

Appendix 4D

Half Year Report to the Australian Stock Exchange

Name of Entity	Panorama Synergy Ltd
ABN	84 060 369 048
Half Year Ended	31 December 2011
Previous Corresponding Reporting Period	31 December 2010

Results for Announcement to the Market

	\$'000	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	35	1,066%
Profit / (loss) from ordinary activities after tax attributable to members	(654)	(10%)
Net profit / (loss) for the period attributable to members	(654)	(10%)
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	
Interim Dividend	Nil	
Record date for determining entitlements to the dividends (if any)		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		

Dividends

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

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.003	\$0.001

Control Gained Over Entities Having Material Effect

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

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
Aggregate Share of Net Profits				

Foreign Entities Accounting Framework

For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)

Audit/Review Status


This report is based on accounts to which one of the following applies:
(Tick one)

The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
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If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Half Year Financial Report
2	Review Report

Signed By (Director/Company Secretary)	
Print Name	Aidan Montague
Date	29 February 2012



**Panorama Synergy Ltd
and its Controlled Entities**

**Half-Year Financial Report
31 December 2011**

PANORAMA SYNERGY LTD – HALF YEAR REPORT

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PANORAMA SYNERGY LTD – HALF YEAR REPORT

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2011.

DIRECTORS

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

Mr Aidan Montague (Executive Chairman – appointed as Chairman 20 December 2011)

Mr Terrence Walsh (Chief Executive)

Mr John Athans (Director - Executive)

Mr Gurmit Singh (Director – Non-Executive)

REVIEW OF OPERATIONS

Panorama Synergy is pleased to announce the continued progress and development of its project interests over the past six month period until December 2011.

Panorama Synergy's model for growth is to acquire, develop and commercialise emerging technologies. The Company is currently focused on the development of its two key projects:

- (1) Magneto- Photonic Crystal optical switch
- (2) Online Sales and Marketing Platform

Magneto-Photonic Crystal optical switch (MPC)

In late 2011 there were two significant developments in the MPC project. The Company signed an exclusive worldwide licensing agreement with the University of Western Australia (UWA) for optical technologies related to highly sensitive measurements by multiple, simultaneous micro-cantilever micro-electro-mechanical system (MEMS) sensors.

Panorama Synergy also developed a new process for low temperature annealing of magneto-optic and other materials. A patent application for the invention was lodged in October.

This half also saw the arrival of a Plasma Deposition machine at UWA, a state-of-the-art machine used to deposit magneto-optic films with nanometre-scale control. Panorama Synergy contributed to the purchase and has access to the equipment through its partnership with UWA. The machine gives Panorama's researchers the flexibility to vary composition in a much faster turn-around time.

Online Sales and Marketing Platform

Panorama Synergy has developed a suite of sales and marketing solutions. The roll-out of the first product, the Lead Generation Machine, is encountering strong demand. Phase 1 of the development of the solution and the automation of its delivery has been achieved. This means the Company is now actively meeting demand and solution delivery. With revenue growth, future phases will see continued, ongoing evolution, both in terms of the level of automation

PANORAMA SYNERGY LTD – HALF YEAR REPORT

achieved, as well as ongoing modifications to keep up with the ever changing nature of online commerce.

The goal is to help all small to medium enterprises, worldwide, understand how to generate new customers for their businesses, build relationships with existing customers and leverage the internet as a sales and marketing tool, as opposed to a pin-up board for their website.

The system is metric driven and continues to deliver encouraging results.

Outlook

Technology innovation and development is the foundation of our long-term growth. Our current projects, which are valuable in themselves, also provide the grounds for the continued development and pursuit of interrelated opportunities. Panorama's overarching success will stem from its ability to commercialise these products and distribute them worldwide.

RESULTS OF OPERATIONS

For the six months to 31 December 2011 the revenue of the consolidated entity was \$34,750 (2010 \$3,146). The loss after providing for income tax amounted to \$653,906 (2010 \$728,056).

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor's, Deloitte Touche Tohmatsu, which is included on page 5.

Signed in accordance with a resolution of the directors



Aidan Montague

Director

Dated: 29 February 2012

The Board of Directors
Panorama Synergy Limited
Suite 2, 17 Foley Street
BALCATTWA WA 6000

29 February 2012

Dear Board Members

Panorama Synergy Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Panorama Synergy Limited.

