OBJECTIVE CORPORATION LIMITED
ABN: 16 050 539 350

APPENDIX 4D
HALF-YEAR REPORT

for the half-year ended 31 December 2010

(previous corresponding period being the half-year ended 31 December 2009)

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

KEY INFORMATION

	Half-year ended 31-Dec-10 A$'000	Half-year ended 31-Dec-09 A$'000	% Change
Revenue from ordinary activities	20,913	21,051	(1%)
Profit from ordinary activities after income tax attributable to members	1,170	1,160	1%
Net profit for the half-year attributable to members	1,170	1,160	1%

DIVIDENDS

	Amount per security	Franked amount per security
Interim dividend	-	-
Previous corresponding period	-	-

No interim dividend is payable or proposed.

The dividend paid during the half year and shown in the consolidated statement of changes in equity is the final dividend paid in respect of the year ended 30 June 2010.

EARNINGS PER SECURITY

	Half-year ended 31-Dec-10	Half-year ended 31-Dec-09
Earnings per security (EPS)	1.0 cents	0.9 cents

NET TANGIBLE ASSETS PER SECURITY

	Half-year ended 31-Dec-10	Half-year ended 31-Dec-09
Net tangible assets per security (NTA)	3.6 cents	3.5 cents

The information contained in this report should be read in conjunction with the 30 June 2010 Annual Report of Objective Corporation Limited.

COMMENTS BY DIRECTORS

Objective Corporation (ASX: OCL), a specialist provider of content, collaboration and process management solutions, today announced a profit after tax of $1.2 million for the six months to 31 December 2010 (FY10 H1: $1.2 million). Revenue was $20.9 million (FY10 H1: $21.1 million).

Asia Pacific revenue was $16.7 million, representing an increase of 18 per cent over the previous corresponding period (FY10 H1: $14.2 million). European revenue decreased by 42 per cent to $3.6 million (FY10 H1: $6.2 million).

At 31 December 2010, the company had $8.5 million in cash and cash equivalents, net of borrowings.

Consistent with all prior years, an interim dividend was not declared.

FINANCIAL SUMMARY

Results summary for half year ended	**31 Dec 2010 $m**	**31 Dec 2009 $m**	**% Change**
Revenue	20.9	21.1	-1%
Net profit after tax	1.2	1.2	-%
Asia Pacific revenue	16.7	14.2	18%
European revenue	3.6	6.2	-42%
Earnings per share	1.0 cps	0.9 cps	11%
No interim dividend was declared			

Mr Tony Walls, CEO, Objective Corporation said: “The first half results are respectable given the economic conditions in the United Kingdom.

“The Asia Pacific region performed well with an 18 per cent increase in revenue, year-on-year. By contrast, the United Kingdom government austerity measures have impacted our European revenue in the current period.”

Operational Highlights

During the first half of the year, the company maintained its focus on delivering results for customers and solutions for the public sector.

Of the highlights, the company was awarded a strategic long-term contract with the NSW Roads and Traffic Authority to rollout an enterprise-wide solution for 6500 users and also achieved success in Victorian state government with the Victorian State Trustees.

Investment into research and development continued and expenditure was $4.6 million, approximately 22 per cent of revenue (FY10 H1: $5.0 million). The result of this investment was the launch of multiple next generation releases.

Objective's cloud based solution, Objective Online 4, was successfully launched at two customer events held in the United Kingdom. New Online customers East Ayrshire Council and the Strategic Development Planning Authority (comprising of Dundee City Council, Perth and Kinross Council, Angus and Fife Councils) have selected Objective's Policy Lifecycle Management solution to enable improved collaboration, production and public consultation on public policy documents.

An unprecedented number of new innovations were revealed at Objective's international customer conference, Collaborate 2010. Including: Objective 8.0, the next generation of Objective's world class enterprise content management solution; Objective Executive; Objective Discover; Objective Enterprise Search; Objective Committees (online) and Objective for Blackberry.

Objective also entered into a strategic partnership with Exalead for the provision of next generation full text and enterprise search technology. This is a significant long-term investment for Objective and one that we expect will deliver benefits for all of our stakeholders into the future.

OUTLOOK

Mr Walls said: "We remain cautiously optimistic for the next half. We anticipate Asia Pacific will maintain its stronger performance.

"The United Kingdom public sector austerity programme and reductions in headcount has created some near term challenges, however we are confident of an improved second half in the region."

The board and management of Objective Corporation would like to thank the company's customers and employees for their commitment and valuable contributions to the success of the company.

AUDIT REVIEW

The half-year financial report has been subject to review and the independent auditor's review report is attached to the report.

The remainder of the information requiring disclosure to comply with listing rule 4.2A.3 is contained in the attached half-year financial report.

HALF-YEAR FINANCIAL REPORT

OBJECTIVE CORPORATION LIMITED
AND ITS CONTROLLED ENTITIES
ABN 16 050 539 350

31 DECEMBER 2010

DIRECTORS' REPORT

Your directors present their report together with the financial statements of the consolidated entity consisting of Objective Corporation Limited and the entities it controlled, for the half-year ended 31 December 2010 and the independent auditor's review report thereon.

