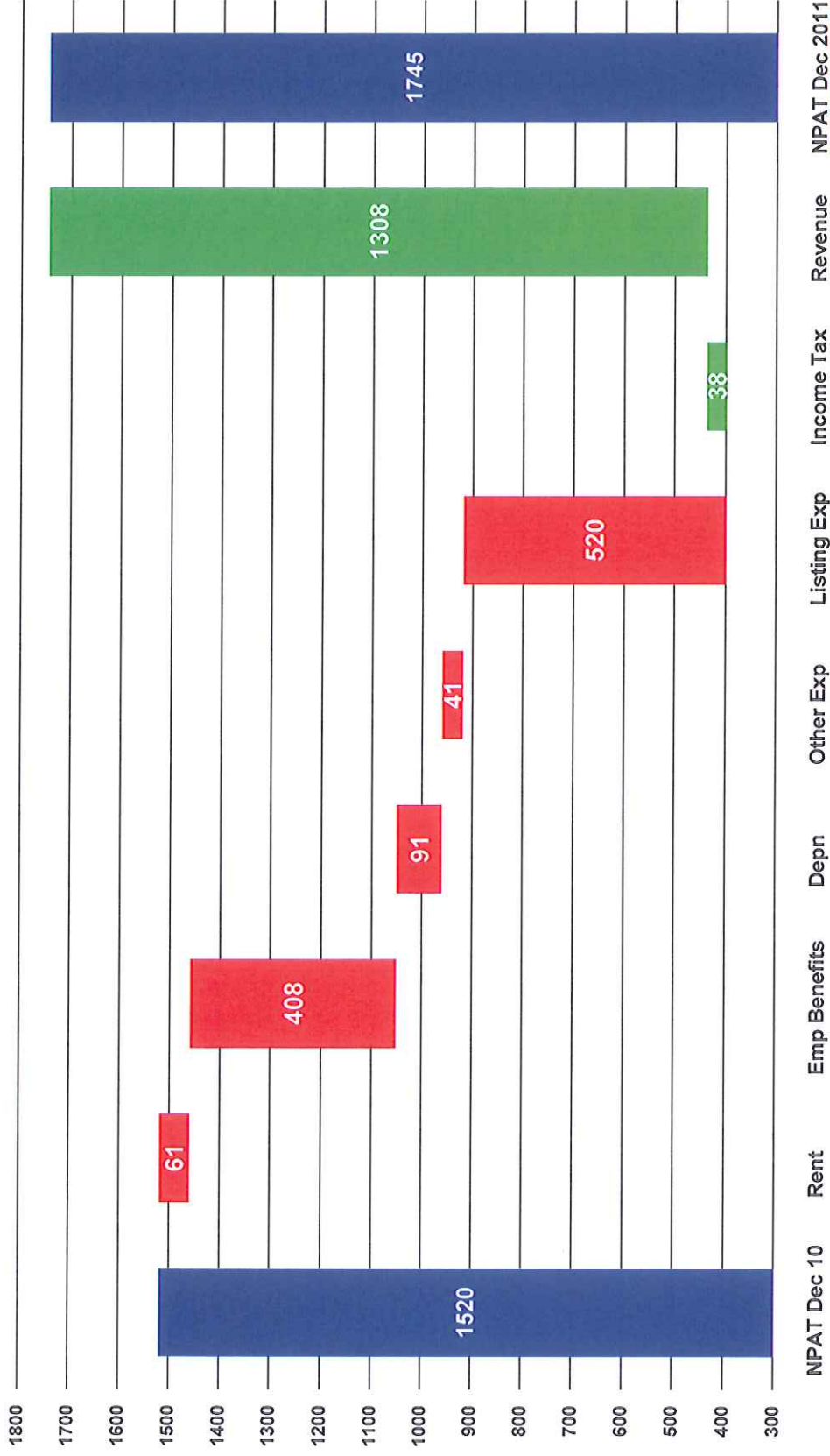


GIVING YOU THE POWER



# Financial Highlights

NPAT - HY Dec 2010 to Dec 2011 (\$,000)



GIVING YOU THE POWER



# Financial Highlights

## HY 2011 Cash Flow

	Dec-11 \$	Dec-10 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	9,180,621	7,437,796
Payments to suppliers and employees	(5,945,177)	(5,632,440)
Interest received	59,499	22,217
Income tax paid	(1,121,159)	(530,542)
<b>Net cash provided by (used in) operating activities</b>	<b>2,173,784</b>	<b>1,297,031</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(82,619)	(104,550)
Purchase of intangible assets	(405,011)	(166,094)
<b>Net cash provided by (used in) investing activities</b>	<b>(487,630)</b>	<b>(270,644)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid by parent entity	(469,674)	(699,650)
Proceeds from capital raising	3,800,000	-
Equity raising costs	(655,931)	-
<b>Net cash provided by (used in) financing activities</b>	<b>2,674,395</b>	<b>(699,650)</b>
Net increase in cash held	4,360,549	326,737
Cash at beginning of financial year	1,566,517	975,718
<b>Cash at end of financial year</b>	<b>5,927,066</b>	<b>1,302,455</b>