As lead audit partner for the review of the financial statements of Panorama Synergy Limited for the financial half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Conley Manifis
Partner
Chartered Accountants

PANORAMA SYNERGY LTD – HALF YEAR REPORT

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	CONSOLIDATED	
	31 December 2011	31 December 2010
	\$	\$
Continuing Operations		
Interest revenue	17,985	3,146
Sales revenue	16,500	-
Sundry income	265	-
Total revenue	34,750	3,146
Employee benefits expense	(206,608)	(280,000)
Other expenses	(508,406)	(496,143)
Loss before tax	(680,264)	(772,997)
Income tax benefit	26,358	44,941
Loss attributable to members of the parent	(653,906)	(728,056)
 Consolidated operations:		
Basic and diluted earnings per share (cents)	(0.45)	(0.58)

PANORAMA SYNERGY LTD – HALF YEAR REPORT

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	CONSOLIDATED 31 December 2011 \$	30 June 2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents		482,036	1,306,503
Trade and other receivables		47,111	48,297
Current tax asset		170,796	144,438
Prepayments		16,264	36,038
Total Current Assets		716,207	1,535,276
Non-Current Assets			
Plant and equipment		4,271	5,370
Total Non-Current assets		4,271	5,370
TOTAL ASSETS		720,478	1,540,646
LIABILITIES			
Current liabilities			
Trade and other payables		286,525	416,951
Interest bearing liabilities		-	116,500
Other liabilities		-	35,836
Total Current Liabilities		286,525	569,287
TOTAL LIABILITIES		286,525	569,287
NET ASSETS		433,953	971,359
EQUITY			
Issued capital	4	58,072,845	56,907,845
Equity portion of convertible notes		-	1,048,500
Reserves		2,101,485	2,101,485
Accumulated losses		(59,740,377)	(59,086,471)
TOTAL EQUITY		433,953	971,359

PANORAMA SYNERGY LTD – HALF YEAR REPORT

CONDENSED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	CONSOLIDATED	
	31 December 2011	31 December 2010
	\$	\$
Cash flows from operating activities		
Receipts from customers	8,354	-
Payments to suppliers and employees	(816,701)	(363,173)
Interest received	17,985	3,146
Interest paid	-	(2,360)
Receipt of government grants	-	119,215
Net cash used in operating activities	(790,362)	(243,172)
Cash flows from investing activities		
Purchase of plant and equipment	(949)	(4,537)
Net cash used in investing activities	(949)	(4,537)
Cash flows from financing activities		
Proceeds from issue of convertible notes	-	855,000
Refund of deposits on shares not issued	(33,156)	-
Share issue costs	-	(60,270)
Payments on borrowings	-	(21,254)
Net cash flows from financing activities	(33,156)	773,476
Net increase/(decrease) in cash and cash equivalents	(824,467)	525,767
Cash and cash equivalents at beginning of period	1,306,503	152,849
Cash and cash equivalents at end of period	482,036	678,616

PANORAMA SYNERGY LTD – HALF YEAR REPORT

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED	Contributed equity \$	Equity portion of convertible notes \$	Share based payment reserves \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
At 1 July 2010	55,508,991	-	-	1,485	(55,380,374)	130,102
Loss for the half year 31 December 2010	-	-	-	-	(728,056)	(728,056)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(728,056)	(728,056)
Issue of convertible notes	-	769,500	-	-	-	769,500
Costs associated with issue of equity instruments	(60,270)	-	-	-	-	(60,270)
Total transaction with equity holders	(60,270)	769,500	-	-	-	709,230
At 31 December 2010	55,448,721	769,500	-	1,485	(56,108,430)	111,276
At 1 July 2011	56,907,845	1,048,500	2,100,000	1,485	(59,086,471)	971,359
Loss for the year half year 31 December 2011	-	-	-	-	(653,906)	(653,906)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(653,906)	(653,906)
Conversion of convertible notes to shares	1,048,500	(1,048,500)	-	-	-	-
Settlement of interest liability on notes	116,500	-	-	-	-	116,500
Total transaction with equity holders	1,165,000	(1,048,500)	-	-	-	116,500
At 31 December 2011	58,072,845	-	2,100,000	1,485	(59,740,377)	433,953

**PANORAMA SYNERGY LTD – HALF YEAR REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

1. CORPORATE INFORMATION

The financial report of Panorama Synergy Ltd (the Company) for the half-year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 29 February 2012. Panorama Synergy Ltd is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in note 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all of the notes of the type normally included within the annual financial report 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.