DIRECTORS

The following persons were directors of Objective Corporation Limited at any time during or since the end of the half-year:

- Tony Walls
- Gary Fisher
- Leigh Warren
- Nick Kingsbury

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the half-year were the supply of information technology software and services. There was no significant change in the nature of the consolidated entity's activities during the half-year.

REVIEW OF OPERATIONS

Revenue
Consolidated revenue from sales and services for the half was $20,378,000 (FY10 H1: $20,462,000). Asia Pacific operations revenue from sales and services increased by 18% to $16,677,000 (FY10 H1: $14,160,000); European operations revenue from sales and services decreased by 42% to $3,514,000 (FY10 H1: $6,019,000) Total revenue for the half was $20,913,000, a decrease of 1% over the previous corresponding periods' $21,051,000.

Operating Result
The consolidated operating result after tax attributable to members for the half was a profit of $1,170,000 (FY10 H1: $1,160,000).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is provided with this report.

ROUNDING OF AMOUNTS

The Company is of a kind referred in ASIC Class Order 98/100 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated. Signed in accordance with a resolution of the directors.

Tony Walls, Director, 23 February 2011

OBJECTIVE CORPORATION LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED INCOME STATEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Half -year ended 31-Dec-10 $'000	Half -year ended 31-Dec-09 $'000
Revenue	2	20,913	21,051
Cost of sales		(795)	(845)
Gross profit		20,118	20,206
Distribution expenses		(10,177)	(9,903)
Administrative expenses		(2,102)	(2,611)
Research and development expenses		(4,580)	(4,973)
Net gain / (loss) on financial asset at fair value through profit or loss		293	219
Foreign exchange loss		(368)	(107)
Finance expenses		(93)	(114)
Other expenses		(1,518)	(1,340)
Profit from continuing operations before income tax		1,573	1,377
Income tax (expense) / benefit		(403)	(217)
Profit after tax attributable to members of the Company		1,170	1,160
		Cents	**Cents**
Basic earnings per share	5	1.0	0.9
Diluted earnings per share	5	1.0	0.9

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

OBJECTIVE CORPORATION LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half -year ended 31-Dec-10 $’000	Half- year ended 31-Dec-09 $’000
Profit for the period	1,170	1,160
Other comprehensive income		
Foreign currency translation differences for foreign operations, net of tax	230	(78)
Total comprehensive income for the period	1,400	1,082
Attributable to owners of the Company	1,400	1,082

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

OBJECTIVE CORPORATION LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

Current Assets		**31-Dec-10**	**30-Jun-10**
Cash and cash equivalents		11,889	11,560
Receivables		9,062	15,634
Total Current Assets		20,951	27,194
Non Current Assets			
Property, plant and equipment		1,455	1,696
Deferred tax assets		1,223	1,227
Intangible assets		8,786	8,938
Total Non Current Assets		11,464	11,861
Total Assets		32,415	39,055
Current Liabilities			
Payables		4,219	7,118
Current tax liabilities		503	-
Interest bearing liabilities		3,499	3,630
Provisions		438	321
Other		9,064	13,179
Total Current Liabilities		17,723	24,248
Non Current Liabilities			
Interest bearing liabilities		-	21
Provisions		325	249
Total Non Current Liabilities		325	270
Total Liabilities		18,048	24,518
Net Assets		14,367	14,537
Equity			
Contributed equity	4	2,186	2,186
Retained profits and reserves		12,181	12,351
Total Equity		14,367	14,537

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

OBJECTIVE CORPORATION LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half –year ended 31-Dec-10 $'000	Half -year ended 31-Dec-09 $'000
Cash flow from operating activities		
Receipts from customers	25,529	27,550
Payments to suppliers and employees	(23,983)	(24,184)
Interest received	352	287
Interest paid	(95)	(112)
Income tax (paid) / refund	3	(3)
Net cash provided in operating activities	1,806	3,538
Cash flow from investing activities		
Payments for plant & equipment	(83)	(92)
Net cash used in investing activities	(83)	(92)
Cash flow from financing activities		
Repayment of loan facilities	-	(1,000)
Finance lease payments	(152)	(313)
Payment for share buy-back	-	(1,000)
Dividends paid	(1,570)	(2,535)
Net cash used in financing activities	(1,722)	(4,848)
Net decrease in cash held	1	(1,402)
Cash at the beginning of the half-year	11,560	12,684
Net foreign exchange differences	328	(78)
Cash at the end of the half-year	11,889	11,204

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

OBJECTIVE CORPORATION LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half -year ended 31-Dec-10 $'000	Half- year ended 31-Dec-09 $'000
Balance at 1 July	14,537	15,820
Profit for the half-year	1,170	1,160
Exchange differences on translation of foreign operations	230	(78)
Total comprehensive income for the half-year	1,400	1,082
Transactions with owners in their capacity as owners:		
Acquisitions of equity, net of transaction costs	-	(1,000)
Dividends provided for or paid	(1,570)	(2,535)
Total equity at the end of the half-year	14,367	13,367

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

Note 1. Basis of preparation of the half-year financial report

This general purpose financial report for the interim half year reporting period ended 31 December 2010 has been prepared in accordance with 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 2010 and any public announcements made by Objective Corporation 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.

