SYMEX
SYMEX HOLDINGS LIMITED

ANNUAL REPORT | 2008

www.symex.com.au

CORPORATE DIRECTORY

DIRECTORS

Alan Stockdale
Chairman

Greg Tremewen
Managing Director

Allister Tomkins
Executive Director

Mark Evans
Non-Executive Director

Peter Robinson
Non-Executive Director

Alan Johnstone
Non-Executive Director

John Rishworth
Non-Executive Director

ANNUAL GENERAL MEETING

The Annual General Meeting of Symex Holdings Limited will be held at 3.00pm on Thursday 20th November 2008 at Symex Holdings Limited, 14 Woodruff Street, Port Melbourne, Victoria 3207.

REGISTERED OFFICE

14 Woodruff Street
Port Melbourne VIC 3207

LAWYERS TO THE COMPANY

Carton Solicitors
Suite 211
19 Milton Parade
Malvern VIC 3144

SHARE REGISTRY

Registries Ltd
Level 2, 28 Margaret Street
Sydney NSW 2000

AUDITORS

Deloitte Touche Tohmatsu
180 Lonsdale Street
Melbourne VIC 3000

PRINCIPAL BANKERS

ANZ Bank
Level 5, 530 Collins Street
Melbourne VIC 3000

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SYMEX

pental

dcs INTERNATIONAL

CHAIRMAN'S REVIEW

The year under review has been one of rebuilding for Symex within a context of very difficult trading conditions.

Shortly before the commencement of the year, Greg Tremewen had been appointed Managing Director and Allister Tomkins had been appointed Executive Director. Symex had also acquired DCS International, the business Greg and Allister had developed after they left Symex some four years earlier. Greg and Allister came to their roles with very substantial experience of our company's industry and with a mandate from the Board to review the company's strategy, organisation and performance and to turn around profitability.

The review was completed by the second quarter of the year but, even before the review was completed, Symex had commenced to implement a cost-reduction program and refocused its trading strategy, especially in the oleo chemical business. This year, Symex has changed the emphasis to focus on a more strategic approach to sales of its oleo chemical products. The focus has been on maintaining the volume of sales that maximised margins. Of course, this involved recognition that costs, including fixed costs, also had to be optimised. This strategy has been successful. The company has significantly improved overall profitability, and the Board believes that the company is now well positioned to continue improving profitability in the future.

During the year, tallow prices, our major raw material cost, have been at record high levels as a result of the world-wide historically high prices for oils and grains. Selling prices for stearine and (to a lesser extent) oleine, also tended to be constrained, relative to raw material prices, as increased production of competing products, usually based on palm oil, emanated from Asian countries. In addition, freight costs were not as advantageous as they usually are in the context of a strong Australian dollar.

Moreover, the Australian dollar tended to strengthen against the JPY and especially, the US dollar during the year. This eroded the Australian dollar value of our offshore sales in a context of the company's exporting around 80% of its oleo chemical products. The company did gain some amelioration of the effects of the strong Australian dollar from hedges. Given the volatility of the currency, our current policy is to use hedging options on an opportunistic basis rather than to lock in an exchange rate over any longer period of time.

Despite being hit by high tallow prices, the company has also successfully brought a more strategic approach to its fast-moving consumer goods business in Pental. The focus has been on improving operating efficiency, building the contract manufacturing business we do for major supermarket chains, working closely with the supermarkets to offset cost increases, introducing innovations to make our product ranges more attractive to consumers and diversifying our personal care brands into liquid washes and other growth segments.

DCS International has also proven a good investment, exceeding budgeted profit for the year.

The improved strategic focus has resulted in a turn-around in the company's overall performance with Net Profit After Tax rising from $0.131 million (on a comparable basis) in the previous year to $8.023 million this year. At the same time, debt has been reduced by more than $17 million. The improved outcome is the result of good management and the efforts of the company's staff who readily accepted the need to restore profitability in a difficult market. On behalf of shareholders, the Board thanks Greg and Allister, their management colleagues and the staff in all our operations.

The Board has decided not to pay any dividend in respect of the 2008 year, and at this time, does not expect the company to pay any dividend during the 2009 year, but will review the position in the light of profit expectations, the level of debt, capex plans and the overall position of the company at the end of the financial year.

Alan Stockdale
Chairman

Symex Plants
Port Melbourne (top)
Shepparton (below)

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

This statement outlines the main Corporate Governance practices that were in place throughout the financial year. Unless otherwise stated, the best practice recommendations of the ASX Corporate Governance Council ("the Recommendations") were followed during the financial year.

BOARD OF DIRECTORS AND ITS COMMITTEES

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall corporate governance of Symex Holdings Limited and its controlled entities ("the Company" and collectively "the consolidated entity") including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Board Charter

The Board operates under a Charter. The Charter sets out formally the procedures under which the Board operates. The major provisions of the Charter are discussed below.

Directors appointed receive a written agreement setting out the terms and conditions of their appointment, and the standards and duties expected of them.

The Board meets as appropriate. The full Board currently holds scheduled monthly meetings, plus any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise. Proper notice must be given of each meeting, and Management and Financial Reports relevant to the Agenda are to be provided in sufficient time to allow Directors to review and assess the content of the reports and to formulate any queries.

Standing items on the Agenda include:
- the managing director's report;
- management financial reports;
- confirmation of any securities trading by directors;
- continuous disclosure confirmation.

The responsibilities of the Board, which are reserved for the Board and not delegated to management, are set out in the Charter, and include:
- Oversight of the business and affairs of the Company;
- Establishment of control and accountability systems;
- Establishment with management of a strategic direction, supporting strategies and operating performance objectives;
- Appointing the Managing Director and Executive Director;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance.

The Board or individual directors may retain, at the Company's expense, outside consultants or advisors to advise the Board independently on any matter. Individual board members seeking such advice must obtain the prior approval of the Chairman, which may not be unreasonably withheld, and the advice will be made available to all board members as appropriate.

CORPORATE GOVERNANCE STATEMENT, CONTINUED

Composition of the Board

The names of the directors of the Company in office at the date of this Statement are set out in the Directors' Report of the Financial Report, along with their skills, experience and responsibilities. The Board currently comprises five non-executive directors and two executive directors. Of the five non executive directors, four meet the test for independence suggested by the Recommendations, including the Chairman. A majority of directors are therefore independent. Symex notes that a company associated with Mark Evans has received fees totalling $88,200, plus GST, concerning services performed in relation to capital raising, however Symex considers that Mr Evans remains an independent director as the fees were negotiated as if Mr Evans was an arm's length service provider, were one off in nature and are not on-going, in that the transactions to which they relate have been completed.

All directors are involved in structuring the Board to ensure that its skill sets best meet the requirements of the Company's operations. The Board has therefore not formed a Nominations Committee given its size and the size of the Symex business.

There are no restrictions on length of tenure other than compulsory retirement by rotation discussed below. Given the size of the Symex Board, and the nature of its business, the Board is of the view that length of tenure is not an important factor in determining independence of directors.

The role of shareholders in director appointments is recognised in that:
- At each AGM, one third of the directors longest in office other than the Managing Director (rounded up) must retire, and may offer themselves for re-election by shareholders;
- There are no agreements between directors and the Company that fetter or remove the ultimate rights of shareholders, and shareholders alone, to remove directors from office.

Audit Committee

The Board operates an Audit Committee. That Committee operates under a Charter.

The Audit Committee's role is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. It also gives the Board of Directors additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report.

The members of the Audit Committee are:
- Peter Robinson (Chair)
- Alan Stockdale
- Mark Evans

The audit committee consists only of independent directors, and the Chair is not Chairman of the Board.
The members of the Committee all have extensive experience in financial matters.

Details of their qualifications and experience can be found in the Directors' Report section of this Annual Report.

Details of meetings of this Committee can be found in the Directors' Report section of this Annual Report.

The responsibilities of the Audit Committee are set out in its Charter, and include:
- Reviewing the annual and half-year financial reports and other financial information distributed externally.
- Monitoring corporate risk assessment and processes;
- Monitoring the establishment of an appropriate internal control framework, and appropriate ethical standards.

Remuneration

The Board as a whole performs the functions of a remuneration committee given the size of the Board and the Symex business. Remuneration is dealt with along the following guidelines:

- Remuneration of senior employees other than executive directors is determined by the Managing Director and monitored by the Board;
- Remuneration of Executive Directors including the Managing Director is determined by the Board;
- Remuneration of Non-executive Directors is determined by the Board on advice from the Managing Director;
- Advice on remuneration is sought where appropriate from third party remuneration specialists.

Remuneration of directors and executives is set out in full in the Remuneration section of the Directors' Report.

Director dealings in Company shares

The Constitution permits directors to acquire shares in the Company. The Company has adopted a written policy which:

- Prohibits trading within specific time periods when it will be assumed directors and senior employees are likely to be in possession of price sensitive information not known to the market, and trading at any time when directors and senior employees are actually in possession of such information;
- Prevents short term or speculative trading by those persons; and
- Requires the Chairman and Managing Director to be informed before trading of any sort occurs.

Directors must advise the ASX of any transactions conducted by them in shares in the Company. Each director has entered into a written agreement with the Company whereby the director agrees to advise the Company of any trading to enable the Company to fulfil its obligations to advise ASX.

Conflict of Interest

Directors must keep the Board advised, on an on going basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist directors to disclose potential conflicts of interest, and declarations of interests is a standing agenda item for each Board meeting. Details of director related entity transactions with the Company and consolidated entity are set out in the Notes to the Financial Statements.

Performance of the Board, individual directors and key executives

The Board undertakes its own internal review of its performance and the performance of directors. Given the size of the Board, the experience of the individuals who are Board members, and the Company's operations, the Board is of the view that a formal review is not necessary and would be unproductive. The Board as a whole reviews the performance of the executive directors, including the Managing Director, on an on-going basis.

Other executives receive performance reviews under the Company's annual performance review program.

Risk management and internal control framework

During the period, the Company operated a risk management and internal control framework that can be described as follows:

Financial reporting

- Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly;
- The Company reports to shareholders half-yearly. Procedures are also in place to ensure that price sensitive information is reported to the ASX in accordance with the Continuous Disclosure requirements of the ASX Listing Rules and the Corporations Act 2001;
- The Managing Director has signed statements to the Board for the full and half year financial reports confirming that:
  - The Company's financial reports present a true and fair view, in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
  - The statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board;
  - The Company's risk management and internal compliance and control system is operating efficiently in all material respects.

Quality and integrity of personnel

- Formal appraisals are conducted at least annually for management and staff;
- The Company has adopted a Code of Conduct for all employees;
- The Company has written policies and procedures concerning issues such as health and safety in the workplace, harassment and equal opportunity.

Audit Committee

Functions of the Audit Committee set out in its Charter include:

- Monitoring corporate risk assessment and processes; and
- Monitoring the establishment of an appropriate internal control framework.

Investment appraisal

The Company has clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses are being acquired or divested.

ETHICAL STANDARDS

The consolidated entity has a Code of Conduct Manual which sets out the standards in accordance with which each director, manager and employee of the consolidated entity is expected to act. The requirement to comply with these ethical standards is communicated to all employees. The manual deals with the following main areas:

- Professional conduct;
- Dealing with customers and consumers;
- Dealing with suppliers;
- Dealing with advisors and regulators;
- Dealing with security of confidential information;
- Dealing with financial and operational integrity;
- Dealing with occupational health and safety.

CORPORATE GOVERNANCE STATEMENT, CONTINUED

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

The Code also includes a section concerning compliance, which stresses the Company's policy that, at all times, it complies with all legal obligations and other obligations arising under instruments such as the ASX Listing Rules and requires that its managers, employees, agents and other representatives do so too. The Code provides assistance to employees concerning obtaining information about their legal obligations.

DISCLOSURE OF INFORMATION

The Board has adopted a written policy on disclosure of information to:

- Ensure that shareholders and the market are provided with timely and effective disclosure of material information;
- Comply with the continuous and periodic disclosure requirements of the ASX Listing Rules and the Corporations Act;
- Ensuring equal access to material information for all interested parties.

The policy focuses primarily on continuous disclosure obligations, but also deals with other disclosures, setting out obligations and procedures to be followed under the following headings:

Continuous disclosure
- At Board meetings
- Between Board meetings

Process of Disclosure

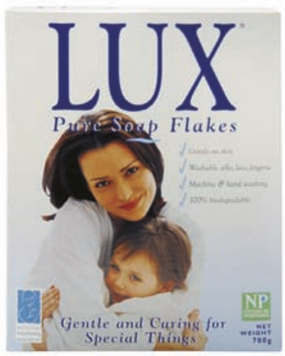
Media speculation and false markets

Periodic disclosure

THE ROLE OF SHAREHOLDERS

The Board aims to ensure that shareholders are informed of all major developments affecting the consolidated entity's state of affairs. Information is communicated to shareholders as follows:

- The annual report contains a review of the operations of the consolidated entity during the period. The audited financial report is prepared in accordance with the requirements of Australian Accounting Standards and the Corporations Act 2001 and is lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange. The full financial report is available to all shareholders on request;
- Proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a vote of shareholders;
- Notice of all meetings of shareholders is given to all shareholders, with appropriate explanatory material;
- The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions. The Company's auditor attends the Annual General Meeting to answer questions that shareholders may have, and appropriate time is allowed at the meeting for such questions.