The half-year financial report should be read in conjunction with the annual Financial Report of Panorama Synergy Ltd as at 30 June 2011.

It is also recommended that the half-year financial report be considered together with any public announcements made by Panorama Synergy Ltd and its controlled Entity during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of Preparation

The half-year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, except where stated.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Going Concern

The consolidated financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. For the half year ended 31 December 2011, the Consolidated Entity has incurred losses of \$653,906; experienced net cash outflows from operations of \$790,362 and has net current assets of \$429,682 at that date.

The Directors have forecasted the cash flow requirements to progress the business plans of the Consolidated Entity over the next 12 months. Based on the forecasts, the ability of the Consolidated Entity to continue as a going concern is principally dependent upon:

- Receipt of the research and development rebate from the Australian Taxation Office to the extent of approximately \$144,438 by the end of May 2012;
- Ability to raise further equity or debt through the issue of equity or convertible notes; and
- Generating monthly sales revenue in accordance with the forecasts commencing April 2012.

The Directors are satisfied that the going concern basis of preparation is appropriate.

PANORAMA SYNERGY LTD – HALF YEAR REPORT
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FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

Notwithstanding the above, there is material uncertainty about whether the Consolidated Entity will continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the ordinary course of business, and at the amounts stated in the financial statements.

These financial statements do not include any adjustments relating to the recoverability and classification of assets or to the amounts and classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

(c) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2011.

(d) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Panorama Synergy Ltd and its controlled subsidiaries ("the Group").

The group comprised of the following entities:

Legal entity	Country of incorporation	Extent of Parent's interest		
		31/12/2011	30/06/2011	31/12/2010
Panorama Synergy Limited (Parent)	Australia	-	-	-
Digital Nervous Systems Pty Ltd	Australia	100%	100%	100%
Panorama Synergy (Europe) Ltd	United Kingdom	100%	100%	100%

3. SEGMENT INFORMATION

During the half-year ended 31 December 2011 the consolidated entity operated in the micro photonic technology sector in Australia (the group is in research phase).

4. CONTRIBUTED EQUITY

	CONSOLIDATED	
	31 December 2011	30 June 2011
Issued capital	\$	\$
Ordinary shares	31,472,119	30,307,119
Options	26,600,726	26,600,726
	58,072,845	56,907,845

Movement in ordinary shares on issue:

	Number	\$
Balance at 30 June 2011	144,905,604	30,307,119
Shares issued 27 October 2011	1,585,378	100,660
Shares issued 20 December 2011	16,763,224	1,064,340
Balance at 31 December 2011	163,254,206	31,472,119

**PANORAMA SYNERGY LTD – HALF YEAR REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

5. COMMITMENTS AND CONTINGENCIES

Since the last annual reporting date, there have been no material changes to any contingent liabilities or contingent assets, or commitments.

6. EVENTS AFTER THE BALANCE SHEET DATE

There have been no matters or circumstances that have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the consolidated entity in the future financial years.

PANORAMA SYNERGY LTD – HALF YEAR REPORT

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Panorama Synergy Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position as at the 31 December 2011 and the performance for the half-year ended on that date of the consolidated entity; and
 - ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*; and
- (b) 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



Aidan Montague
Director

Perth, 29 February 2012

Independent Auditor's Review Report to the Members of Panorama Synergy Limited

We have reviewed the accompanying half-year financial report of Panorama Synergy Limited, which comprises the condensed statement of financial position as at 31 December 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising Panorama Synergy Limited and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 13.

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 control as the directors determine is 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2011 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 Panorama Synergy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Panorama Synergy Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 Panorama Synergy Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2011 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*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 2 in the financial report which indicates that the Consolidated Entity has incurred a net loss of \$653,906 and experienced net cash outflows from operating activities of \$790,362 for the half year ended 31 December 2011. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore the Consolidated Entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Conley Manifis
Partner
Chartered Accountants
Perth, 29 February 2012