Note 2. Revenue

	Half -year ended 31-Dec-10 $'000	Half- year ended 31-Dec-09 $'000
Sales and services revenue	20,378	20,462
Interest receivable / received	352	287
Sundry revenue	183	302
Total revenue	20,913	21,051

Objective

Note 3. Segment information

(a) Geographic segments

For half-year ended 31 December 2010	Asia/Pacific $'000	Europe $'000	USA $'000	Unallocated $'000	Consolidated $'000
Segment Revenue					
Sales to external customers	16,677	3,514	187	-	20,378
Interest revenue	-	-	-	352	352
Other revenue	72	111	-	-	183
Total Revenue	16,749	3,625	187	352	20,913
Expenses (not including R & D)	8,422	4,221	146	1,971	14,760
Profit (loss) before R & D	8,327	(596)	41	(1,619)	6,153
R & D expenses	-	-	-	4,580	4,580
Income tax expense	-	-	-	403	403
Net profit (loss)	8,327	(596)	41	(6,602)	1,170

For half-year ended 31 December 2009	Asia/Pacific $'000	Europe $'000	USA $'000	Unallocated $'000	Consolidated $'000
Segment Revenue					
Sales to external customers	14,160	6,019	283	-	20,462
Interest revenue	-	-	-	287	287
Other revenue	74	228	-	-	302
Total Revenue	14,234	6,247	283	287	21,051
Expenses (not including R & D)	7,208	5,219	210	2,064	14,701
Profit (loss) before R & D	7,026	1,028	73	(1,777)	6,350
R & D expenses	-	-	-	4,973	4,973
Income tax expense	-	-	-	217	217
Net profit (loss)	7,026	1,028	73	(6,967)	1,160

(b) Industry segments

The consolidated entity operates in the information technology software and services industry.

Note 4. Contributed equity

	31-Dec-10 Number	30 June 10 Number	31-Dec-10 $'000	30 June 10 $'000
Ordinary Shares	120,753,277	120,753,277	2,186	2,186
Total contributed equity	120,753,277	120,753,277	2,186	2,186

Options issued during the year

During the half-year ended 31 December 2010, no options in the Company were issued pursuant to the Employee Incentive Plan. No options were exercised and no options were cancelled during the period.

	31-Dec-10		31-Dec-09	
Options on issue at balance date	**Number**	**Expiry Date**	**Number**	**Expiry Date**
Employee Options exercisable at $0.50	-	-	757,000	18/08/2010
Employee Options exercisable at $0.50	50,000	02/10/2012	50,000	02/10/2012
Employee Options exercisable at $1.00	-	-	200,000	24/10/2010
Employee Options exercisable at $1.00	100,000	30/06/2012	100,000	30/06/2012
Employee Options exercisable at $1.00	1,300,000	30/06/2014	1,000,000	30/06/2014
Employee Options exercisable at $1.00	100,000	30/06/2014	100,000	30/06/2014
Employee Options exercisable at $0.50	100,000	30/06/2014	100,000	30/06/2014
Employee Options exercisable at $0.50	1,000,000	31/12/2014	1,000,000	31/12/2014
Employee Options exercisable at $0.50	300,000	30/06/2015	300,000	30/06/2015
Employee Options exercisable at $0.50	500,000	01/11/2015	500,000	01/11/2015
Total options on issue	3,450,000		4,107,000	

Note 5. Earnings per share

	Half-year ended 31-Dec-10 Cents	Half-year ended 31-Dec-09 Cents
Basic earnings per share	1.0	0.9
Diluted earnings per share	1.0	0.9
	$'000	**$'000**
Net profit used in calculating basic and diluted earnings per share	1,170	1,160
	Number	**Number**
Weighted average number of shares used as the denominator in calculating basic earnings per share	120,753,277	122,111,973
	Number	**Number**
Weighted average number of shares used as the denominator in calculating diluted earnings per share	120,753,277	122,111,973

DIRECTORS' DECLARATION

The directors declare that the attached financial statements and notes thereto:

(a) comply with Australian Accounting Standard AASB *134 Interim Financial Reporting* and Corporations Regulations 2001; and

(b) gives a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion

(a) the financial statements are in accordance with the *Corporation 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.

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

Dated 23 February 2011

Tony Walls

Director

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AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Objective Corporation Limited

I declare that, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

R M SHANLEY
Partner

PITCHER PARTNERS

Sydney

23 February 2011

PITCHER PARTNERS
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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF OBJECTIVE CORPORATION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Objective Corporation Limited and controlled entities, which comprises the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Objective Corporation Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 consolidated entity’s financial position as at 31 December 2010 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 Objective Corporation 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.

PITCHER PARTNERS

TO THE MEMBERS OF OBJECTIVE CORPORATION LIMITED

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 Objective Corporation Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 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*.

R M SHANLEY

Partner

PITCHER PARTNERS

Sydney

23 February 2011