

**IDT AUSTRALIA LIMITED**  
ACN 006 522 970



**HALF-YEAR FINANCIAL REPORT**  
**31 DECEMBER 2011**

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**Directors**

Dr Graeme L Blackman, OAM, BSc (Hons), PhD, FRACI, FTSE  
Chairman

Geoffrey F Lord, BEco (Hons), MBA(Distn), ASSA, AICD  
Deputy Chairman

Dr Robyn Elliott, BSc (Hons), PhD, FTSE  
Managing Director

Alan D Blackman, BA (Hons), LLB (Hons)  
Non Executive

Robert Burnet, BA, MBA, FPSA (Hons)  
Non Executive

Dr Geoffrey N Vaughan, AO, MSc, PhD, FRACI, FTSE  
Non Executive

David Williams, BEc (Hons), M.Ec, FAICD  
Non Executive

**Secretary**

Roman Najdecki, BComm, CPA, ACIS

**Principal Registered Office in Australia**

45 Wadhurst Drive  
Boronia Victoria 3155  
(03) 9801 8888

**Share Register**

Computer Share Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford Victoria 3067

**Auditors**

RSM Bird Cameron Partners  
Level 8, Rialto Towers  
525 Collins Street  
Melbourne Victoria 3000

**Bankers**

National Australia Bank Limited  
Level 2  
151 Rathdowne Street  
Carlton Victoria 3053

**Stock Exchange**

Australian Stock Exchange Limited  
530 Collins Street  
Melbourne Victoria 3000

**DIRECTORS' REPORT - 31 DECEMBER 2011**

Your directors present their report on the accounts of the Company for the half-year ended 31 December 2011.

**Directors**

The following persons were directors of IDT Australia Limited during the period for the half-year and up to the date of this report:

A D Blackman  
Dr G L Blackman  
R Burnet  
Dr R Elliott  
G F Lord  
Dr G N Vaughan  
D Williams

**Review of Operations**

The net result of operations after applicable income tax expense was a loss of \$772,991 (2010 Profit \$836,801).

**Dividend**

The directors have declared that a dividend will not be paid for the half year ending 31 December 2011.

**Matters Subsequent to the End of the Financial Half Year**

There are no matters or circumstances that have arisen since 31 December 2011 that have significantly affected or may significantly affect:

- (a) the company's operations in future financial years,
- (b) the results of those operations in future financial years, or
- (c) the company's state of affairs in future financial years.

**Significant Changes in the State of Affairs**

There was no significant change in the state of affairs of the company, during the year.

### **Future Developments**

At the date of this report, there are no likely developments in the operations of this company required to be reported in accordance with sub-section 299(1)(e) of the Corporations Act 2001.

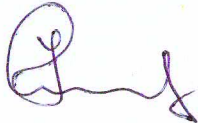
### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001, is set out on page 4.

### **Rounding of Amounts**

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors report and financial report. Amounts in the directors report and financial report have been rounded off to the nearest thousand dollars in accordance with the Class Order.

This report is made in accordance with a resolution of the directors.



G. Lord  
Deputy Chairman

Melbourne, 16 February 2012.

**RSM Bird Cameron Partners**  
Level 8 Rialto South Tower  
525 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007  
T +61 3 9286 1800 F +61 3 9286 1999  
www.rsmi.com.au

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of IDT Australia Limited for the 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.

*RSM Bird Cameron Partners*

**RSM BIRD CAMERON PARTNERS**  
Chartered Accountants

*R B Miano*

**R B MIANO**  
Partner

Melbourne, Vic  
Dated: 16 February 2012

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525 Collins Street Melbourne VIC 3000  
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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF IDT AUSTRALIA LIMITED

We have reviewed the accompanying half-year financial report of IDT Australia Limited which comprises the balance sheet as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and 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 as set out on pages 7 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 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 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 IDT Australia 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.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of IDT Australia 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 IDT Australia 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 *Corporations Regulations 2001*.



**RSM BIRD CAMERON PARTNERS**

Chartered Accountants



**R B MIANO**

Partner

Melbourne, Vic

Dated: 16 February 2012

**DIRECTORS' DECLARATION**


The directors declare that the financial statements and notes set out on pages 8 to 13:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that IDT Australia Limited will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the directors.



G. Lord  
Deputy Chairman

Melbourne, 16 February 2012.

IDT AUSTRALIA LIMITED (ACN 006 522 970)

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

	2011 \$ 000	2010 \$ 000
<b>Revenue</b>	4,928	8,252
Raw materials and consumables used	21	46
Employee benefits expense	3,180	3,695
Depreciation and amortisation expenses	1,435	1,293
Borrowing costs expense	9	7
Utilities	265	441
Share based payments	-	68
Subject and screening costs	325	529
Travel	51	27
Rent	185	220
Consultants	88	300
Insurance	195	200
Other operating expenses	740	368
<b>Profit (Loss) from period before Income Tax Expense</b>	<b>(1,566)</b>	<b>1,058</b>
Income Tax Expense (benefit)	(793)	221
<b>Profit (Loss) attributable to members of IDT Australia Limited</b>	<b>(773)</b>	<b>837</b>
Other comprehensive income		
Share Based Payments	-	68
<b>Total Comprehensive Income (Loss) for the half year</b>	<b>(773)</b>	<b>905</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.02)¢	0.02¢
Diluted earnings per share	(0.02)¢	0.02¢

