RECTIFIER TECHNOLOGIES LTD

ABN: 82 058 010 692

(Formerly ICE CORPORATION LIMITED)

HALF-YEAR REPORT
DECEMBER 2007

COMPANY PARTICULARS

BOARD OF DIRECTORS

Raymond Shaw (Chairman)

Lester Doig

Malcolm Duncan

Peter Hii

Valentino Vescovi

Wang Yingming

SECRETARY

Robert Allen

REGISTERED OFFICE

18 Joseph Street

Blackburn North, Victoria 3130

Telephone: 03 9896 7550

Facsimile: 03 9896 7566

SHARE REGISTRY

Computershare Investor Services Pty Ltd

452 Johnston Street, Abbotsford

MELBOURNE, VIC. 3067

AUDITORS

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd

525 Collins Street

MELBOURNE, VIC 3000

BANKERS

HSBC Bank Australia Limited

140 William Street

MELBOURNE, VIC 3000

FINANCIERS

Scottish Pacific Benchmark Group

Level 2, 441 St Kilda Rd

MELBOURNE, VIC , 3004

INDEX

Rectifier Technologies Ltd and Controlled Entities

ABN 82 058 010 692

DIRECTORS' REPORT

Your directors submit the financial report of Rectifiers Technologies Ltd and its controlled entities (the Company) for the half-year ended 31 December 2007.

Directors

The names of directors who held office during or since the end of the half-year:

Dr. Raymond J. Shaw

Mr. Lester Doig

Mr. Malcolm A. Duncan

Mr. Valentino F. Vescovi

Mr. Peter H. H. Hii

Mr. Wang Yingming

Review of Operations

Financial Results

The significantly improved performance of the Company (formerly Ice Corporation Limited), recorded in the September 2007 quarter continued into the December 2007 quarter such that for the 6 months to December 2007 the company was profitable before provision for United Kingdom company tax. After taking into account the tax the Company recorded a loss of $7,761 on revenue of $5,811,397 compared with a loss of $1,888,802 on revenue of $3,912,154 in the 6 months to December 2006.

The results for the 6 months to December 2007 compared with those of the previous corresponding period (after adjustment for a one-off profit on United Kingdom acquisition of $343,000 and one-off write off of Topaz goodwill and licences of $544,000) are shown in the following table ($'000):

	December 2006	December 2007
Sales	3,744	5,696
Gross Profit	512	2,004
Margin%	13.7%	35.2%
EBITDA	(1,089)	376
Profit/(Loss) before Tax	(1,868)	82
Provision for Tax	(20)	(90)
Net Profit/(Loss)	(1,888)	(8)

The major reasons for the significant improvement from the December 2006 half to the December 2007 half were;

1 Sales growth and margin improvement in the Australian and Malaysian (Topaz) operations. The sales growth resulted from both new customers and substantially increased sales to existing customers. Margin improvement resulted from a focus on higher margin customers and improved materials purchasing. Sales by the Australian and Malaysian operations increased by $961,000 to $4,560,000 in the December 2007 half year whilst the margins improved from 12.4% to 28.9%.

DIRECTORS' REPORT (CONT'D)

2 A full half- year contribution from the high margin and profitable United Kingdom operation that was acquired in November 2006. The United Kingdom operation contributed sales of $1,136,000 in the half year to 31 December 2007 compared with sales of $145,000 in the previous corresponding period.

3 A reduction in overheads resulting from cost cutting in the Australian and Malaysian operations in the final quarter of the year to June 2007. As a result overheads, in the Australian and Malaysian operations were reduced by 11% in the half year to December 2007 compared with the previous corresponding period.

4 A $300,000 reduction in amortisation and depreciation charges as a result of the write-off of Topaz licences and goodwill in December 2006 and the completion of the amortisation of some capitalised R&D projects

Operating cashflow in the half year was also positive and showed a significant improvement on the previous corresponding period. This resulted from use of domestic debtor finance facilities put in place in Australia in August 2006 and in the United Kingdom in November 2007, and from an export perspective a much tighter focus on payment terms.

Going Concern

Following the loss of $3,184,472 in the year to June 2007 an opinion was expressed in the 2006/7 Annual Report as to the inherent uncertainty about the Company's ability to continue as a going concern without the support of its financiers and creditors or further funding.