Country Life soap production line

DIRECTORS' REPORT

The directors of Symex Holdings Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

INFORMATION ABOUT THE DIRECTORS AND SENIOR MANAGEMENT

The names and particulars of the directors of the company during or since the end of the financial year are:

NAME & QUALIFICATIONS	AGE	EXPERIENCE AND RESPONSIBILITIES
Hon. Alan Stockdale LL.B,B.A		Non-Executive Independent Chairman
	63	Chairman of Senetas Corporation Ltd, Director of Mariner Financial Ltd, Director of N.S.W. Treasury Corporation, Chairman of the Medical Research Commercialisation Fund Pty Ltd, Chairman of Financial and Energy Exchange Ltd, Former Treasurer of the State of Victoria and the world's first Minister for Information Technology and Multimedia. Former Chairman of Axon Instruments Inc and the Institute of Public Affairs. Appointed Chairman on 18 February 2000.
Mr Greg Tremewen B.Bus (Acc)		Managing Director
	45	Over 16 years service with the company and former owners, Unilever/Uniqema and ICI. Roles included Customer Service Manager, Supply Chain Manager, Commercial Manager and Finance Director. Greg was a former owner of DCS International Pty Ltd. Appointed Managing Director on 28 May 2007.
Mr Allister Tomkins B.Bus (Eco & Bus Adm)		Executive Director
	41	Over 14 years service with the company and former owners, Unilever/Uniqema and ICI. Extensive sales, marketing, customer service and supply chain experience. Allister has strong relationships with customers, sales agents and distributors. Allister was a former owner of DCS International Pty Ltd. Appointed Executive Director on 28 May 2007.
Mr Mark Evans B.Bus (Acc), ASIA		Non-Executive Independent Director
	43	Mark is Managing director of Normanby Capital Pty Ltd and has wide experience in the corporate advisory field including IPO's, mergers, acquisitions and all aspects of capital raising. Mark was Managing Director of Kids Campus Limited and is currently Chairman of Dental Corporation Holdings Ltd and CFK Childcare Centres Ltd. Appointed Director on 23 December 1999.
Mr Peter Robinson B.Eco (Mon)		Non-Executive Independent Director
	65	Peter has a wealth of experience in the manufacturing sector within Australia and internationally. He was the Chief Executive of ACI Packaging Group and Vice President of Owens-Illinois, Inc, the parent company of ACI Packaging Group. Previous roles include senior executive positions with BTR Nylex Limited and its parent company BTR Plc, and General Manager of Bowater Scott. Appointed Director on 29 November 2002.
Mr Alan Johnstone		Non-Executive Independent Director
	68	Alan has extensive experience in retailing and is the founder and Chairman of the Penfold Motors Group which is one of the largest car retailers in Victoria. Appointed Director 3 September 2003.
Mr John Rishworth		Non-Executive Independent Director
	69	Mr Rishworth has worked in the Fast Moving Consumer Goods sector for the last 30 years. He held significant senior positions within Woolworths before founding his own successful retail brokerage business in 1987. Since selling that business he has taken on a number of consultancy assignments within the retail sector. Appointed Director 8 September 2004.

The above named directors held office during the whole of the financial year and since the end of the financial year.

Any directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are indicated above under "experience and responsibilities".

DIRECTORS' SHAREHOLDINGS

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the company or a related body corporate as at the date of this report.

Directors	Fully paid ordinary shares Number	Share options Number
Alan Stockdale	2,285,715	–
Greg Tremewen	6,447,578	4,000,000
Allister Tomkins	7,224,485	4,000,000
Mark Evans	1,002,858	–
Peter Robinson	705,511	–
Alan Johnstone	13,909,145	–
John Rishworth	11,429	–

Share options granted to directors and senior management
During and since the end of the financial year, no share options were granted to directors or senior management.

COMPANY SECRETARY

NAME & QUALIFICATIONS	EXPERIENCE AND SPECIAL RESPONSIBILITIES
Mr Oliver Carton B Juris LLB	Company Secretary
	Oliver is a qualified lawyer with over 19 years experience in a variety of corporate roles. He currently runs his own consulting business, and was previously a Director of the Chartered Accounting firm KPMG where he managed its Corporate Secretarial Group. Prior to that, he was a senior legal officer with ASIC. Oliver is an experienced company secretary and is currently company secretary of a number of listed and unlisted companies, ranging from Symex Holdings Limited to the not for profit Melbourne Symphony Orchestra Pty Ltd.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were the manufacture and distribution of oleo products, glycerine and personal care and home products. There were no significant changes in the nature of the activities of the consolidated entity during the year other than those disclosed below.

REVIEW OF OPERATIONS

Symex Holdings Limited (ASX: SYM) announced a consolidated net profit after tax (NPAT) for the year ended 30th June 2008 of $8.023 million.

The reported NPAT is within the profit guidance of $7.5 million to $8.5 million released to the ASX on 30th August 2007. The NPAT in the second half of the year ($4.567 million) was an improvement versus the first half of the year ($3.456 million). This improvement was foreshadowed in the announcement to the ASX on 30th August 2007.

Financial Performance

The NPAT result of $8.023 million is a significant improvement on last year's underlying result of $4.497 million (before one-off expenses and restructure costs). The main reason for this is the improvement in the Oleochemicals business at Port Melbourne. In addition, the acquisition of DCS International Pty Ltd ("DCS") has proven to be a success. It is pleasing to report a significant improvement in the Specialty Chemicals business. A full breakdown of this is detailed in the segment results section of the notes to the financials.

In terms of the Balance Sheet, the key points to note are:

- Total borrowings have been reduced from $68.157 million at the end of FY07 to $51.031 million at the end of FY08 ie a total reduction of $17.126 million
- Cash on Hand has increased from $3.346 million to $4.112 million ie a total of $0.766 million
- Issued Capital has increased by $10.231 million made up of:
  - A rights issue in August 2007 totaling $7.247 million net receipts
  - Conversion of a Convertible Note to shares in September 2007 of $2.984 million net receipts
- A significant reduction in capital expenditure

The key focus for the business has been to reduce debt over the last 12 months. This will be continued in the next 12 months. As at 21 August 2008, a further $2.30 million has been repaid to the bank off commercial bills, in addition to our normal lease repayments. The consolidated group has also changed bankers in the last 12 months which has resulted in more favourable terms to the business.

Oleo Chemical Business

Over the last twelve months, a program of operating improvements was implemented to restore profitability to the oleo chemical business. All management and employees were involved, and the following is a summary of the major achievements:

- systematic action to increase selling prices for all oleo products to achieve sustainable commercial margins;
- rationalisation of the company's marketing strategy to increase penetration in our most profitable markets and to reduce reliance on lower margin markets;
- delivery of targeted cost reductions - overheads and staffing positions were reduced;
- tight control over capital expenditure.

In terms of capital expenditure, no money has been spent on adding to the capacity of the plant at Port Melbourne. This is due to the adoption of a "lower volume/higher pricing" and hence better margin strategy that was implemented at the start of the financial year. As such, we have run the Port Melbourne oleochemical plant at approximately 15% below its capacity throughout the year.

Other points to note for the year include the following :

- USD receipts were up 39% versus the previous financial year. Total USD receipts were USD 49.6 million. The average exchange rate for receipts for the year was 0.8925.
- JPY receipts were up 78% versus the previous financial year. Total JPY receipts were JPY 1,354.9 million. The average exchange rate for receipts for the year was 98.6258.
- The average price for our main raw material, tallow, was $851 per tonne versus $552 per tonne for the previous year.
- Extension of our JPY foreign exchange cover into FY09. A total of JPY 140 million, at an exchange rate of 83.75, will be converted in FY09 (instead of FY08).
- Foreign exchange cover of USD receipts has finished as at the end of June 2008. All USD receipts from 1st July 2008 will now be converted at the spot rate until such time as new foreign exchange cover is taken, if at all.
- A full year of the DCS figures are included in the results versus one month in the previous year. DCS was acquired at the end of May 2007.

DIRECTORS' REPORT, CONTINUED

The turnaround in the business commenced in the last twelve months. We appreciate the on-going support of all employees in the oleo chemical plant, and their unions in facing the need to restore profitability.

Fast Moving Consumer Goods Business (FMCG)

In an environment of rapidly rising raw material costs and traditionally stable retail selling prices, Pental faced a difficult year, yet turned in a very solid performance.

The business focused on three clear objectives:

- Core brand extension & new product development
- Gaining retail support for price/cost recovery in light of rapidly rising raw materials
- Building a stronger Sales/Marketing team to support growth in both Branded and Private Label businesses

Brand Extension and New Product Development

During the course of the year Pental launched body wash in Australia under the Country Life brand and in New Zealand under the Knights Castile brand. Both national brands hold major shares in the traditional bar soap category and body wash brings an important addition to the personal wash range for Pental customers.

In bar soap, Pental successfully introduced new concept massage bars bringing innovation to the category for the first time in many years. The product was launched under the Natural Selections brand in Australia and Knights Castile in New Zealand.

New Product Development is a major focus across the business with innovations underway not only at our research facilities at Shepparton, but also in our contract manufacturing facilities in New Zealand and Malaysia.

Retail Price/Cost Recovery

The Australian and New Zealand retail markets are highly structured and unaccustomed to price volatility in the personal and home care categories. However, very substantial raw material price movements in 2007/08 called for shelf price adjustments and this process commenced in the latter part of 2007.

Price increases for all products other than bar soap were able to keep pace with increasing costs and the underlying performance of those categories remained strong throughout FY08. However, we were forced to implement other measures to keep pace with our competitors The impact of these changes will only take affect in the coming financial year

Pental is mindful of its position in offering both Australian and New Zealand customers the best value, but will again be forced to implement a general price increase in September 2008.

Sales/Marketing resource in place for growth

Management believes that Pental has great brands and with innovation and market support the business has exciting growth opportunities. Throughout the year the business has been able to recruit new people in Sales, Marketing and R&D, and has focused on building a team that has both the imagination and capacity to take the business forward.

Pental, being one of few Australian manufacturers is also well placed to benefit from Private Label growth in Personal and Home Care. Pental is seeing rapid growth its Private Label business and further resource was added to the team in 2008. With a sharp focus on growth and the strength of its core branded and Private Label businesses, Pental expects to reverse the trend of the last three financial years and will instead see growth in after tax profits in 2009 and beyond.

DIRECTORS' REPORT, CONTINUED

CHANGES IN THE STATE OF AFFAIRS

In August 2007, there was an Extraordinary General Meeting held to approve the following:

1. The approval of options to Greg Tremewen and Allister Tomkins, as recorded in the previous year.
2. The issue of shares on conversion of a convertible note for $3 million in June 2007.
3. The issue of shares on conversion of the convertible note, in part, to directors of Symex.

All of the above were approved at the meeting. Other than these matters, there were no other changes throughout the year.

GENERAL COMMENTS

A stamp duty claim from the State Revenue Office was settled. This claim dates back a number of years and has been listed in the Contingent Liability section of previous Annual Reports. A total amount of $1.333 million has been refunded to Symex in July and August 2007, which was accounted for in the previous financial year.

A rights issue of one share for every seven shares held was completed in August 2007. The rights issue price was $0.50 per share. The rights issue was fully underwritten. Net proceeds were $7.247 million.

A convertible loan of $3 million, as reported in the June 2007 accounts, was converted to shares after shareholder approval was obtained in August 2007. The conversion price was $0.50 per share. Net proceeds were $2.984 million. In September 2007, 6,088,552 fully paid ordinary shares were issued on conversion of the convertible loans.

In August 2007, the company entered into an agreement to purchase an option for its USD receipts. The option covered receipts of USD 1.5 million per month from October 2007 to June 2008 inclusive. The option rate was $0.8175. As at balance date, there are no USD receipts covered by foreign exchange contracts.

In August 2007, the company extended the JPY foreign exchange cover that existed. The JPY was covered for JPY 40 million per month to April 2008 at a rate of 77.51. This has been extended to August 2008 at a new rate of JPY 83.75.

SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATIONS

The consolidated entity's operations are subject to significant environmental legislation under State legislation in relation to its manufacturing operations. Licenses and agreements relevant to the environmental performance of its operations are held with South East Water Limited, the Environment Protection Authority and the WorkCover Authority.

DIRECTORS' REPORT, CONTINUED

Environmental management

The consolidated entity is committed to achieving a high standard of environmental performance. It has established an Environmental Improvement Plan (EIP) in conjunction with the Environment Protection Authority (EPA), local residential and industrial communities. This Environmental Improvement Plan takes into consideration the regular monitoring of environmental compliance with environmental regulations and internal business targets. The EIP plan covers and is responsible for:

- Setting and communicating environmental objectives and quantified targets;
- Monitoring progress against these objectives and targets;
- Implementing environmental management plans in operating areas which may have a significant environmental impact;
- Identifying where remedial actions are required and implementing action plans; and
- Regular monitoring of license requirements, with performance against license conditions reported to the various State regulators on a regular basis.

To ensure that all environmental responsibilities are met, performance is reported to the Site Management Group and to the Board as required.

Performance against compliance requirements

Compliance with the requirements of environmental regulations and with specific requirements of site environmental licences were achieved with no instances of non-compliance in relation to licence requirements noted during the financial year end up until the date of this report.