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011

	31 Dec 2011 \$ 000	30 June 2011 \$ 000
<b>Current Assets</b>		
Cash and Cash Equivalents	4	1,232
Trade and other receivables	3,472	2,744
Inventories	1,054	1,125
<b>Total Current Assets</b>	<u>4,530</u>	<u>5,101</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	23,237	24,066
Intangible Assets	3,814	3,284
Deferred tax assets	292	-
<b>TOTAL NON-CURRENT ASSETS</b>	<u>27,343</u>	<u>27,350</u>
<b>Total Assets</b>	<u>31,873</u>	<u>32,451</u>
<b>Current Liabilities</b>		
Trade and other payables	677	771
Borrowings	667	55
Provisions	1,224	415
<b>Total Current Liabilities</b>	<u>2,568</u>	<u>1,241</u>
<b>Non-Current Liabilities</b>		
Borrowings	34	35
Provisions	72	1,028
Deferred tax liabilities		175
<b>Total Non-Current Liabilities</b>	<u>106</u>	<u>1,238</u>
<b>Total Liabilities</b>	<u>2,674</u>	<u>2,479</u>
<b>Net Assets</b>	<u>29,199</u>	<u>29,972</u>
<b>Equity</b>		
Contributed equity	15,377	15,377
Reserves	1,669	1,669
Retained profits	12,153	12,926
<b>Total Equity</b>	<u>29,199</u>	<u>29,972</u>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

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

	<b>2011</b>	<b>2010</b>
	<b>\$ 000</b>	<b>\$ 000</b>
<b>Total Equity at the beginning of the half year</b>	29,972	30,142
Share based payment	-	68
Capital raising costs	-	(2)
<b>Net Income recognised directly in equity</b>		
Profit/Loss for the half year	(773)	837
<b>Total recognised income and expense for the year</b>		
Dividends	-	-
	<u>          </u>	<u>          </u>
<b>Total Equity at the end of the half year</b>	<u>          29,199          </u>	<u>          31,045          </u>

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

**STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$ 000</b>	<b>\$ 000</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers <i>(inclusive of goods and services tax)</i>	4,320	8,459
Payments to suppliers and employees <i>(inclusive of goods and services tax)</i>	(5,209)	(5,811)
	<u>(889)</u>	<u>2,648</u>
Interest received	11	20
Interest and other costs of finance paid	(9)	(7)
Taxes paid	-	-
	<u>(887)</u>	<u>2,661</u>
<b>Net Cash Inflow from Operating Activities</b>		
<b>Cash Flows from Investing Activities</b>		
Payments for property, plant & equipment	(308)	(937)
Payments for development costs	(727)	(726)
Proceeds from sale of owned property, plant & equipment	55	-
	<u>(980)</u>	<u>(1,663)</u>
<b>Net Cash Outflow from Investing Activities</b>		
<b>Cash Flows From Financing Activities</b>		
Repayment of borrowings	(15)	(36)
Dividends paid	-	-
	<u>(15)</u>	<u>(36)</u>
<b>Net Cash Outflow from Financing Activities</b>		
<b>Net Increase in Cash Held</b>	(1,882)	962
Cash at the beginning of the reporting period	<u>1,232</u>	<u>1,131</u>
<b>Cash at the End of the Reporting Period</b>	<u>(650)</u>	<u>2,093</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT**

This general purpose financial report for the interim half year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim 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 30 June 2011 and any public announcements made by IDT Australia Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

**2. INTEREST REVENUE AND EXPENSE**

	31 Dec 2011 \$ 000	31 Dec 2010 \$ 000
Operating profit before income tax is arrived at after:		
a. crediting interest as revenue	11	20
b. charging interest as an expense	9	7
	<u>          </u>	<u>          </u>

**3. CASH AND CASH EQUIVALENTS**

	31 Dec 2011 \$ 000	31 Dec 2010 \$ 000
Cash at bank and in hand	4	2,093
Deposits	-	-
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

**4. EQUITY SECURITIES ISSUED**

	Half Year		Half Year	
	2011 Shares	2010 Shares	2011 \$000	2010 \$000
Issues of ordinary shares during the half-year Issue for no consideration:				
Employee Share Plan	-	95,765	-	67,400
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**5. DIVIDENDS**

	<b>31 Dec 2011 \$ 000</b>	<b>31 Dec 2010 \$ 000</b>
Ordinary Shares		
Dividends provided for or paid during the half year	-	-

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**6. FINANCIAL REPORTING BY SEGMENTS**

The company operates predominantly in the pharmaceutical industry.

The principal activities of the company are provision of products and research and development and other technical services for the pharmaceutical and allied industries.

The Company operates predominantly in one geographical area being Australia.

**7. EVENTS OCCURRING AFTER REPORTING DATE**

No matters or circumstances have arisen since the end of the reporting period which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.