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Appendix 4E

Preliminary final report

Period ending on 31 December 2011

Introduced 1/1/2003

Name of entity	ABN
Multistack International Limited	54 007 254 346

1. Reporting period

Report for the financial year ended 31 December 2011.
Previous corresponding period is the financial year ended 31 December 2010.

2. Results for announcement to the market

				$A
Revenues from ordinary activities	down	9.97 %	to	2,181,269
Loss from ordinary activities after tax attributable to members	up	39.08%	to	(189,194)
Net loss for the period attributable to members	up	39.08%	to	(189,194)
Record date for determining entitlements to the dividend	Not applicable			

Results for announcement to the market (cont'd)

Dividends
No dividends were paid or proposed for the year ended 31 December 2011.

Trends in Performance

Total revenue in 2011 decreased by 9.97% to $2,181,269. The net loss for continuing operations for the period attributable to members was $189,194.

Operations-

The consolidated group, including the trading entity Dunnair International Ltd, has made a loss after allowing for corporate overheads in the parent entity. Both Dunnair International Ltd and the joint venture Dunnair (Aust) Pty Ltd have benefited from the strong Australian dollar for their imports from China, however, the entities have experienced increased competition in the industry.

The Directors are continuing to review the various proposals and options for the Group. The Directors are determined that any decision made would always be in favour of the best interest of the shareholders.

Tax consolidation
For the purposes of income taxation, Multistack International Ltd and its 100% owned subsidiaries have not formed a tax consolidated group and entry into a tax consolidated group is unlikely. This did not impact the consolidated results for the year. From 1 January 2004, the carried forward tax losses of each entity in the Group could only be used to offset taxable income of that individual entity.

3. Condensed Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2011

	For the year	
	2011	**2010**
	$	**$**
Revenue		
Sales revenue	2,053,882	2,260,531
Other revenue	127,387	162,373
	2,181,269	2,422,904
Less: Expenses		
Changes in inventories of finished goods and work in progress	(124,363)	(29,771)
Raw materials and consumables used	(1,412,761)	(1,510,854)
Employee benefits	(574,733)	(566,380)
Occupancy expenses	(67,682)	(85,882)
Depreciation and amortisation	(11,067)	(11,900)
Administrative expenses	(133,830)	(265,587)
Reverse prior year loan impairment	42,941	45,819
Other expenses	(202,158)	(253,167)
	(2,483,653)	(2,677,722)
Share of profits (losses) of joint venture accounted for using the equity method	-	-
(Loss) before income tax benefit	(302,384)	(254,818)
Income tax benefit	113,190	118,787
(Loss) from continuing operations	**(189,194)**	**(136,031)**
Profit from sale of discontinued operations	-	-
(Loss) for the year	**(189,194)**	**(136,031)**

3. Condensed Consolidated Statement of Comprehensive Income (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

	For the year	
	2011	**2010**
	$	**$**
Loss for the year	**(189,194)**	**(136,031)**
Other comprehensive income for the year	**-**	**-**
Total comprehensive income for the year	**(189,194)**	**(136,031)**
Loss is attributable to:		
Members of the parent	(189,194)	(136,031)
	(189,194)	(136,031)
Total comprehensive income attributable to:		
Members of the parent	(189,194)	(136,031)
	(189,194)	(136,031)
Basic earnings per share for ongoing operations	$(0.0017)	$(0.0012)
Basic earnings per share for discontinued operations	-	-
Total basic earnings per share	**$(0.0017)**	**$(0.0012)**
Diluted earnings per share for ongoing operations	$(0.0017)	$(0.0012)
Diluted earnings per share for discontinued operations	-	-
Total Diluted earnings per share	**$(0.0017)**	**$(0.0012)**

4. Condensed Consolidated Balance Sheet

		31 Dec 2011 $A	31 Dec 2010 $A
	Current assets		
4.1	Cash and cash equivalents	3,174,707	3,433,573
4.2	Receivables	1,310,063	1,159,112
4.3	Inventories	580,584	440,935
4.4	Income Tax Receivable	-	118,787
4.5	Other	3,000	3,300
4.6	**Total current assets**	5,068,354	5,155,707
	Non-current assets		
4.7	Investments in associates	-	-
4.8	Plant and equipment	20,954	38,213
4.9	**Total non-current assets**	20,954	38,213
4.10	**Total assets**	**5,089,308**	**5,193,920**
	Current liabilities		
4.11	Payables	315,528	203,109
4.12	Provisions	140,969	170,617
4.13	**Total current liabilities**	456,497	373,726
	Non-current liabilities		
4.14	Provisions	7,004	5,193
4.15	**Total non-current liabilities**	7,004	5,193
4.16	**Total liabilities**	**463,501**	**378,919**
4.17	**Net assets**	**4,625,807**	**4,815,001**
	Equity		
4.18	Share capital	155,638,695	155,638,695
4.19	Accumulated losses	(151,012,888)	(150,823,694)
4.20	**Equity attributable to members of the parent entity**	**4,625,807**	**4,815,001**
4.21	**Total equity**	**4,625,807**	**4,815,001**

5. Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the parent		
CONSOLIDATED	Issued Capital $	Accumulated Losses $	Total Equity $
At 1 January 2010	**155,638,695**	**(150,687,663)**	**4,951,032**
Loss for the year	-	(136,031)	(136,031)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**-**	**(136,031)**	**(136,031)**
Transactions with owners as their capacity of owners			
Non-controlling interest	-	-	-
As at 31 December 2010	**155,638,695**	**(150,823,694)**	**4,815,001**

	Attributable to equity holders of the parent		
CONSOLIDATED	Issued Capital $	Accumulated Losses $	Total Equity $
At 1 January 2011	**155,638,695**	**(150,823,694)**	**4,815,001**
Loss for the year	-	(189,194)	(189,194)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**-**	**(189,194)**	**(189,194)**
Transactions with owners as their capacity of owners			
Non-controlling interest	-	-	-
As at 31 December 2011	**155,638,695**	**(151,012,888)**	**4,625,807**

6. Condensed Consolidated Statement of Cash Flows

		31 Dec 2011 $A	31 Dec 2010 $A
	Cash flows related to operating activities		
6.1	Receipts from customers	2,225,636	2,783,678
6.2	Payments to suppliers and employees	(2,819,971)	(3,000,086)
6.3	Interest and other items of similar nature received	103,492	97,903
6.4	Interest and other costs of finance paid	-	-
6.5	Income tax refund	231,977	-
6.6	**Net operating cash flows**	**(258,866)**	**(118,505)**
	Cash flows related to investing activities		
6.7	Payment for purchases of property, plant and equipment	-	(34,433)
6.8	Proceeds from sale of property, plant and equipment	-	7,419
6.09	Proceeds from sale of Chinese operations	-	2,240,000
6.10	**Net investing cash flows**	**-**	**2,212,986**
	Cash flows related to financing activities		
6.11	Proceed from borrowings	-	-
6.12	Repayment of borrowings	-	-
6.13	**Net financing cash flows**	**-**	**-**
6.14	**Net increase (decrease) in cash held**	**(258,866)**	**2,094,481**
6.15	Cash at beginning of period	3,433,573	1,339,092
6.16	**Cash at end of period**	**3,174,707**	**3,433,573**

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period $A	Previous corresponding period $A
6.20 Cash on hand and at bank	3,174,707	3,433,573
6.21 Total cash at end of period	**3,174,707**	**3,433,573**

7.1 Consolidated retained profits

	Current period $A	Previous corresponding period - $A
Retained profits (accumulated losses) at the beginning of the financial period	(150,823,694)	(150,687,663)
Net profit (loss) attributable to members	(189,194)	(136,031)
Retained profits (accumulated losses) at end of financial period	**(151,012,888)**	**(150,823,694)**

7.2 Earnings per security (EPS)

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

Basic and diluted earnings per share is calculated at $(0.0017), based on a net loss for the period attributable to members of $189,194 and a weighted average of 112,303,924 ordinary shares on issue for the period.

7.3 NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per +ordinary security	$0.04	$0.04

7.4 Dividends

No dividends have been paid or declared in respect of the current or prior period.

8. Details of associates and joint venture entities

Name of associate or joint venture entity	% Securities held
Dunnair (Aust) Pty Ltd	50%

Aggregate share of profits (losses) of joint venture entity

Group's share of joint venture entity:	Current period $	Previous corresponding Period $
Profit/(Loss) from ordinary activities before tax	42,941	78,214
Income tax on ordinary activities	-	-
Net profit from ordinary activities after tax	42,941	78,214
Share of net profit of joint venture entity	42,941	78,214

9. Basis of preparation

The financial information provided in the Appendix 4E is based on the draft annual financial report, which has been prepared in accordance with Australian Accounting Standards.

10. Audit of the financial report

The financial report is in the process of being audited.