GIVING YOU THE POWER



# A strong balance sheet

	Dec-11	Jun-11
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	5,927,066	1,566,517
Trade and other receivables	2,476,587	2,798,201
Other assets	224,808	258,633
<b>TOTAL CURRENT ASSETS</b>	<b>8,628,462</b>	<b>4,364,718</b>
<b>NON-CURRENT ASSETS</b>		
Trade and other receivables	40,346	28,680
Property, plant and equipment	227,590	195,869
Deferred tax assets	412,857	286,199
Intangible assets	1,667,533	1,434,538
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,348,327</b>	<b>1,945,286</b>
<b>TOTAL ASSETS</b>	<b>10,976,789</b>	<b>6,310,004</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	821,947	892,434
Current tax liabilities	175,610	387,398
Short-term provisions	480,611	419,052
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,478,168</b>	<b>1,698,884</b>
<b>NON-CURRENT LIABILITIES</b>		
Other long-term provisions	64,068	51,320
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>64,068</b>	<b>51,320</b>
<b>TOTAL LIABILITIES</b>	<b>1,542,236</b>	<b>1,750,204</b>
<b>NET ASSETS</b>	<b>9,434,553</b>	<b>4,559,800</b>
<b>EQUITY</b>		
Issued capital	4,014,171	449,263
Retained earnings	5,385,382	4,110,537
Reserves	35,000	-
<b>TOTAL EQUITY</b>	<b>9,434,553</b>	<b>4,559,800</b>

GIVING YOU THE POWER

# EnergyAction® HY2011 Operational Highlights

- Successful listing on the ASX – October 2011
- NPAT growth driven by two factors:
  - Increased use of EAX's reverse auction platform – Australian Energy Exchange
  - Growing trend by Australian companies to outsource non-core services such as energy management
- Maintained customer retention rates – over 90%
- Successfully strengthened customer service capabilities – driving greater sales
- Increased cross selling of services across business products

GIVING YOU THE POWER



# Australia's Leading Energy Management Company

## Australian Energy Exchange (AEX)

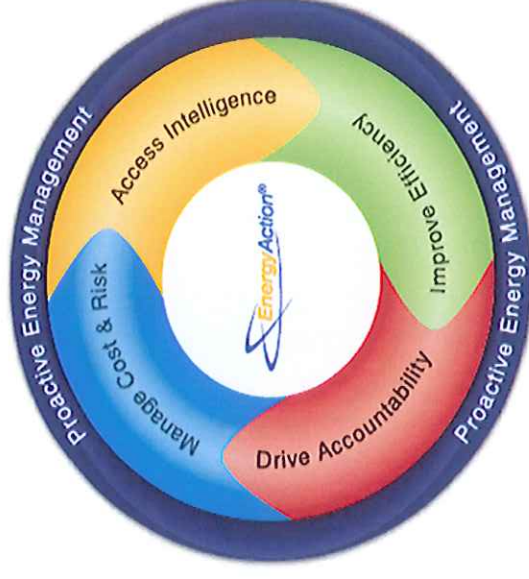
Assisting businesses to secure the best value and most suited energy contract on the market

## Monitoring and Assessment (Activ8)

Activ8 service allows businesses to monitor and assess energy information and manage usage

## Consultancy Services (Activ8+)

Activ8+ helps businesses to understand, manage and take advantage of relevant government regulations and initiatives in the energy and carbon spheres



Services offered by EAX

GIVING YOU THE POWER



# Australian Energy Exchange

- Online reverse auction platform delivers energy contract prices to industrial and commercial energy customers
- Energy suppliers competitively bid for a business's energy needs
- Facilitates ~1,800 energy transactions per year on behalf of our customers – all online
- AEX has procured over \$3 billion in energy contracts
- AEX is a platform to cross-sell EAX's energy management services drives businesses



GIVING YOU THE POWER



# Monitoring and Consultancy

## Activ8 – Energy monitoring and contract management

- Provides energy efficiency services via automated monitoring and contract management
- Services include:
  - Energy and emissions monitoring
  - Contract administration
  - Monthly detailed technical reporting
  - Desktop energy efficiency review
  - Additional in-depth monitoring reports



## Activ8+ - Energy Efficiency and Sustainability Consultancy services

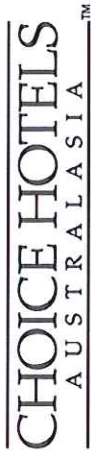
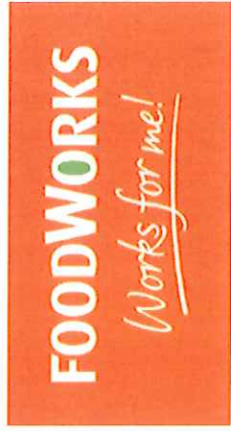
- Offers a range of fee-based advisory services provided by energy and engineering specialists
- EAX provides consultancy services to assist customers with government regulations and initiatives



GIVING **YOU** THE POWER



# Diversified Customer Base



GIVING YOU THE POWER



# Drivers for Growth

- AEX is an unrivalled service offering and foundation for growth:
  - Gives EAX access to large potential customer base
  - Can market complementary services to AEX customers
- Growing trend amongst companies to outsource non-core services such as energy management
- Complex regulatory and legislative environment
- Rising electricity prices forcing businesses to look at measures to reduce consumption
- Impact of carbon tax on electricity prices



GIVING **YOU** THE POWER



# Outlook

- On track to achieve full year targets:
  - NPAT of \$3.8 million
- Future revenue estimated at \$60 million from broad mix of stable and long-term customers
- Planned expansion of Australian Energy Exchange into new markets
- Expansion of energy management services well underway

GIVING **YOU** THE POWER