As was foreshadowed in the Annual Report and as discussed in the previous section in the half year to December 2007 the Company's performance improved significantly to a near breakeven level of profitability and a small positive operating cashflow. This was due to increased sales and margins, inclusion of the profitable United Kingdom operation for the full half- year, cost cutting in the final quarter of 2006/7,write-offs in December 2006 and a much tighter focus on payment terms.

As a result the Company is on a much sounder footing and did not have to rely on external funding to finance the cash burn that occurred in previous periods. Providing the Company continues to operate at breakeven or better and it has the support of its financiers and creditors then it is believed that it can continue as a going concern. However to repay director loans and repair its balance sheet will require the Company to move to a higher level of sustained profitability.

Outlook

The much improved conditions reported for the September 2007 quarter essentially continued for the December 2007 quarter. Increased emphasis on applications for industrial markets such as electricity markets, oil and gas, and railways is resulting in higher margins compared to the Company's traditional telecom market segment.

Clearly, the key to moving to the necessary sustainable and eventually higher levels of profitability is for the company to find additional customers and markets for it products and to work with existing customers to enhance their growth opportunities. This increased focus on sales is starting to show results with both existing and potential new customers offering prospects of increased sales and providing this momentum continues to build the outlook for the balance of the year remains positive.

However the uncertainties emerging jn the world-wide economic situation, particularly as it relates to the recently important sales to the United States and the timing of orders from emerging customers, makes the full year outcome difficult to predict at this time.

DIRECTORS' REPORT (CONT'D)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out as per page 4 of the financial statements.

This report is signed in accordance with a resolution of the Board of Directors.

Raymond Shaw

Chairman

Dated this 27th day of February 2008

BDO Kendalls

BDO Kendalls Audit &
Assurance (NSW–VIC) Pty Ltd
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ABN 17 114 673 540

DECLARATION OF INDEPENDENCE BY NICHOLAS BURNE TO THE DIRECTORS OF RECTIFIER TECHNOLOGIES LIMITED

To the best of my knowledge and belief, there have been:

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

- no contraventions of any applicable code of professional conduct in relation to the review.

NICHOLAS E. BURNE
Director
BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd

Melbourne, 27th February, 2008

CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Economic Entity	
	31 December 2007 $	31 December 2006 $
Revenues from continuing operations	5,811,397	3,912,154
Other Income	112,148	342,731
Changes in inventories of finished goods and work in progress	(283,739)	(227,900)
Raw materials and consumables used	(2,572,271)	(2,057,965)
Employee benefits expense	(2,186,153)	(2,181,435)
Amortisation expenses	(177,029)	(494,100)
Depreciation expenses	(53,770)	(37,200)
Impairment of assets	-	(544,000)
Finance costs	(67,366)	(47,956)
Other expenses from ordinary activities	(501,048)	(533,288)
Profit/(Loss) before income tax expense	82,169	(1,868,959)
Income tax expense	(89,930)	(19,843)
Net loss from continuing operations after income tax expense attributable to members of the parent entity	(7,761)	(1,888,802)
Basic earnings (loss) per share (cents per share)	-	(0.4)c
Diluted earnings (loss) per share (cents per share)	-	(0.4)c