DIVIDENDS

In respect of the financial year ended 30 June 2008, the directors do not propose the payment of a final dividend.

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	Class of shares	Expiry date of options	Exercise price of option	Number of shares under option
Symex Holdings Limited	Ordinary	18 July 2010	$1.24	550,000
Symex Holdings Limited	Ordinary	30 June 2010	$1.51	1,200,000
Symex Holdings Limited	Ordinary	30 June 2010	$0.55	2,000,000
Symex Holdings Limited	Ordinary	30 June 2010	$0.70	2,000,000
Symex Holdings Limited	Ordinary	30 June 2010	$0.80	2,000,000
Symex Holdings Limited	Ordinary	30 June 2010	$0.90	2,000,000

All options expire on the earlier of their expiry date or termination of the employee's employment. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. During or since the end of the financial year, no fully paid ordinary shares were issued by the Company as a result of the exercise of options.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Oliver Carton, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

DIRECTORS' REPORT, CONTINUED

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board of directors		Audit Committee	
	Held	Attended	Held	Attended
Alan Stockdale	15	14	2	2
Greg Tremewen	15	15	–	–
Allister Tomkins	15	14	–	–
Mark Evans	15	13	2	2
Peter Robinson	15	14	2	2
Alan Johnstone	15	12	–	–
John Rishworth	15	14	–	–

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought against the company.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 33 to the financial statements.

The directors are satisfied that the provision of non-audit services during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 33 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 25 of the annual report.

ROUNDING OFF OF AMOUNTS

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

DIRECTORS' REPORT, CONTINUED

REMUNERATION REPORT

This remuneration report details the nature and amount of remuneration for each director and senior management personnel of Symex Holdings Limited.

The directors and other members of key management personnel of the Group during the year were:

• Alan Stockdale	Chairman, non-executive
• Greg Tremewen	Managing Director
• Allister Tomkins	Executive Director
• Mark Evans	Non-executive
• Peter Robinson	Non-executive
• Alan Johnstone	Non-executive
• John Rishworth	Non-executive
• Cosi Papallo	General Manager Pental Products Pty Ltd
• Sarah Shores	Operations Manager DCS International Pty Ltd (left company 3 March 2008)
• Mary Kanellos	General Manager Symex Holdings Limited
• Neill Sutton	Australasian Sales Manager Pental Products Pty Ltd
• Peter Costello	Production Manager Symex Holdings Limited

Remuneration Policy

The remuneration policy of Symex Holdings Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based upon key performance areas affecting the consolidated entity's financial results. The board of Symex Holdings Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated entity, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the consolidated entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board after seeking advice from independent external consultants. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives. Executive packages are reviewed annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of executives is measured regularly against agreed criteria and is based predominantly on the forecast growth of the consolidated entity's profits and shareholders' value. All bonuses and incentives are linked to predetermined performance criteria.

Executives are also entitled to participate in the employee share and option arrangements.

DIRECTORS' REPORT, CONTINUED

The executive directors and executives receive a superannuation guarantee contribution required by the government, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Binomial methodology.

Directors and executives' remuneration includes amounts paid by the Company during the year to indemnify executives, and an allocation of insurance premiums paid by the Company or related parties in respect of directors' and officers' liabilities and legal expenses insurance contracts, in accordance with common commercial practice.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Non-executive remuneration has not been changed for several years. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee share plan. No shares or options have been issued to non-executive directors, under the employee share plan or the option scheme, within the last four years.

Performance Based Remuneration

As part of each executive director's and executive's remuneration package there is a performance based component, consisting of key performance indicators (KPI's). The intention of this program is to facilitate goal congruence between directors/executives with that of the business and shareholders. The KPI's are set annually, with a certain level of consultation with directors/executives to ensure buy-in. In determining whether or not a KPI has been achieved, Symex Holdings Limited bases the assessment on audited figures.

Company Performance, Shareholder Wealth and Directors' and Executives Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. There have been two methods applied in achieving this aim, the first being a performance based bonus based on key performance indicators, and the second being the issue of options to the majority of the executives to encourage the alignment of personal and shareholder wealth.

Relationship between the remuneration policy and company performance

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2008. As the table indicates, earnings have varied significantly over the past four financial years. It has been the focus of the Board of Directors' to retain management personnel essential to the profitable operations of the Group, and to attract suitable executives to return the Group to profitable operations.

DIRECTORS' REPORT, CONTINUED

	30 June 2008 $'000	30 June 2007 $'000	30 June 2006 $'000	30 June 2005 $'000	30 June 2004 $'000
Revenue	161,171	131,568	115,140	126,909	119,013
Net profit before tax	11,475	(727)	11,191	17,567	13,210
Net profit after tax	8,023	131	7,735	12,260	9,051

* Symex Holdings Limited adopted the Australian equivalents to International Financial Reporting Standards with effect from 1 July 2004, which resulted in various changes to its accounting policies from that date. The results for the year ended 30 June 2004 are reported in accordance with Symex Holdings Limited previous accounting policies as permitted under Australian accounting standards as applicable at that time.

	30 June 2008	30 June 2007	30 June 2006	30 June 2005	30 June 2004
Share price at start of year	$0.57	$0.82	$1.53	$1.19	$0.93
Share price at end of year	$0.41	$0.57	$0.82	$1.53	$1.19
Interim dividend[1]	–	–	2.50	2.50	2.00
Final dividend[1, 2]	–	–	2.00	4.00	4.00
Basic earnings per share[3]	6.44	0.10	8.17	12.84	9.57
Diluted earnings per share[3]	6.44	0.10	8.16	12.79	9.53

1 Franked to 100% at 30% corporate income tax rate.

2 Declared after the balance date and not reflected in the financial statements.

3 Symex Holdings Limited adopted the Australian equivalents to International Financial Reporting Standards with effect from 1 July 2004, which resulted in various changes to its accounting policies from that date. The basic and diluted earnings per share for the year ended 30 June 2004 were calculated in accordance with Symex Holdings Limited previous accounting policies as permitted under Australian accounting standards as applicable at that time.

Contracts for services of key management personnel

Key management and executives are currently employed on contracts with fixed remuneration and in some cases, fixed terms. Upon expiry of those contracts, the Board will consider remuneration structures to retain or recruit key personnel. It is not known whether future remuneration will include a performance based portion.

Greg Tremewen and Allister Tomkins – Contracts are for a fixed term of 3 years commencing 28 May 2007. The notice period required is 6 months. Remuneration is fixed at $250,000 per year inclusive of all allowances and benefits, including superannuation and motor vehicle. Bonus remuneration is not provided for under the contracts.

Cosi Papallo – Contract is for a fixed term of 5 years commencing 28 March 2003. The notice period required is 12 months. Remuneration commenced on 28 March 2003 at $160,000 per year, inclusive of superannuation and motor vehicle. The company has reviewed the total remuneration package on an annual basis. Bonus remuneration is based upon the EBIT result of the consumer products segment.

DIRECTORS' REPORT, CONTINUED

The compensation of each member of the key management personnel of the Group for the **current year** is set out below:

2008	Short-term Employee Benefits			Post Employment Benefits		Other long-term	Termination	Share-based payment			
								Equity settled			
	Salary & fees $	Bonuses $	Non-monetary $	Super-annuation $	Other $	Employee benefits $	Benefits $	Shares & units $	Options & rights $	Cash - settled $	Total $
Non-Executive Directors											
Alan Stockdale	100,000	-	3,171	9,000	-	-	-	-	-	-	112,171
Mark Evans	40,000	-	3,171	3,600	-	-	-	-	-	-	46,771
Peter Robinson	40,000	-	3,171	3,600	-	-	-	-	-	-	46,771
Alan Johnstone	40,000	-	3,171	3,600	-	-	-	-	-	-	46,771
John Rishworth	40,000	-	3,171	3,600	-	-	-	-	-	-	46,771
Executive Directors											
Greg Tremewen	230,926	-	3,171	20,642	-	-	-	-	-	-	254,739
Allister Tomkins	230,926	-	3,171	20,642	-	-	-	-	-	-	254,739
Total Directors	**721,852**	**-**	**22,197**	**64,684**	**-**	**-**	**-**	**-**	**-**	**-**	**808,733**
Executives											
Cosi Papallo	187,670	-	41,078	20,742	-	-	-	-	-	-	249,490
Sarah Shores	90,509	890	21,937	4,650	-	-	74,038	-	-	-	192,024
Mary Kanellos	124,368	-	33,913	26,545	-	-	-	-	-	-	184,826
Neill Sutton	158,377	-	-	14,037	-	-	-	-	-	-	172,414
Peter Costello	113,137	-	27,754	24,465	-	-	-	-	-	-	165,356
Total Executives	**674,061**	**890**	**124,682**	**90,439**	**-**	**-**	**74,038**	**-**	**-**	**-**	**964,110**
Total Remuneration	**1,395,913**	**890**	**146,879**	**155,123**	**-**	**-**	**74,038**	**-**	**-**	**-**	**1,772,843**

The compensation of each member of the key management personnel of the Group for the **prior year** is set out below:

	Short-term Employee Benefits			Post Employment Benefits		Other long-term		Share-based payment			
								Equity settled			
	Salary & fees	Bonuses	Non-monetary	Super-annuation	Other	Employee benefits	Termination Benefits	Shares & units	Options & rights	Cash - settled	Total
2007	$	$	$	$	$	$	$	$	$	$	$
Non-Executive Directors											
Alan Stockdale	100,000	-	107	9,000	-	-	-	-	-	-	109,107
Mark Evans	40,000	-	107	3,600	-	-	-	-	-	-	43,707
Peter Robinson	40,000	-	107	3,600	-	-	-	-	-	-	43,707
Alan Johnstone	40,000	-	107	3,600	-	-	-	-	-	-	43,707
John Rishworth	40,000	-	107	3,600	-	-	-	-	-	-	43,707
Executive Directors											
Mike Newton	276,369	-	53,601	70,492	-	-	498,419	-	(15,451)	-	883,430
Greg Tremewen	22,642	-	9	2,038	-	-	-	-	373,657	-	398,346
Allister Tomkins	22,642	-	9	2,038	-	-	-	-	373,657	-	398,346
Total Directors	**581,653**	**-**	**54,154**	**97,968**	**-**	**-**	**498,419**	**-**	**731,863**	**-**	**1,964,057**
Executives											
Angus Thompson	115,568	4,000	28,427	22,555	81,398	-	264,772	-	-	-	516,720
Chris Lovejoy	139,178	3,000	33,584	30,394	-	-	-	-	-	-	206,156
Cosi Papallo	187,187	20,000	41,403	23,401	-	-	-	-	-	-	271,991
Greg Berti	130,371	4,000	52,017	11,928	-	-	-	-	-	-	198,316
Mary Kanellos	111,698	4,000	40,883	25,422	-	-	-	-	-	-	182,003
Total Executives	**684,002**	**35,000**	**196,314**	**113,700**	**81,398**	**-**	**264,772**	**-**	**-**	**-**	**1,375,186**
Total Remuneration	**1,265,655**	**35,000**	**250,468**	**211,668**	**81,398**	**-**	**763,191**	**-**	**731,863**	**-**	**3,339,243**

SHARE-BASED PAYMENTS

The Company has an executive option incentive plan.

Each option is convertible to one ordinary share. The exercise price of the options, determined in accordance with the rules of the plan, is based on the weighted average price of the Company's shares traded during the 5 business days preceding the date of granting the option.

All options expire on the earlier of their expiry date or termination of the directors, executives or employees employment. In addition, the ability to exercise the options is conditional upon exercise dates being reached. There are no other vesting conditions

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised. All options are settled via issue of equity.

Options issued do not represent remuneration for past services.

Options are priced using a binomial option pricing model. Where relevant, the expected life used in the model is adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 1 to 3 years. To allow for the effects of early exercise, it is assumed that employees will exercise options between 1 to 3 years from the grant date.

There were no share based payments made to directors or senior management during the year.