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Economic Entity	
	31 December 2007 $	30 June 2007 $
CURRENT ASSETS		
Cash and cash equivalents	50,217	160,421
Trade and other receivables	1,491,580	1,857,337
Inventories	3,399,899	3,425,052
TOTAL CURRENT ASSETS	4,941,696	5,442,810
NON-CURRENT ASSETS		
Other financial assets	13,746	13,661
Plant and equipment	485,799	544,192
Other intangible assets	1,112,483	1,129,327
TOTAL NON-CURRENT ASSETS	1,612,028	1,687,180
TOTAL ASSETS	**6,553,724**	**7,129,990**
CURRENT LIABILITIES		
Trade and other payables	1,961,436	2,588,074
Interest bearing liabilities	821,825	800,144
Short-term provisions	530,774	471,224
TOTAL CURRENT LIABILITIES	3,314,035	3,859,442
NON-CURRENT LIABILITIES		
Interest bearing liabilities	11,990	18,967
Long-term provisions	138,722	142,740
TOTAL NON-CURRENT LIABILITIES	150,712	161,707
TOTAL LIABILITIES	**3,464,747**	**4,021,149**
NET ASSETS	**3,088,977**	**3,108,841**
EQUITY		
Contributed equity	36,749,430	36,749,430
Reserves	41,780	53,883
Accumulated losses	(33,702,233)	(33,694,472)
TOTAL EQUITY	**3,088,977**	**3,108,841**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Share Capital Ordinary $	Accumulated Losses $	Foreign Currency Translation Reserve $	Share based payments Options Reserve	Total $
Balance at *1.7.2007*	36,749,430	(33,694,472)	53,883	-	3,108,841
Loss attributable to members of parent entity	-	(7,761)	-	-	(7,761)
Shares issued during the half-year period	-	-	-	-	-
Movement in share based payments options reserve	-	-	-	7,673	7,673
Movement in foreign currency translation reserve	-	-	(19,776)	-	(19,776)
Balance at *31.12.2007*	36,749,430	(33,702,233)	34,107	7,673	3,088,977
Balance at 1.7.2006	34,873,405	(30,509,975)	37,445	-	4,400,875
Loss attributable to members of parent entity	-	(1,888,802)	-	-	(1,888,802)
Shares issued during the half-year period	1,876,025	-	-	-	1,876,025
Movement in foreign currency translation reserve	-	-	(12,000)	-	(12,000)
Balance at 31.12.2006	36,749,430	(32,398,777)	25,445	-	4,376,098

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Economic Entity	
	31 December 2007 $	31 December 2006 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,264,500	4,552,000
Payments to suppliers and employees	(6,182,257)	(5,026,0000)
Interest received	-	1,000
Finance costs	(17,830)	(32,000)
Net cash provided by/ (used in) operating activities	64,413	(505,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash acquired on acquisition	-	1,127,000
Payment for plant and equipment	(4,623)	(64,000)
Proceeds from sale of plant and equipment	-	5,000
Capitalised R&D expenses	(154,994)	(191,000)
Net cash provided by/ (used in) investing activities	(159,617)	877,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	350,100
Repayment of borrowings	(15,000)	(450,490)
Net cash used in financing activities	(15,000)	(100,390)
Net increase/(decrease) in cash held	(110,204)	271,610
Cash at 1 July	160,421	94,000
Cash at 31 December	50,217	365,610

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by Rectifier Technologies Ltd and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

(a) Principles of Consolidation

A controlled entity is any entity controlled by Rectifier Technologies Ltd whereby it has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests, if they were applicable, in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The charge for current income tax expense is based on the profit for the period adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that are credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and will continue to comply with the conditions of deductibility imposed by the law.

Rectifier Technologies Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. Rectifier Technologies Ltd is responsible for recognising the current tax assets and liabilities for the tax consolidated group. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

NOTE 1: BASIS OF PREPARATION (cont'd)

(d) Plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets is depreciated on a straight line basis over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	10%
Plant and equipment	20-40%
Leased plant and equipment	20-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in a revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 1: BASIS OF PREPARATION (cont'd)

(f) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisition is included in goodwill. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Development

Under AASB 138: Intangible Assets, costs associated with the research phase of the development of an asset must be expensed. Where no intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are stated at cost less accumulated amortisation and impairment losses and are amortised on a straight line basis over their estimated useful lives or four years, whichever is shorter. The estimated useful life and amortisation method is reviewed by directors at the end of each annual reporting period.

Under AASB 120: Accounting for Government Grants and Disclosure of Government Assistance, government grants for the development of intangible assets are offset against the carrying value of the asset. Subsequent amortisation charges are based on the reduced value.

Licenses

Licenses are recorded at cost less accumulated amortisation and, where considered applicable by directors, adjusted to their estimated recoverable values. Amortisation is charged on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Under AIFRS these assets are subject to an annual impairment test. Impairment testing has confirmed that there is no material impairment adjustment.

(g) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 1: BASIS OF PREPARATION (cont'd)

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed of.

(i) Employee Benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(j) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and deposits held at call.

(l) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from product licensing is recognised on the transfer of intellectual property in accordance with contractual obligations.