DIRECTORS' REPORT, CONTINUED

KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

Fully paid ordinary shares of Symex Holdings Limited held by key management personnel:

	Balance at 1/7/06	Options Exercised	Recived as Consideration for DCS International Pty Ltd	Net change other (i)	Balance at 30/6/07	Options Exercised	Net change other	Balance at 30/6/08
Non-Executive								
Alan Stockdale	2,000,000	-	-	-	2,000,000	-	285,715	2,285,715
Mark Evans	877,500	-	-	-	877,500	-	125,358	1,002,858
Peter Robinson	173,300	-	-	-	173,300	-	532,211	705,511
Alan Johnstone	8,873,268	-	-	-	8,873,268	-	5,035,877	13,909,145
John Rishworth	10,000	-	-	-	10,000	-	1,429	11,429
Executive								
Greg Tremewen	1,111	-	5,400,000	-	5,401,111	-	1,046,467	6,447,578
Allister Tomkins	111	-	5,400,000	-	5,400,111	-	1,824,374	7,224,485
Mike Newton (ii)	7,440,001	-	-	-	7,440,001	-	-	-
Other Management								
Cosi Papallo	100,300	-	-	(100,000)	300	-	-	300
Sarah Shores		-	-	-	-	-	-	-
Mary Kanellos	115,300	-	-	-	115,300	-	-	115,300
Neill Sutton		-	-	-	-	-	-	-
Peter Costello		-	-	-	300	-	-	300
Angus Thompson (ii)	150,300	-	-	-	150,300	-	-	-
Chris Lovejoy (ii)	175,300	-	-	-	175,300	-	-	-
Greg Berti (ii)	55,000	-	-	-	55,000	-	-	-

(i) Net change other relates to shares purchased and sold during the financial year

(ii) Former employees of the group who no longer fall into the category of key personnel

KEY MANAGEMENT PERSONNEL SHARE OPTION HOLDINGS

Number of share options of Symex Holdings Limited held by key management personnel:

	Balance at 1/7/06	Options Granted	Options Exercised	Option Expired/ Lapsed	Balance at 30/6/07	Options Granted	Options Exercised	Options Expired/ Lapsed	Balance at 30/6/08 (i)
Non-Executive									
Alan Stockdale	-	-	-	-	-	-	-	-	-
Mark Evans	-	-	-	-	-	-	-	-	-
Peter Robinson	-	-	-	-	-	-	-	-	-
Alan Johnstone	-	-	-	-	-	-	-	-	-
John Rishworth	-	-	-	-	-	-	-	-	-
Executive									
Greg Tremewen	-	4,000,000	-	-	4,000,000	-	-	-	4,000,000
Allister Tomkins	-	4,000,000	-	-	4,000,000	-	-	-	4,000,000
Mike Newton	500,000	-	-	(500,000)	-	-	-	-	-
Other Management									
Cosi Papallo	450,000	-	-	-	450,000	-	-	(150,000)	300,000
Sarah Shores	-	-	-	-	-	-	-	-	-
Mary Kanellos	175,000	-	-	-	175,000	-	-	-	175,000
Neill Sutton	-	-	-	-	-	-	-	-	-
Peter Costello	-	-	-	-	50,000	-	-	-	50,000
Angus Thompson	300,000	-	-	(300,000)	-	-	-	-	-
Chris Lovejoy	175,000	-	-	(175,000)	-	-	-	-	-
Greg Berti	175,000	-	-	(175,000)	-	-	-	-	-

(i) Balance at 30 June 2008 includes balance, vested and exercisable amounts.

During the financial year, no options were granted or exercised by key management personnel.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Greg Tremewen
Managing Director
Melbourne, 21 August 2008

Executive Director
Melbourne, 21 August 2008

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
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The Directors
Symex Holdings Limited
14 Woodruff Street
PORT MELBOURNE VIC 3207

21st August 2008

Dear Board Members

Symex Holdings 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 Symex Holdings Limited.

As lead audit partner for the audit of the financial statements of Symex Holdings Limited for the financial year ended 30 June 2008, 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 audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R D D Collie
Partner
Chartered Accountants

Member of
Deloitte Touche Tohmatsu

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the members of Symex Holdings Limited

We have audited the accompanying financial report of Symex Holdings Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, cash flow statement and statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 29 to 72.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Member of
Deloitte Touche Tohmatsu

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of Symex Holdings Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 24 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Symex Holdings Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

DELOITTE TOUCHE TOHMATSU

R D D Collie
Partner
Chartered Accountants
Melbourne, 21 August 2008

DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity; and

(c) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which the ASIC Class Order applies, as detailed in note 26 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Greg Tremewen
Managing Director
Melbourne, 21 August 2008

Executive Director
Melbourne, 21 August 2008

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	Consolidated 2008 $'000	Consolidated 2007 $'000	Company 2008 $'000	Company 2007 $'000
Sales revenue		174,890	144,528	103,186	88,335
Sales rebates and discounts		(14,523)	(13,388)	-	-
Revenue	3	160,367	131,140	103,186	88,335
Other income	3	804	428	784	391
Changes in inventory of finished goods and work in progress		6	3,051	461	2,461
Raw materials, consumables used and utilities		(102,174)	(79,268)	(70,702)	(58,993)
Employee benefits expense	5	(16,073)	(17,776)	(9,665)	(11,861)
Depreciation expense	5	(2,824)	(2,799)	(2,145)	(2,166)
Impairment of plant and equipment		-	(2,533)	-	(1,333)
Freight expense		(10,401)	(11,375)	(6,552)	(8,240)
Repairs and maintenance expense		(2,799)	(3,286)	(2,292)	(2,858)
Foreign exchange loss		(2,426)	(3,361)	(2,083)	(3,319)
Marketing expenses		(875)	(1,230)	-	-
Other expenses		(7,723)	(8,905)	(4,362)	(6,058)
Profit / (loss) before interest and tax		**15,882**	**4,086**	**6,630**	**(3,641)**
Finance costs	4	(4,407)	(4,813)	(4,050)	(4,440)
Profit / (loss) before tax	**5**	**11,475**	**(727)**	**2,580**	**(8,081)**
Income tax (expense) / income	6	(3,452)	858	(786)	2,977
Profit / (loss) for the year		**8,023**	**131**	**1,794**	**(5,104)**
Attributable to members of the parent entity		**8,023**	**131**	**1,794**	**(5,104)**
Earnings per share					
Basic (cents per share)	22	6.44	0.10		
Diluted (cents per share)	22	6.44	0.10		

Notes to the financial statements are included on pages 33 to 72.

BALANCE SHEET
AS AT 30 JUNE 2008

	Note	Consolidated 2008 $'000	Consolidated 2007 $'000	Company 2008 $'000	Company 2007 $'000
CURRENT ASSETS					
Cash and cash equivalents	28	4,112	3,346	2,814	636
Trade and other receivables	7	32,992	28,085	15,986	14,619
Other financial assets	8	292	1,285	292	1,285
Inventories	9	12,825	13,796	5,555	6,984
Current tax assets	6	263	1,419	245	1,377
Other	14	581	1,187	373	1,100
Total current assets		**51,065**	**49,118**	**25,265**	**26,001**
NON-CURRENT ASSETS					
Trade and other receivables	7	-	-	41,340	40,054
Property, plant and equipment	11	49,076	51,052	35,302	36,865
Investments	10	-	-	6,257	6,232
Goodwill	12	36,207	36,182	-	-
Other intangible assets	13	6,334	6,334	-	-
Total non–current assets		**91,617**	**93,568**	**82,899**	**83,151**
Total assets		**142,682**	**142,686**	**108,164**	**109,152**
CURRENT LIABILITIES					
Trade and other payables	15	15,434	16,610	8,505	9,580
Borrowings	16	3,425	14,180	3,425	13,702
Other financial liabilities	17	558	624	558	624
Provisions	18	4,105	3,814	2,427	3,047
Total current liabilities		**23,522**	**35,228**	**14,915**	**26,953**
NON-CURRENT LIABILITIES					
Borrowings	16	47,606	53,977	47,606	48,248
Deferred tax liabilities	6	4,221	3,702	4,022	3,642
Provisions	18	201	211	38	56
Total non-current liabilities		**52,028**	**57,890**	**51,666**	**51,946**
Total liabilities		**75,550**	**93,118**	**66,581**	**78,899**
Net assets		**67,132**	**49,568**	**41,583**	**30,253**
EQUITY					
Issued capital	19	33,800	23,569	33,800	23,569
Reserves	20	1,596	2,285	1,585	2,280
Retained earnings	21	31,736	23,714	6,198	4,404
Total equity		**67,132**	**49,568**	**41,583**	**30,253**

Notes to the financial statements are included on pages 33 to 72.

STATEMENT OF

RECOGNISED INCOME AND EXPENSE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Gain on cash flow hedges taken to equity	292	1,284	292	1,284
Exchange difference on translation of foreign operations	11	4	-	-
Income tax on items taken directly to equity	(88)	(385)	(88)	(385)
Net income recognised directly in equity	**215**	**903**	**204**	**899**
Transfers (net of any related tax):				
Transfer to profit or loss on cash flow hedges	(1,285)	(1,154)	(1,285)	(1,154)
Profit for the period	8,023	131	1,794	(5,104)
Total recognised income and expense for the period	**6,953**	**(120)**	**713**	**(5,359)**
Attributable to equity holders of the parent	6,953	(120)	713	(5,359)

Notes to the financial statements are included on pages 33 to 72.

STATEMENT OF
RECOGNISED INCOME AND EXPENSE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	Consolidated		Company	
		2008	2007	2008	2007
		$'000	$'000	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		193,372	150,770	112,825	98,250
Payments to suppliers and employees		(178,938)	(140,198)	(105,026)	(98,304)
Interest received		284	82	284	82
Interest and other costs of finance paid	4	(4,407)	(4,813)	(4,050)	(4,440)
Income taxes (paid)/received		(1,777)	(812)	726	(794)
Net cash provided by/(used in) operating activities	**28**	**8,534**	**5,029**	**4,759**	**(5,206)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment	11	(848)	(5,359)	(583)	(2,799)
Proceeds from businesses acquired		-	167	-	-
Payment for businesses		(25)	(164)	(25)	(164)
Net cash (used in)/provided by investing activities		**(873)**	**(5,356)**	**(608)**	**(2,963)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans provided to controlled entities		-	-	(9,912)	(2,559)
Repayments of loans by controlled entities		-	-	8,627	7,439
Proceeds from issue of shares	19	10,613	-	10,613	-
Payment for share issue costs	19	(382)	-	(382)	-
Proceeds from borrowings		-	8,466	-	8,466
Repayment of borrowings	16	(14,202)	(7,516)	(7,995)	(7,443)
Dividends paid to equity holders of parent	23	-	(1,920)	-	(1,920)
Net cash used in financing activities		**(3,971)**	**(970)**	**951**	**3,983**
Net increase/(decrease) in cash and cash equivalents		**3,690**	**(1,297)**	**5,102**	**(4,186)**
Cash and cash equivalents at the beginning of the financial year	**28**	**422**	**1,719**	**(2,288)**	**1,898**
Cash and cash equivalents at the end of the financial year	**28**	**4,112**	**422**	**2,814**	**(2,288)**

Notes to the financial statements are included on pages 33 to 72..

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the separate financial statements of the company and the consolidated financial statements of the Group.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 21 August 2008.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at balance date was $36,207 thousand and the Directors have assessed that no impairment charge is required for the year ended 30 June 2008.

Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which the intangible asset has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of intangible assets at balance date was $6,334 thousand.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and interpretations has not resulted in changes to the Group's accounting policies reported for the current or prior years. The Group has also adopted the following Standards as listed below which only impacted on the Group's financial statements with respect to disclosure:

- AASB 101 'Presentation of Financial Statements (revised October 2006)
- AASB 7 'Financial Instruments: Disclosures'

Accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. A list of subsidiaries appears in Note 26 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(c) Foreign currency

The presentation and functional company of the consolidated entity is Australian dollars.

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer Note 29); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Foreign operations

On consolidation, the assets and liabilities of the consolidated entity's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in profit or loss on disposal of the foreign operation.

The financial statements of foreign subsidiaries, associates and jointly controlled entities that report in the currency of a hyperinflationary economy are restated in terms of the measuring unit current at the reporting date before they are translated into Australian dollars.

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(e) Revenue

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, rebates, discounts and allowances) when the consolidated entity has transferred to the buyer control and the significant risks and rewards of ownership of the goods.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(f) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The above policy is applied to all equity-settled share-based payments that were granted after 7 November 2002 that that vested after 1 January 2005. No amount has been recognised in the financial statements in respect of other equity-settled shared-based payments. Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The company and all its wholly-owned Australian resident entities are part of a tax consolidated group under Australian taxation law. Symex Holdings Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group). Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(i) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

Other financial assets

For the accounting policy on derivatives – (refer Note 29).

(j) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost includes direct materials, direct labour, other direct variable costs and allocated production overheads necessary to bring inventories to their present location and condition, based on normal operating capacity of the production facilities.

Manufacturing activities

The cost of manufacturing inventories and work-in-progress are assigned on a first-in first-out basis. Costs arising from exceptional wastage are expensed as incurred.

Net realisable value

Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

(k) Property, plant and equipment

The carrying amount of property, plant and equipment is valued on the cost basis, is subject to impairment testing and is reviewed to determine whether they are in excess of their recoverable amount at balance date.

If the carrying amount of a property, plant and equipment exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

Current valuations for land and buildings which are valued in the accounts on the cost basis are carried out at least once every five years.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Tanks & Buildings	40 years
Plant and Equipment	4 - 20 years

(l) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings, foreign exchange differences net of hedged amounts on borrowings, including trade creditors and lease finance charges.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

(m) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the leassor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the consolidated entity's general policy on borrowing costs.

(n) Intangible assets

Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities, and contingent liabilities acquired, is recognised as an asset and not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit and loss and is not subsequently reversed. Refer also note 12.

Pental brand names

The Pental brand names are not amortised as the Directors believe the brands have an indefinite useful life. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

(o) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less that its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit and loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amounted does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(p) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

<u>Defined contribution plans</u>

Contributions to defined contribution superannuation plans are expensed when incurred.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

<u>Dividends</u>

A provision for dividends payable is recognised in the reporting period in which the dividends are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

(r) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(s) Derivative financial instruments

The consolidated entity is exposed to changes in foreign exchange rates from its activities. The consolidated entity uses forward foreign exchange contracts to hedge these risks. Derivative financial instruments are not held for speculative purposes.

The consolidated entity uses derivative financial instruments, being forward foreign currency contracts to hedge the risk associated with foreign currency fluctuations. Such derivatives are stated at fair value. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the year.

For derivatives that qualify for hedge accounting, the method for recognising gains and losses on changes in fair value depends on whether the derivative is classified as a fair value hedge or a cash flow hedge. Derivatives are classified as fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability and as cash flow hedges when they hedge exposure to variability in cash flows that are attributable to either a particular risk associated with a recognised asset or liability or to a forecast transaction. The consolidated entity documents at inception of the hedge the relationship between the hedging instruments (derivatives) and the hedged items, as well as the risk management objective and strategy for undertaking the hedge transaction.

The consolidated entity also documents, both at inception of the hedge and on an ongoing basis whether the derivatives that are used in the hedging transactions have been, and will continue to be, highly effective in offsetting changes in fair values or cash flows of hedged items.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve and transferred to the income statement when the hedged item affects profit or loss. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. However, when the cash flow hedge relates to a forward foreign exchange contract to hedge a highly probable forecast transaction or firm commitment that results in a non-financial asset (e.g. inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the initial cost or carrying amount of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires, or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gains or losses on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement and recognised in net profit or loss for the year.

(t) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group and the company's financial report:

- AASB 101 'Presentation of Financial Statements' (revised September 2007). Effective for annual reporting periods beginning on or after 1 January 2009

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the Group and the company:

- AASB 123 'Borrowing Costs' (revised). Effective for annual reporting periods beginning on or after 1 January 2009
- AASB 2008-2 'Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation'. Effective for annual reporting periods beginning on or after 1 January 2009
- AASB 3 'Business Combinations' Effective for annual reporting periods beginning on or after 1 July 2009

2. SEGMENT INFORMATION

Information on business segments

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Products and services within each business segment

The consolidated entity comprises the following main business segments, based on the consolidated entity's management reporting system:

Business segment	**Product**
Specialty chemicals	Oleine, Stearine, Glycerine, Distilled fatty acids
Consumer products	Soap, detergents and other fast moving consumer goods

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and liabilities are located in Australia and are unable to be allocated to individual geographical segments by location of customers on a reasonable basis.
The consolidated entity's business segments operate geographically as follows:

Geographical segment	**Product**
Australia / New Zealand	Oleine, Stearine, Glycerine, Distilled fatty acids, Soaps and Detergents
Asia Pacific	Oleine, Stearine, Glycerine, Distilled fatty acids, Soaps
Other	Oleine, Stearine, Glycerine, Distilled fatty acids, Soaps

Primary reporting – Business segments	Specialty Chemicals 2008 $'000	Specialty Chemicals 2007 $'000	Consumer Products 2008 $'000	Consumer Products 2007 $'000	Eliminations 2008 $'000	Eliminations 2007 $'000	Consolidated 2008 $'000	Consolidated 2007 $'000
SEGMENT REVENUE								
External segment revenue	105,043	78,119	55,324	53,021	-	-	160,367	131,140
Inter-segment revenue	1,522	1,011	-	2	(1,522)	(1,013)	-	-
Total segment revenue	106,565	79,130	55,324	53,023	(1,522)	(1,013)	160,367	131,140
Total Revenue							**160,367**	**131,140**
SEGMENT RESULT								
Segment result	6,870	(2,988)	9,010	6,953	2	121	15,882	4,086
Unallocated expenses							(4,407)	(4,813)
Profit/(loss) before tax							**11,475**	**(727)**
Income tax expense							(3,452)	858
Net profit							**8,023**	**131**
SEGMENT AND ASSET LIABILITIES								
ASSETS								
Segment assets	113,200	110,453	72,234	70,383	(42,560)	(38,150)	142,874	142,686
Consolidated total assets							**142,874**	**142,686**
LIABILITIES								
Segment liabilities	17,758	15,218	47,856	46,436	(40,903)	(36,691)	24,711	24,963
Unallocated liabilities							51,031	68,155
Consolidated total liabilities							**75,742**	**93,118**
OTHER SEGMENT INFORMATION								
EXPENSES								
Depreciation	2,028	2,053	796	746	-	-	2,824	2,799
Media advertising campaign	-	-	-	314	-	-	-	314
Restructuring costs	-	720	-	-	-	-	-	720
Impairment of equipment	-	1,333	-	1,200	-	-	-	2,533
Capital claim settlement	-	736	-	-	-	-	-	736
State Revenue Office claim	-	450	-	-	-	-	-	450
Ineffective hedge cover	-	624	-	-	-	-	-	624
Director share expenses	-	747	-	-	-	-	-	747
ASSETS								
Acquisition of non current assets	583	6,929	265	2,560	-	-	848	9,489
Acquisition of non current assets from business acquisition	-	5	-	-	-	-	-	5
INFORMATION ON GEOGRAPHICAL SEGMENTS								
External segment revenue by location of customers	91,995	62,009	51,701	49,019	16,671	20,112	160,367	131,140
Segment assets by location of assets	142,874	142,643	-	-	-	43	142,874	142,686
Acquisitions of non current assets	848	9,489	-	-	-	-	848	9,489

3. REVENUE

An analysis of the Group's revenue for the year is as follows:

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
SALES REVENUE				
Revenue from the sale of goods	160,367	131,140	103,186	88,335
	160,367	**131,140**	**103,186**	**88,335**
OTHER REVENUE				
Interest on bank deposits	284	82	284	82
Rental from other parties	238	223	238	223
Other revenue	282	123	262	86
	804	**428**	**784**	**391**

4. FINANCE COSTS

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Interest on bank overdrafts and loans	3,536	3,684	3,201	3,340
Interest on obligations under finance leases	782	898	773	884
Interest on convertible notes	44	-	44	-
Other interest expense	45	231	32	216
Total interest expense	**4,407**	**4,813**	**4,050**	**4,440**

5. PROFIT FOR THE YEAR

Profit/(loss) for the year has been arrived at after (crediting)/charging the following gains and losses:

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
(a) Gains and losses				
EXPENSES				
Media advertising campaign	-	314	-	
Restructuring costs	-	720	-	720
Impairment of plant and equipment	-	2,533	-	1,333
Provision for settlement of claim re capital equip	-	736	-	736
Legal fees and interest re State Revenue Office	-	450	-	450
Ineffective foreign exchange cover	-	624	-	624
Share based payment expense – directors	-	747	-	747
	-	**6,124**	**-**	**4,610**
(b) Other expenses				
Cost of sales	102,168	76,217	70,241	56,532
Finance costs: Interest on bank overdrafts and loans	4,407	4,813	4,050	4,440
Depreciation: Tanks and buildings	93	91	18	44
Depreciation: Plant and equipment	2,731	2,708	2,127	2,122
Total depreciation	**2,824**	**2,799**	**2,145**	**2,166**
Net bad and doubtful debt expense	111	135	111	133
Employee benefit expense:				
Post employment benefits: defined contributions	-	1,291	-	887
Share-based payments: equity settled	-	779	-	779
Termination benefits	30	871	30	871
Other employee benefits	16,043	14,835	9,635	9,324
	16,073	**17,776**	**9,665**	**11,861**
Net foreign exchange (gain)/loss	2,426	3,361	2,083	3,319
Operating lease minimum payments	187	224	151	197

6. INCOME TAXES

	Consolidated		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Income tax recognised in profit or loss				
Tax expense/(income) comprises:				
Current tax expense in respect of the current year	2,623	(218)	101	(2,207)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	817	(1,030)	678	(1,148)
Adjustments recognised in the current year in relation to tax of prior years	12	390	7	378
Total tax expense/(income)	**3,452**	**(858)**	**786**	**(2,977)**

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Profit/(loss) from operations	11,475	(727)	2,580	(8,081)
Income tax expense calculated at 30%	3,443	(218)	774	(2,424)
Share based payment expense	-	232	-	232
Reversal of brand names impairment	-	(80)	-	-
Legal Fees	-	75	-	75
Other	8	11	5	8
Derecognition of deferred tax liabilities	-	(1,268)	-	(1,246)
Current year adjustments for prior years taxes	1	390	7	378
	3,452	**(858)**	**786**	**(2,977)**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	Consolidated 2008 $'000	Consolidated 2007 $'000	Company 2008 $'000	Company 2007 $'000
Income tax recognised directly in equity				
Deferred tax				
Income and expenses taken directly to equity:				
Revaluations of financial instruments treated as cash flow hedges	(298)	39	(298)	39
Current tax assets and (liabilities)				
Income tax payable attributable to:				
Parent entity	245	3,455	245	3,455
Entities in the tax consolidated group	-	(2,078)	-	(2,078)
Other	18	42	-	-
	263	**1,419**	**245**	**1,377**

Deferred tax balances

Deferred tax assets/(liabilities) arise from the following:

Consolidated	2008 Opening balance $'000	2008 Charged to income $'000	2008 Charged to equity $'000	2008 Closing balance $'000	2007 Opening balance $'000	2007 Charged to income $'000	2007 Charged to equity $'000	2007 Charged to acquisition $'000	2007 Closing balance $'000
DEFERRED TAX ASSETS:									
Doubtful debts	69	(50)	-	19	20	49	-	-	69
Provisions	1,163	(130)	-	1,033	927	182	-	54	1,163
Foreign currency items	194	(198)	-	(4)	17	177	-	-	194
Borrowing costs	-	-	-	-	10	(10)	-	-	-
Stock obsolescence	28	(26)	-	2	49	(21)	-	-	28
Accruals	56	(28)	-	28	25	31	-	-	56
	1,510	**(432)**	**-**	**1,078**	**1,048**	**408**	**-**	**54**	**1,510**
DEFERRED TAX LIABILITIES:									
Property, plant and equipment	(4,826)	(319)	-	(5145)	(5,448)	622	-	-	(4,826)
Cash flow hedges	(385)	-	298	(87)	(346)	-	(39)	-	(385)
Foreign currency items		(66)	-	(66)	-	-	-	-	-
Other	(1)	-	-	(1)	(1)	-	-	-	(1)
	(5.212)	**(385)**	**298**	**(5,299)**	**(5,795)**	**622**	**(39)**	**-**	**(5,212)**
Net deferred tax liability	**(3,702)**	**(817)**	**298**	**(4,221)**	**(4,747)**	**1,030**	**(39)**	**54**	**(3,702)**

Company	2008				2007				
	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Closing balance $'000	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Charged to acquisition $'000	Closing balance $'000
DEFERRED TAX ASSETS:									
Doubtful debts	49	(29)	-	20	16	33	-	-	49
Provisions	886	(147)	-	739	706	180	-	-	886
Foreign currency items	198	(198)	-	-	-	198	-	-	198
Borrowing costs	-	-	-	-	10	(10)	-	-	-
Stock obsolescence	3	-	-	3	9	(6)	-	-	3
Accruals	18	(1)	-	17	23	(5)	-	-	18
	1,154	**(375)**	**-**	**779**	**764**	**390**	**-**	**-**	**1,154**
DEFERRED TAX LIABILITIES:									
Property, plant & equipment	(4,411)	(164)	-	(4575)	(5,140)	729	-	-	(4,411)
Cash flow hedges	(385)	-	298	(87)	(346)	-	(39)	-	(385)
Foreign currency items	-	(139)	-	(139)	(28)	28	-	-	-
Other	-	-	-	-	(1)	1	-	-	-
	(4,796)	**(303)**	**298**	**(4801)**	**(5,515)**	**758**	**(39)**	**-**	**(4,796)**
Net deferred tax liability	**(3,642)**	**(678)**	**298**	**(4022)**	**(4,751)**	**1,148**	**(39)**	**-**	**(3,642)**

Tax consolidation

Relevance of tax consolidation to the Group

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group, and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Symex Holdings Limited. The members of the tax-consolidated group are identified at note 26.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Symex Holdings Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

7. TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Current				
Trade receivables (i)	32,118	26,609	15,344	13,450
Allowance for doubtful debts	(63)	(226)	(67)	(161)
	32,055	**26,383**	**15,277**	**13,289**
Trade Receivables - Subsidiaries	-	-	-	119
Other (ii)	937	1,702	709	1,211
	32,992	28,085	15,986	14,619
Non-current				
Loans to subsidiaries (iii)	-	-	41,340	40,054

(i) The average credit period on sales of goods is 60 days. No interest is charged on trade receivables. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods, determined by reference to specific customers where receipt is in doubt. During the current financial year, any doubtful debt movements were recognised in profit for the year.

Before accepting any new customers, the Group will perform a credit check to assess the potential customer's credit quality and defines credit limits by customer. Limits are reviewed as necessary. Of the trade receivables balance at the end of the year $1,993,325 is due from Metcash, and $6,015,561 from Woolworths Limited. There are no other customers who represent more than 5 % of the total balance of trade receivables. Debtors who are past due at the end of the reporting period have not been provided for on the whole, as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

(ii) Other receivables generally arise from transaction outside the usual operating activities of the consolidated entity. Interest may be charged at market rates where the terms of repayment exceed three months. Collateral is generally not obtained.

(iii) Loans to subsidiaries are non-interest bearing and at call. They are classified as non-current as the parent entity is not intending to call on this loan to the subsidiary in the next twelve months.