Revenue from dividends and royalties are recognised when receivable.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 1: BASIS OF PREPARATION (cont'd)

(m) Going Concern

Following the loss of $3,184,472 in the year to June 2007 an opinion was expressed in the 2006/7 Annual Report as to the inherent uncertainty about the Company's ability to continue as a going concern without the support of its financiers and creditors or further funding.

As was foreshadowed in the Annual Report and as discussed in the previous section in the half year to December 2007 the Company's performance improved significantly to a near breakeven level of profitability and a small positive operating cashflow. This was due to increased sales and margins, inclusion of the profitable United Kingdom operation for the full half year, cost cutting in the final quarter of 2006/7,write-offs in December 2006 and a much tighter focus on payment terms.

As a result the Company is on a much sounder footing and did not have to rely on external funding to finance the cash burn that occurred in previous periods. Providing the Company continues to operate at breakeven or better and it has the support of its financiers and creditors then it is believed that it can continue as a going concern. However to repay director loans and repair its balance sheet will require the Company to move to a higher level of sustained profitability.

(n) Share-based payments

Share-based compensation benefits are provided to employees via the Rectifier Technologies Ltd Employee Option Plan and an employee share scheme. The fair value of options granted under the Rectifier Technologies Ltd Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using the Monte-Carlo Simulation option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

(o) Borrowing Costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 2: LOSS FROM CONTINUING OPERATIONS

There are no specific revenue or expense items that are of such a size, nature or incidence that are deemed to require specific disclosure to explain the financial performance for the interim period.

NOTE 3: DIVIDENDS

No dividend was paid during the interim period and no interim dividend is recommended.

NOTE 4: ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND RESTRUCTURING

During the period the economic entity did not acquire or dispose of any subsidiaries or entities

NOTE 5: SEGMENT INFORMATION

Primary reporting — Business segment

	Economic Entity	
Manufacturing	31 December 2007 $	31 December 2006 $
Segment revenue	5,811,397	3,911,154
Unallocated revenue	-	1,000
Total revenue from continuing activities	5,811,397	3,912,154
Segment results	499,987	(1,405,959)
Unallocated revenue net of unallocated expenses	(417,818)	(463,000)
Profit/(Loss) from ordinary activities before income tax expense	82,169	(1,868,959)
Income tax expense relating to ordinary activities	(89,930)	(19,483)
Net Loss from continuing activities after income tax expense attributable to members of the parent entity	(7,761)	(1,888,802)

NOTE 6: CONTINGENT LIABILITIES

There are no contingent liabilities

NOTE 7: EQUITY SECURITIES ISSUED

Issues of ordinary shares during the half-year

	31 December 2007	31 December 2006
	$	$
Opening balance	36,749,430	34,873,430
15 November 2006	-	1,876,025
Closing balance	36,749,430	36,749,430

	Issue price per share	Number	Number
Opening balance		531,211,104	406,142,768
15 November 2006	$0.015	-	125,068,336
Closing balance		531,211,104	531,211,104

NOTE 8: EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the interim period and the date of this report any matter or circumstance that in the opinion of the Director's of the Company has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial periods.

DIRECTORS' DECLARATION

The directors of the company declare that:

(a) in the directors' opinion, the financial statements and notes for the half-year ended 31 December 2007 are in accordance with the Corporations Act 2001, including:
   (i) section 304 (compliance with accounting standards); and
   (ii) section 305 (true and fair view); and

(b) in the directors' opinion, and as referred to in Note 1, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

R Shaw

____

Raymond Shaw
Chairman

Dated this 27th day of February, 2008

BDO Kendalls

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Rectifier Technologies Limited (formerly ICE Corporation Ltd)

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rectifier Technologies Limited, which comprises the condensed balance sheet as at 31 December 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year. (In order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission).

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rectifier Technologies Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

BDO Kendalls

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rectifier Technologies Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the comments regarding going concern in the statement of significant accounting policies at Note 1(m).

As a result of the matter described in the previous paragraph, without the continued support of it s financiers and creditors or further funding, there would be significant uncertainty whether the company would be able to continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Dated the 27th day of February, 2008

BDO Kendalls

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd

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NICHOLAS E. BURNE
Director