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
AGEING OF PAST DUE BUT NOT IMPAIRED				
Overdue 30 to 60 days	2,236	4,150	253	145
Overdue 61 to 90 days	594	1,470	182	90
Overdue 91 days and beyond	281	561	221	303
Total	**3,111**	**6,181**	**656**	**538**

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS				
Balance at the beginning of the year	226	66	161	53
Impairment losses recognised on receivables	-	160	-	108
Amounts written off as uncollectible	(163)	-	(94)	-
Balance at the end of the year	**63**	**226**	**67**	**162**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

As at reporting date, there were no impaired trade receivables.

8. OTHER FINANCIAL ASSETS

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Foreign currency forward contracts	292	1,285	292	1,285

9. INVENTORIES

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Raw materials	3,285	2,938	1,243	1,114
Work in progress	1,731	3,343	1,731	3,374
Finished goods	7,818	7,609	2,590	2,505
Stock obsolescence	(9)	(94)	(9)	(9)
	12,825	**13,796**	**5,555**	**6,984**

10. INVESTMENTS

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Investments in subsidiaries – at cost	-	-	6,257	6,232

11. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Freehold land at fair value $'000	Tanks & Buildings at fair value $'000	Plant & equipment at cost $'000	Construction in progress at cost $'000	Total $'000
Gross carrying amount					
Balance at 1 July 2007	5,353	4,925	46,949	3,705	60,932
Additions	-	-	-	848	848
Transfer from capital works	-	-	3,671	(3,671)	-
Balance at 30 June 2008	**5,353**	**4,925**	**50,620**	**882**	**61,780**
Accumulated depreciation					
Balance at 1 July 2007	-	(505)	(9,375)	-	(9,880)
Depreciation expense	-	(93)	(2,731)	-	(2,824)
Balance at 30 June 2008	**-**	**(598)**	**(12,106)**	**-**	**(12,704)**
Net book value as at 1 July 2007	5,353	4,419	37,575	3,705	51,052
Net book value as at 30 June 2008	**5,353**	**4,327**	**38,514**	**882**	**49,076**

The Company	Freehold land at fair value $'000	Tanks & Buildings at fair value $'000	Plant & equipment at cost $'000	Construction in progress at cost $'000	Total $'000
Gross carrying amount					
Balance at 1 July 2007	4,673	1,894	36,026	2,118	44,711
Additions	-	-	-	583	583
Transfer from capital works	-	-	2,508	(2,508)	-
Balance at 30 June 2008	**4,673**	**1,894**	**38,534**	**193**	**45,294**
Accumulated depreciation					
Balance at 1 July 2007	-	(335)	(7,512)	-	(7,847)
Depreciation expense	-	(18)	(2,127)	-	(2,145)
Balance at 30 June 2008	**-**	**(353)**	**(9,639)**	**-**	**(9,992)**
Net book value as at 1 July 2007	4,673	1,560	28,514	2,118	36,865
Net book value as at 30 June 2008	**4,673**	**1,541**	**28,895**	**193**	**35,302**

Valuation freehold land and buildings

An independent valuation of the Group's land and buildings was performed by CB Richard Ellis as at 15 January 2008 on the basis of market value, and resulted in a valuation of land and buildings of $22,700,000 (the company $19,100,000).

As land and buildings are recorded at cost, the valuation has not been brought to account.

12. GOODWILL

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Gross carrying amount				
Balance at beginning of financial year	36,182	32,058	-	-
Additional amounts recognised from business combinations	25	4,124	-	-
Balance at end of financial year	36,207	36,182	-	-

Goodwill has been allocated for impairment testing between two cash generating units, being consumer products and the DCS International Pty Ltd business. The recoverable amounts of the cash generating units are determined based on a value in use calculation, which uses cash flow projections based on a financial budget approved by management, covering a five year period and a discount rate of 15%. The cash flow has been extrapolated using a nil growth rate and an inflation rate of 3%. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating units.

13. OTHER INTANGIBLE ASSETS

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Pental brand names	10,439	10,439	-	-
Accumulated impairment	(4,105)	(4,105)	-	-
	6,334	6,334	-	-
Reconciliation of movement in carrying amount:				
Carrying amount at beginning of year	6,334	6,068	-	-
Acquired through business combinations	-	-	-	-
Reversal of impairment losses	-	266	-	-
Carrying amount at end of year	**6,334**	**6,334**	**-**	**-**

14. OTHER ASSETS

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
CURRENT				
Prepayments	581	261	373	174
State Revenue Office – dispute payment	-	926	-	926
	581	**1,187**	**373**	**1,100**

NOTES TO THE
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15. TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Trade payables	10,605	9,929	6,275	6,330
Sundry payables	4,829	6,681	2,230	3,250
	15,434	**16,610**	**8,505**	**9,580**

The average credit period on the purchases of goods ranges from 7 to 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

16. BORROWINGS

	Consolidated		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Bank overdraft, secured	-	2,924	-	2,924
Bank loans, secured	3,425	8,256	3,425	7,778
Convertible loan	-	3,000	-	3,000
	3,425	**14,180**	**3,425**	**13,702**
Non-current				
Bank loans, secured	47,606	53,977	47,606	48,248
	47,606	53,977	47,606	48,248
Total Borrowings	**51,031**	**68,157**	**51,031**	**61,950**
Disclosed in the financial statements as:				
Current borrowings	3,425	14,180	3,425	13,702
Non-current borrowings	47,606	53,977	47,606	48,248
	51,031	**68,157**	**51,031**	**61,950**
Summary of financing arrangements				
Facilities utilised at reporting date:				
Bill acceptance facility	46,200	45,040	46,200	40,540
Equipment loan facility	-	4,448	-	4,307
Lease purchase facility	4,831	11,179	4,831	11,179
Multi option working capital facility	-	1,566	-	-
Bank overdraft (i)	-	658	-	658
	51,031	**62,891**	**51,031**	**56,684**
Comprising:				
Bank Overdraft (i)	-	658	-	658
Secured loans – current	3,425	8,256	3,425	7,778
Secured loans - non current	47,606	53,977	47,606	48,248
	51,031	**62,891**	**51,031**	**56,684**
Facilities not utilised at reporting date:				
Bill acceptance facility	8,969	40	8,969	40
Equipment loan facility	-	383	-	374
Lease purchase facility	-	3,710	-	2,710
Multi option working capital facility	-	234	-	-
Bank overdraft	-	1,342	-	1,342
	8,969	**5,709**	**8,969**	**4,466**

(i) This amount represents the actual overdraft facility used, which differs from the amount reported in the financial statements, primarily due to unpresented cheques.

Bill acceptance facility

The bill acceptance and lease purchase facility total is $60,000,000. The bill acceptance facility bears an interest rate of 7.67% as at 30 June 2008. The bill acceptance facility is secured by a registered mortgage over all industrial property of the Group and registered mortgage debenture charge over the whole of the company assets including goodwill and uncalled capital and called but unpaid capital.

Lease purchase facilities

The lease purchase facilities are secured by assets leased.

Security for facilities

The carrying amounts of pledged properties are as follows:

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Freehold land	5,353	5,353	4,673	4,673
Tanks and buildings	4,327	4,419	1,541	1,560
Plant and equipment	38,514	37,575	28,895	28,514
Capital works in progress	882	3,705	193	2,118
	49,076	**51,052**	**35,302**	**36,865**

17. OTHER FINANCIAL LIABILITIES

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Current				
Foreign currency forward contracts	558	624	558	624
	558	**624**	**558**	**624**

18. PROVISIONS

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Current				
Employee benefits	2,738	2,932	1,942	2,165
Other	1,367	882	485	882
	4,105	**3,814**	**2,427**	**3,047**
Non-current				
Employee benefits	201	211	38	56
	201	**211**	**38**	**56**
Total Provisions	**4,306**	**4,025**	**2,465**	**3,103**

19. ISSUED CAPITAL

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Share Capital				
128,048,857 ordinary shares, fully paid (2007: 106,822,101)	33,800	23,569	33,800	23,569
Fully paid ordinary shares				
Balance at beginning of financial year	23,569	18,169	23,569	18,169
Shares issued in consideration for acquisition of DCS	-	5,400	-	5,400
Rights issue (15,138,207 shares)	7,569	-	7,569	-
Rights issue costs	(322)	-	(322)	-
Convertible loan (6,088,522 shares)	3,044	-	3,044	-
Convertible loan costs	(60)	-	(60)	-
Balance at end of financial year	**33,800**	**23,569**	**33,800**	**23,569**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. Note 30 provides details of shares issued on exercise of options.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

20. RESERVES

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Equity-settled employee benefits	1,380	1,380	1,380	1,380
Hedging	205	900	205	900
Foreign currency translation	11	5	-	-
	1,596	**2,285**	**1,585**	**2,280**

Reconciliation of reserves:

	Consolidated 2008 $'000	Consolidated 2007 $'000	Company 2008 $'000	Company 2007 $'000
Equity-settled employee benefits				
Balance at beginning of financial year	1,380	601	1,380	601
Share-based payment	-	888	-	888
Transfer to share capital	-	-	-	-
Lapsed during the year	-	(109)	-	(109)
Balance at end of financial year	**1,380**	**1,380**	**1,380**	**1,380**

The equity-settled employee benefits reserve arises on the grant of share options to executives and senior employees under the employee share option plan. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to employees is made in note 30 to the financial statements

	Consolidated 2008 $'000	Consolidated 2007 $'000	Company 2008 $'000	Company 2007 $'000
Hedging reserve				
Balance at beginning of financial year	900	809	900	809
Gain/(loss) recognised on forward exchange contracts	292	1,284	292	1,284
Transfer to profit or loss on forward exchange contracts	(1,285)	(1,154)	(1,285)	(1,154)
Deferred Tax arising on hedges	298	(39)	298	(39)
Balance at end of financial year	**205**	**900**	**205**	**900**

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss.

	Consolidated 2008 $'000	Consolidated 2007 $'000	Company 2008 $'000	Company 2007 $'000
Foreign currency translation reserve				
Balance at beginning of financial year	5	1	-	-
Translation of foreign operations	6	4	-	-
Balance at end of financial year	**11**	**5**	**-**	**-**

Exchange differences relating to the translation of the Group's foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

21. RETAINED EARNINGS

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Balance at beginning of financial year	23,714	25,503	4,404	11,428
Net profit/(loss) attributable to members of parent entity	8,023	131	1,794	(5,104)
Dividends provided for or paid (note 23)	-	(1,920)	-	(1,920)
Balance at end of financial year	**31,736**	**23,714**	**6,198**	**4,404**

22. EARNINGS PER SHARE

	Consolidated	
	2008 cents per share	2007 cents per share
Basic earnings per share	6.44	0.10
Diluted earnings per share	6.44	0.10

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2008 $'000	2007 $'000
Net profit	**8,023**	**131**
Earnings used in the calculation of basic EPS	8,023	131
Earnings used in the calculation of diluted EPS	8,023	131

	2008 No '000	2007 No '000
Weighted average number of ordinary shares for the purposes of basic EPS	124,534,278	96,998,540
Weighted average number of ordinary shares for the purposes of diluted EPS	124,534,278	96,998,540

Classification of securities as ordinary shares

The following securities have been classified as ordinary shares and included in basic earnings per share:
(a) ordinary shares

Classification of securities as potential ordinary shares

The following securities have been classified as potential ordinary shares and included in diluted earnings per share only:
(a) options outstanding under the Option Incentive Plan; and
(b) options outstanding issued to Directors.

During the year, no options were converted to ordinary shares. Full details of these options are set out in Note 30.

The following share options have not been included in the calculation of diluted EPS as they are not dilutive:

	Number of shares	Exercise Price
Issue date 19 July 2004	550,000	$1.24
Issue date 30 June 2005	1,200,000	$1.51
Issue date 14 August 2007	2,000,000	$0.55
Issue date 14 August 2007	2,000,000	$0.70
Issue date 14 August 2007	2,000,000	$0.80
Issue date 14 August 2007	2,000,000	$0.90

23. DIVIDENDS

Dividends recognised in the current year by the company are:

	2008		2007	
	Cents per share	Total $'000	Cents per share	Total $'000
Fully paid ordinary shares				
Interim dividend: Fully franked at 30% tax rate	-	-	-	-
Final dividend: Fully franked at 30% tax rate (i)	-	-	2.0	1,920
	-	**-**	**2.0**	**1,920**

(i) The dividend payment of 2.0 cents per share paid on 27 October 2006 related to the 2006 year final dividend.

The directors do not propose the payment of a final dividend in respect of the year ended 30 June 2008.

	Company	
	2008 $'000	2007 $'000
Adjusted franking account balance	12,991	9,174
Impact on franking account balance of dividends not recognised	-	-
	12,991	**9,174**

24. COMMITMENTS FOR EXPENDITURE

	Consolidated		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Non-cancellable operating lease expenses				
Not longer than 1 year	16	49	6	34
Longer than 1 year and not longer than 5 years	16	16	6	15
	32	**65**	**12**	**49**

The consolidated entity leases photocopiers under non-cancellable operating leases.

25. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2008.

The company has previously disclosed a State Revenue Office stamp duty claim as a contingent liability. This claim has been fully settled throughout the period, with a total of $1,333 thousand being refunded to the company. This amount was recorded in the previous financial period.

26. SUBSIDIARIES

Name of subsidiary		Country of incorporation	Ownership interest 2008 %	Ownership interest 2007 %
Parent Entity				
Symex Holdings Limited	(i)	Australia		
Controlled Entities				
Pental Products Pty Ltd	(ii) (iii)	Australia	100%	100%
Pental Soap Products Pty Ltd	(iii)	Australia	100%	100%
Symex Holdings Inc.		Delaware, USA	100%	100%
DCS International Pty Ltd	(ii) (iii)	Australia	100%	100%

(i) Symex Holdings Limited is the head entity within the tax-consolidated group.

(ii) These companies are members of the tax-consolidated group.

(iii) These wholly-owned subsidiaries have entered into a deed of cross guarantee with Symex Holdings Limited pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report.

The consolidated income statement and balance sheet of the entities party to the deed of cross guarantee are:

	Consolidated 2008 $'000	Consolidated 2007 $'000
Income statement		
Revenue	160,341	130,783
Other income	804	428
Changes in inventories of finished goods and work in progress	(1)	3,155
Raw materials, finished goods purchases, consumables used and utilities	(102,160)	(79,053)
Employee benefits expense	(16,073)	(17,776)
Depreciation and amortisation expense	(2,824)	(2,799)
Impairment of plant and equipment	-	(2,533)
Finance costs	(4,407)	(4,813)
Freight	(10,368)	(11,272)
Repairs and maintenance	(2,798)	(3,286)
Foreign exchange gain/(loss)	(2,430)	(3,341)
Marketing	(875)	(1,230)
Other expenses	(7,801)	(8,890)
Profit before tax expense	**11,408**	**(627)**
Income tax expense	(3,427)	843
Profit for the year	**7,981**	**216**

	Consolidated	
	2008	2007
	$'000	$'000
Balance sheet		
Current assets		
Cash and cash equivalents	4,112	3,346
Trade and other receivables	32,992	28,049
Other financial assets	292	1,285
Inventories	12,825	13,789
Current tax assets	455	1,395
Other	581	1,187
Total current assets	**51,257**	**49,051**
Non-current assets		
Trade and other receivables	-	89
Property, plant and equipment	49,076	51,052
Goodwill	36,207	36,182
Other intangible assets	6,334	6,334
Total non-current assets	**91,617**	**93,657**
Total assets	**142,874**	**142,708**
Current liabilities		
Trade and other payables	15,434	16,582
Borrowings	3,425	14,180
Other financial liabilities	558	624
Current tax payables	192	-
Provisions	4,105	3,814
Total current liabilities	**23,714**	**35,200**
Non-current liabilities		
Borrowings	47,606	53,977
Deferred tax liabilities	4,221	3,705
Provisions	201	211
Total non-current liabilities	**52,028**	**57,893**
Total liabilities	**75,742**	**93,093**
Net assets	**67,132**	**49,615**
Equity		
Issued capital	33,800	23,569
Reserves	1,584	2,279
Retained earnings*	31,748	23,767
Total equity	**67,132**	**49,615**
* Retained earnings		
Retained earnings as at beginning of the financial year	23,767	25,471
Net profit	7,981	216
Dividends provided for or paid	-	(1,920)
Retained earnings as at end of the financial year	**31,748**	**23,767**

27. ACQUISITIONS

As previously reported in the financial reports as at 30 June 2007, the consolidated entity acquired DCS International Pty Ltd on 28 May 2007. The initial accounting treatment for the acquisition was only provisionally determined at the previous reporting date. Presented below are the final adjustments made to the carrying amounts of the identiable assets and liabilities.

	2008 $'000	2007 $'000
Consideration		
Cash	-	-
Equity securities	-	5,400
Transaction costs	25	164
Total	**25**	**5,564**

	2008 $'000	2007 $'000
Net cash inflow/(outflow) on acquisition		
Cash and cash equivalents balances acquired	-	167
Less: cash and cash equivalents consideration	-	-
Inflow/(outflow) of cash	**-**	**167**

	DCS International Pty Ltd		Firelighter business	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current assets				
Cash and cash equivalents	-	167	-	-
Trade and other receivables	-	2,266	-	-
Inventories	-	1,982	-	-
	-	**4,415**	**-**	**-**
Non current assets				
Property, plant and equipment	-	5	-	95
Deferred tax assets	-	54	-	-
Other intangible assets	-	-	-	950
	-	**59**	**-**	**1,045**
Total assets	**-**	**4,474**	**-**	**1,045**
Current liabilities				
Trade and other payables	-	1,277	-	-
Borrowings	-	400	-	-
Provisions	-	153	-	-
	-	**1,830**	**-**	**-**
Non current liabilities				
Borrowings	-	1,166	-	-
Provisions	-	39	-	-
	-	**1,205**	**-**	**-**
Total liabilities	**-**	**3,035**	**-**	**-**
Net assets required	**-**	**1,439**	**-**	**1,045**

There have been no further acquisitions made during the reporting period ended 30 June 2008.

28. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash on hand and at bank. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Cash and cash equivalents	4,112	3,346	2,814	636
Bank overdraft	-	(2,924)	-	(2,924)
	4,112	**422**	**2,814**	**(2,288)**

(b) Reconciliation of profit for the period to net cash flows from operating activities

	Consolidated		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Profit for the year	8,023	131	1,794	(5,104)
Depreciation and amortisation	2,824	2,799	2,145	2,166
Equity-settled share-based payment	-	779	-	779
Impairment of non-current assets	-	2,533	-	1,333
Reversal of brand names impairment	-	(267)	-	-
Fair value gain/(loss) on derivatives	(690)	95	(695)	91
Changes in net assets and liabilities, net of effects from acquisition of businesses:				
(Increase)/decrease in assets:				
Trade and other receivables	(4,908)	(1,172)	(1,367)	(3,669)
Inventories	972	(3,041)	1,428	(2,300)
Current tax assets	(610)	(659)	(1,024)	(2,685)
Other assets	1,599	842	1,721	888
Increase/(decrease) in liabilities:				
Trade and other payables	(1,177)	2,591	(1,075)	3,086
Current tax payable	-	-	-	-
Provisions	282	821	(638)	750
Deferred tax balances	2,285	(991)	2,536	(1,109)
Other liabilities	(66)	568	(66)	568
Net cash from operating activities	**8,534**	**5,029**	**4,759**	**(5,206)**

29. FINANCIAL INSTRUMENTS

a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 16, cash, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings, as disclosed in notes 19, 20 and 21. Operating cash flows are used to maintain and expand the group's assets, as well as to make the routine outflows of payables, tax, dividends and repayment of maturing debt.

Gearing ratio

The Board of Director's reviews the capital structure on an ongoing basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board, the Group will balance its overall capital structure through the payment of dividends, new share issues, and the issue or repayment of debt.

The gearing ratio at year end was as follows:

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Financial assets				
Debt (i) (ii)	51,031	68,157	51,031	61,950
Cash and cash equivalents	(4,112)	(3,346)	(2,814)	(636)
Net debt	46,919	64,811	48,217	61,314
Equity (iii)	67,132	49,568	41,583	30,253
Net debt to equity ratio	70%	131%	116%	203%

(i) Debt is defined as long- and short-term borrowings, as detailed in note 16.
(ii) All outstanding debt has been consolidated into the parent entity during the current financial year.
(iii) Equity includes all issued capital and reserves.

(b) Categories of financial instruments

At the reporting date there are no significant concentrations of credit risk relating to loans and receivables at fair value through profit or loss. The carrying amount reflected in the balance sheet represents the company's and the group's maximum exposure to credit risk for such loans and receivables.

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	4,112	3,346	2,814	636
Trade and other receivables	32,992	28,085	15,986	14,619
Foreign currency forward contracts	292	1,285	292	1,285
Financial liabilities				
Trade and other payables	15,434	16,610	8,505	9,580
Borrowings	51,031	68,157	51,031	61,950
Foreign currency forward contracts	558	624	558	624

(c) Financial risk management objectives

The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial instruments is governed by the consolidated entity's policies approved by the Board of Directors. The Managing Director is responsible for managing the consolidated entity's treasury requirements in accordance with this policy.

The consolidated entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The consolidated entity enters into forward foreign currency contracts to manage its exposure to foreign currency exchange rate fluctuations.

(d) Market risk

The consolidated entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The consolidated entity enters into forward foreign currency contracts to manage its exposure to foreign currency exchange rate fluctuations (refer notes 29(c) and 29(e)).

(e) Foreign currency risk management

The consolidated entity enters into forward foreign exchange contracts to hedge a proportion of anticipated sales and purchase commitments denominated in foreign currencies (principally US Dollars, Japanese Yen and New Zealand Dollars) expected in each month, within the following three years subject to Board approval. The amount of anticipated future sales is forecast in light of current conditions in foreign markets, commitments from customers and experience.

The following table sets out the gross contract value to be received under forward foreign currency contracts, the weighted average contracted exchange rates and settlement periods of outstanding contracts for the Company. There were no additional contracts at a consolidated level.

	Weighted exchange rate		Foreign Currency		Contract Value		Fair Value	
	2008	2007	2008 FC'000	2007 FC'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Sell JPY – no later than one year	83.75	77.61	140,000	420,000	1,672	5,412	356	1,285
Buy USD – no later than one year	-	0.7884	-	7,700	-	9,767	-	(624)

As at reporting date, the aggregate amount of unrealised gains under forward foreign currency contracts relating to anticipated future contracts is $292 thousand - tax effected $204 thousand (2007: $1,285 thousand – tax effected $899 thousand). In the current year, these unrealised gains have been deferred in the hedging reserves to the extent the hedge is effective.

Foreign currency sensitivity analysis

The Company is mainly exposed to USD and JPY currencies. The following table details the Company's sensitivity to a 5 cent increase and decrease in the Australian dollar against the relevant foreign currencies. The analysis includes all trade receivables and payables outstanding at year end

	USD Impact		JPY Impact	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Profit	137	145	5	11
Equity	-	-	(7)	(1)

(f) Interest rate risk management

The company and the Group are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

The following table details the consolidated entity's exposure to interest rate and liquidity risk. The table includes both interest and principal cash flows.

2008	Weighted average interest rate	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	5+ years $'000	Total $'000
Financial assets							
Cash	3.98%	-	-	-	-	-	4,112
Trade receivables	-	11,273	20,846	-	-	-	32,119
Other receivables	-	468	469	-	-	-	937
Foreign currency	-	85	207	-	-	-	292
		11,826	**21,522**	**-**	**-**	**-**	**37,460**
Financial liabilities							
Trade payables	-	5,302	5,503	-	-	-	10,605
Foreign currency	-	-	558	-	-	-	558
Other payables	-	-	4,829	-	-	-	4,829
Provisions	-	-	-	1,214	3,284	-	4,498
Bank overdraft	-	-	-	-	-	-	-
Convertible loans	-	-	-	-	-	-	-
Secured bank loans	8.39%	641	1,271	5,576	27,211	46,233	80,932
		5,943	**12,161**	**6,790**	**30,495**	**46,233**	**101,422**

2007	Weighted average interest rate	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	5+ years $'000	Total $'000
Financial assets							
Cash	1.98%	-	-	-	-	-	3,346
Trade receivables	-	10,003	16,606	-	-	-	26,609
Other receivables	-	851	851	-	-	-	1,702
Foreign currency	-	132	259	894	-	-	1,285
		10,896	**17,716**	**894**	**-**	**-**	**32,942**
Financial liabilities							
Trade payables	-	4,960	4,969	-	-	-	9,929
Foreign currency	-	66	129	429	-	-	624
Other payables	-	-	6,681	-	-	-	6,681
Provisions	-	-	-	780	3,245	-	4,025
Bank overdraft	10.00%	-	-	-	-	-	2,924
Convertible loans	8.00%	-	3,044	-	-	-	3,044
Secured bank loans	7.88%	1,080	2,142	9,364	29,857	50,271	92,714
		6,106	**16,965**	**10,573**	**33,102**	**50,271**	**119,941**

At reporting date, if interest rates had of been 0.5% higher or lower and all other variables held constant, there would be $19 thousand effect on the Group's profit for the period.

(g) Credit risk management

Credit risk management refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate values of transactions concluded are spread amongst approved counterparties. The consolidated entity measures credit risk on a fair value basis.

Trade accounts receivable consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantees are obtained.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated entity's maximum exposure to credit risk without taking accounts of the value of any collateral obtained.

(h) Liquidity risk management

The consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(i) Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and liabilities recorded in the financial statements approximate their fair values.

The fair values and net fair values of financial assets and liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- The fair value of derivative instruments, included in hedging assets and liabilities, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

30. SHARE-BASED PAYMENTS

The Company has an executive option incentive plan.

Each option is convertible to one ordinary share. The exercise price of the options, determined in accordance with the rules of the plan, is based on the weighted average price of the Company's shares traded during the 5 business days preceding the date of granting the option.

All options expire on the earlier of their expiry date or termination of the directors, executives or employees employment. In addition, the ability to exercise the options is conditional upon exercise dates being reached. There are no other vesting conditions. There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised. All options are settled via issue of equity.

Options issued do not represent remuneration for past services.

Options are priced using a binomial option pricing model. Where relevant, the expected life used in the model is adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 1 to 3 years. To allow for the effects of early exercise, it is assumed that employees will exercise options between 1 to 3 years from the grant date.

There were no share options granted during the 2008 year.

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and end of the financial year:

	2008		2007	
	Number of options $	Weighted average exercise price	Number of options $	Weighted average exercise price
Balance at beginning of the financial year	10,333,334	0.88	4,425,001	1.39
Granted during the financial year	-	-	8,000,000	0.74
Exercised during the financial year	-	-	-	-
Expired during the financial year	(583,334)	1.18	(2,091,667)	1.41
Balance at end of the financial year	**9,750,000**	**0.86**	**10,333,334**	**0.88**
Exercisable at end of the financial year	9,750,000	0.86	3,441,665	0.88

During or since the end of the financial year, no fully paid ordinary shares were issued by the Company as a result of the exercise of options.

Balance at end of the financial year

The share options outstanding at the end of the financial year had an exercise price of $0.86 (2007: $0.88), and a weighted average remaining contractual life of 738 days (2007: 1,439 days).

Consolidated and Company 2008

Grant date	Exercise date on or after	Expiry date	Exercise price $	Number of options at beginning of year (i)	Options granted	Options exercised or lapsed	Number of options at end of year	
							On issue	Vested
19/7/04	18/7/05	18/1/10	$1.24	286,111	-	(102,784)	183,327	183,327
19/7/04	18/7/06	18/7/10	$1.24	286,111	-	(102,784)	183,327	183,327
19/7/04	18/7/07	18/7/10	$1.24	286,112	-	(102,766)	183,346	183,346
30/6/05	30/6/05	30/6/10	$1.51	758,333	-	(41,669)	716,664	716,664
30/6/05	30/6/06	30/6/10	$1.51	283,333	-	(41,666)	241,667	241,667
30/6/05	30/6/07	30/6/10	$1.51	283,334	-	(41,665)	241,669	241,669
31/3/03	31/12/03	31/12/07	$0.80	100,000	-	(100,000)	-	-
31/3/03	31/12/04	31/12/07	$0.80	50,000	-	(50,000)	-	-
28/5/07	28/5/07	30/6/10	$0.55	2,000,000	-	-	2,000,000	2,000,000
14/8/07	14/8/07	30/6/10	$0.70	2,000,000	-	-	2,000,000	2,000,000
14/8/07	14/8/07	30/6/10	$0.80	2,000,000	-	-	2,000,000	2,000,000
14/8/07	14/8/07	30/6/10	$0.90	2,000,000	-	-	2,000,000	2,000,000
Total				**10,333,334**	**-**	**(583,334)**	**9,750,000**	**9,750,000**

(i) Opening balances have been restated. Previously understated by 450,000 share options.

31. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation of the key management personnel of the consolidated entity and the company is set out below

	Consolidated		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Short-term employee benefits	1,543,682	1,632,521	1,043,221	1,383,931
Post-employment benefits	155,123	211,668	155,694	188,267
Other long-term benefits	-	-	-	-
Termination benefits	74,038	763,191	-	763,191
Share-based payment	-	731,863	-	731,863
	1,772,843	**3,339,243**	**1,198,915**	**3,067,252**

32. RELATED PARTY TRANSACTIONS

Key management personnel equity holdings

Fully paid ordinary shares of Symex Holdings Limited held by key management personnel:

	Balance at 1/7/06	Options Exercised	Received as consideration for DCS International Pty Ltd	Net change other (i)	Balance at 30/6/07	Options Exercised	Net change other	Balance at 30/6/08
Non Executive								
Alan Stockdale	2,000,000	-	-	-	2,000,000	-	285,715	2,285,715
Mark Evans	877,500	-	-	-	877,500	-	125,358	1,002,858
Peter Robinson	173,300	-	-	-	173,300	-	532,211	705,511
Alan Johnstone	8,873,268	-	-	-	8,873,268	-	5,035,877	13,909,145
John Rishworth	10,000	-	-	-	10,000	-	1,429	11,429
Executive								
Greg Tremewen	1,111	-	5,400,000	-	5,401,111	-	1,046,467	6,447,578
Allister Tomkins	111	-	5,400,000	-	5,400,111	-	1,824,374	7,224,485
Mike Newton (ii)	7,440,001	-	-	-	7,440,001	-	-	-
Other Management								
Cosi Papallo	100,300	-	-	(100,000)	300	-	-	300
Sarah Shores		-	-	-	-	-	-	-
Mary Kanellos	115,300	-	-	-	115,300	-	-	115,300
Neill Sutton		-	-	-	-	-	-	-
Peter Costello		-	-	-	300	-	-	300
Angus Thompson (ii)	150,300	-	-	-	150,300	-	-	-
Chris Lovejoy (ii)	175,300	-	-	-	175,300	-	-	-
Greg Berti (ii)	55,000	-	-	-	55,000	-	-	-

(i) Net change other relates to shares purchased and sold during the financial year

(ii) Former employees of the group who no longer fall into the category of key personnel

Key management personnel share option holdings

Number of share options of Symex Holdings Limited held by key management personnel:

	Balance at 1/7/06	Options granted	Options exercised	Options expired/ lapsed	Balance at 30/6/07	Options granted	Options exercised	Options expired/ lapsed	Balance at 30/6/08 (i)
Non Executive									
Alan Stockdale	-	-	-	-	-	-	-	-	-
Mark Evans	-	-	-	-	-	-	-	-	-
Peter Robinson	-	-	-	-	-	-	-	-	-
Alan Johnstone	-	-	-	-	-	-	-	-	-
John Rishworth	-	-	-	-	-	-	-	-	-
Executive									
Greg Tremewen	-	4,000,000	-	-	4,000,000	-	-	-	4,000,000
Allister Tomkins	-	4,000,000	-	-	4,000,000	-	-	-	4,000,000
Mike Newton	500,000	-	-	(500,000)	-	-	-	-	-
Other Management									
Cosi Papallo	450,000	-	-	-	450,000	-	-	(150,000)	300,000
Sarah Shores	-	-	-	-	-	-	-	-	-
Mary Kanellos	175,000	-	-	-	175,000	-	-	-	175,000
Neill Sutton	-	-	-	-	-	-	-	-	-
Peter Costello	-	-	-	-	50,000	-	-	-	50,000
Angus Thompson	300,000	-	-	(300,000)	-	-	-	-	-
Chris Lovejoy	175,000	-	-	(175,000)	-	-	-	-	-
Greg Berti	175,000	-	-	(175,000)	-	-	-	-	-

(i) Balance at 30 June 2008 includes balance, vested and exercisable amounts.
During the financial year, no options were granted or exercised by key management personnel.

Convertible notes of Symex Holdings Limited held by key management personnel:

	Balance at 1/7/06	Raised	Converted to fully paid ordinary shares	Balance at 30/6/07	Raised	Converted to fully paid ordinary shares	Balance at 30/6/08
Non Executive							
Alan Johnstone	-	1,500,000	-	1,500,000	-	(1,500,000)	-
Peter Robinson	-	250,000	-	250,000	-	(250,000)	-

Transactions with key management personnel

Symex notes that a company associated with Mark Evans has received fees totalling $88,200, plus GST, concerning services performed in relation to capital raising.

Equity interests in subsidiaries

Details of interests in subsidiaries are set out in note 26. The Company purchases goods from, and sell goods to, its controlled entity's Pental Products Pty Ltd, Symex Holdings Inc and DCS International Pty Ltd in the normal course of business and on normal terms and conditions. No interest is charged on the loans made to subsidiaries.

The aggregate amount receivable from, and payable to, wholly owned group entities by the Company at balance date are as follows:

	The Company	
	2008	2007
	$'000	$'000
Current trade receivables	-	119
Non current loans to subsidiaries	41,340	40,054

33. REMUNERATION OF AUDITORS

	Consolidated		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Auditor of the parent entity				
Audit or review of the financial report	107,500	99,500	66,116	66,535
Non-audit services	45,188	13,900	37,688	13,900
	152,688	**113,400**	**103,804**	**80,435**

The auditor of Symex Holdings Limited is Deloitte Touche Tohmatsu.

34. SUBSEQUENT EVENTS

There have been no significant events occur subsequent to balance date for the year ended 30 June 2008.

35. GENERAL INFORMATION

Symex Holdings Limited, incorporated and domiciled in Australia, is a publicly listed company on the Australian Stock Exchange, limited by shares.

Company Secretary
Mr Oliver Carton

Principal Registered office
Symex Holdings Limited
14 Woodruff Street
Port Melbourne Victoria 3207
Telephone: (03) 9251 2311
Facsimile: (03) 9645 3001

Share Registry
Registries Limited
Level 2 28 Margaret Street
Sydney NSW 2000
Telephone: (02) 9290 9600
Facsimile: (02) 9279 0664

ADDITIONAL ASX INFORMATION
AS AT 18 JULY 2008

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

ORDINARY SHARE CAPITAL

128,048,857 fully paid ordinary shares are held by 2,696 individual shareholders.

The voting rights attaching to the fully paid ordinary share, set out in clause 43 of the Company's Constitution are:

"Subject to any rights or restrictions attaching to any class of shares:

(a) every member may vote;

(b) on a show of hands every member has one vote;

(c) on a poll every member has:

(i) for each fully paid share held by the member, one vote; and

(ii) for each partly paid share held by the member, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited to) on the share."

OPTIONS

There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised. Refer to Note 30 for further details.

ON-MARKET BUY-BACK

There is no current on-market buy-back

Distribution of holders of equity securities

	Fully paid ordinary shares	Options
1 – 1,000	378	–
1,001 – 5,000	850	–
5,001 – 10,000	558	–
10,001 – 100,000	790	16
100,001 and over	120	5
	2,696	**21**
Holding less than a marketable parcel	460	

ADDITIONAL ASX INFORMATION
AS AT 18 JULY 2008, CONTINUED

Substantial shareholders

	Fully paid ordinary shares	
Ordinary shareholders	**Number**	**Percentage**
Alan Johnstone (i)	13,909,145	10.86%
Guinness Peat Group PLC (ii)	9,940,603	7.76%
Orbis MIS Global Equity Fund (iii)	8,182,890	6.39%
Allister Tomkins (iv)	7,224,485	5.64%
FMN Pty Ltd <FMN Super Fund A/C>	6,915,519	5.40%
Greg Tremewen (v)	6,447,578	5.04%
	52,620,220	41.09%

(i) Alan Johnstone has a relevant interest in Symex shares held by Western Park Holdings Pty Ltd, PMSF Co Pty Ltd and Aurisch Investments Pty Ltd.

(ii) Guinness Peat Group PLC has a relevant interest in Symex shares held by McNeil Nominees Pty Ltd, Tricom Pty Ltd and GPG Australia Nominees Limited.

(iii) Orbis MIS Global Equity Fund has a relevant interest in Symex shares held by HSBC Custody Nominees (Australia) Limited.

(iv) Allister Tomkins has a relevant interest in Symex shares held by NM Holdings Pty Ltd.

(v) Greg Tremewen has a relevant interest in Symex shares held by Linford Nominees Pty Ltd.

Twenty largest holders of quoted equity securities

		Fully paid ordinary shares	
	Ordinary shareholders	**Number**	**Percentage**
1	HSBC Custody Nominees (Australia) Limited	8,182,890	6.39%
2	McNeil Nominees Pty Limited	8,181,094	6.39%
3	NM Holdings Pty Ltd <Tomkins Family A/C>	7,224,374	5.64%
4	Western Park Holdings Pty Ltd	6,989,332	5.46%
5	FMN Pty Ltd <FMN Super Fund A/C>	6,915,519	5.40%
6	Linford Nominees Pty Ltd <The Tremewen Family A/C>	6,446,308	5.03%
7	PMSF Co Pty Ltd <Penfold Motors Burwood SF A/C>	5,044,713	3.94%
8	UCA Growth Fund Limited	4,986,000	3.89%
9	I W P E Nominees Pty Limited <MZL Opportunity Fund A/C>	4,409,394	3.44%
10	ANZ Nominees Limited <Cash Income A/C>	3,701,872	2.89%
11	Mr Alan Robert Stockdale & Miss Dominique Gayle Fisher <Stockdale Fisher S/F A/C>	2,285,715	1.79%
12	Aurisch Investments Pty Ltd	1,875,100	1.46%
13	GPG Australia Nominees Limited <GPG Australia Nominees A/C>	1,759,509	1.37%
14	Ace Property Holdings Pty Ltd	1,720,000	1.34%
15	Guinness Peat Group (Australia) Pty Ltd	1,223,118	0.96%
16	J P Morgan Nominees Australia Limited	1,107,762	0.87%
17	Mr Michael Douglas Tilley & Mrs Marie Therese Tilley <Tilley Super Fund A/C>	976,686	0.76%
18	Rathvale Pty Limited	917,686	0.72%
19	Mineral Holdings Australia Pty Ltd	780,601	0.61%
20	Dr Janet Dawn Kencian	720,000	0.56%
		75,447,673	58.91%

SYMEX

SYMEX HOLDINGS LIMITED

OFFICES AND OFFICERS

Company secretary
Mr Oliver Carton

Principal registered office
Symex Holdings Limited
14 Woodruff Street
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Telephone: +61 3 9251 2311
Facsimile: +61 3 9645 3001

Location of share registry
Registries Limited
Level 2, 28 Margaret Street
Sydney NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664

Stock exchange
The Company is listed on the Australian Stock Exchange.

Other information
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