RECTIFIER TECHNOLOGIES LTD

(Formerly ICE CORPORATION LIMITED)

Full Year Report of Rectifier Technologies Ltd for the period ended 30 June 2008

(ABN 82 058 010 692)

This Full Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period:	Financial Period ended 30 June 2008
Previous Corresponding Period:	Financial Period ended 30 June 2007

The Information contained in this Full Year Report should be read in conjunction with the Annual Report.

Rectifier Technologies Ltd

Results For Announcement To The Market

For the Year Ended 30 June 2008

Revenue and Net Profit/(Loss)

		Percentage Change %		Amount $'000
Revenue from continuing activities	Up	**13.9%**	To	**11,040**
Profit/(loss) from continuing activities after tax attributable to members	Up	**91.3%**	To	**(276)**
Net profit/(loss) attributable to members	Up	**91.3%**	To	**(276)**

Dividends (Distributions)

	Amount per security		Franked amount per security
Final dividend	Nil cents		Nil cents
Interim dividend	Nil cents		Nil cents
Record date for determining entitlements to the dividend:			
• Final dividend		na	
• Interim dividend		na	

Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

- Revenue from ordinary activities up by 13.9% to $11,040,348 and net profit/(loss) after tax increased by $2,908,522 to $(275,950).
- No dividend recommended for the period.

Rectifier Technologies Ltd

Results For Announcement To The Market
For the Year Ended 30 June 2008

1. Net Tangible Assets Per Security

	2008	2007
Net tangible assets per security (cents)	0.3	0.4

2. Dividends

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

3. The accounts in this report are in the process of being audited.

COMMENTARY

Financial Results

Though still clearly short of where we need to be, the full year result for 2008 represented a significant improvement over the corresponding period for 2007. The company recorded a loss of $275,950, compared with a loss of $3,184,472 in the previous corresponding period.

A summary of the financial results for the 12 months to June 2008, compared with those of the previous corresponding period is shown in the table below. The previous period results include a one-off profit on the United Kingdom acquisition of $308,000 and a one-off write-off of the Malaysian goodwill and licenses of $544,000 in the half year to December 2006.

	($'000')	
	2007	**2008**
Revenue	9,384	11,040
Gross Profit	2,257	4,018
Gross Margin %	24.0	36.4
Profit on Acquisition	308	-
EBITDA	(1,401)	533
Amortisation and Depreciation	948	488
Impairment of Assets	597	-
Profit/(Loss) before Tax	(3,064)	(120)
Provision for Tax	120	156
Net Profit/(Loss)	(3,184)	(276)

The major reasons for the significant improvement in the year to June 2008 were:

- Sales growth in both the export and local Australian market.
- A significant improvement in gross margins through focus on higher margin business.
- A reduction in overheads resulting from cost cutting in the Australian operations.
- A full year contribution from the high margin and profitable United Kingdom operation that was acquired in November 2006.
- A reduction in amortisation, depreciation and impairment costs largely as a result of the write-off of the Malaysian goodwill and licences in the half year to December 2006.
- A significant improvement in the operating performance of the Malaysian manufacturing facility following a change in management in June 2007.

Funding

As a result of the significant improvement in operating results the company operated at around cash break even in the year to June 2008. For the first time in its history the company did not need to rely on external funding such as equity issues or director loans, although it should be noted that scheduled repayments on director loans and interest accruing on these loans were deferred.

The company's cashflow has been considerably assisted by the establishment in Australia in 2006 and in the United Kingdom in 2007 of debtor financing facilities for local customers. These facilities have enabled early access to funds usually within a week of invoices being raised. Cashflow has also been significantly improved by moving export customers to more favourable payment terms from the company's perspective.

Despite these improvements cash remains tight and is expected to remain so until sales can be grown sufficiently. In recent months the company has enhanced its sales force and these efforts are expected to bear fruit during the course of the current year.

COMMENTARY

Going Concern

The financial statements as at 30 June 2008 have been prepared on a going concern basis.

Following the loss of $3,184,472 in the year to June 2007 an opinion was expressed in the 2007 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 discussed in the previous sections the company's performance improved significantly in the 2008 year to a near breakeven level of profitability and operating cashflow.

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

Outlook

The company's focus over the last 12 months has been increasingly towards power supply applications in industrial markets such as utilities, oil and gas, mining and railways, and in so doing, has become less dependent on the highly competitive telecom market segment. This strategy bore fruit in the 2008 year both in terms of sales growth and higher margins. As mentioned previously the company has recently increased its sales force with the aim of further growing sales in these markets. We continue to believe that the company's products are highly regarded and well positioned and that the global demand in several market segments remains very healthy.

Whilst the company is focusing strongly on growing sales and thereby lifting profitability, the recent global economic uncertainty, particularly in key markets of the United States and the United Kingdom and the strength of the Australia Dollar against both the United States Dollar and the British Pound combine to make the coming year a continuing challenge.

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	Economic Entity	
		2008 $	2007 $
Revenues from continuing activities	2	11,040,348	9,384,227
Other income	2	-	310,000
Changes in inventories of finished goods and work in progress		41,498	(71,181)
Raw materials and consumables used		(5,348,594)	(5,192,690)
Employee benefits expense		(4,409,068)	(4,748,784)
Depreciation and amortisation expense	3	(487,916)	(948,000)
Impairment of assets	3	-	(597,000)
Finance costs	3	(160,633)	(100,044)
Reversal of provision for inter-company receivables	3	-	-
Bad and doubtful debts	3	(10,336)	(17,000)
Other expenses from continuing activities		(785,093)	(1,101,000)
Profit/(loss) from continuing activities before income tax expense		(119,794)	(3,064,472)
Income tax expense relating to continuing activities		(156,156)	(120,000)
Net profit/(loss) attributable to members of the parent entity		(275,950)	(3,184,472)
Basic earnings per share (cents per share)		(0.05)	(0.66)
Diluted earnings per share (cents per share)		(0.05)	(0.66)

The accompanying notes form part of the financial statements.

BALANCE SHEET AS AT 30 JUNE 2008

	Note	Economic Entity 2008 $	2007 $
CURRENT ASSETS			
Cash assets	5(b)	172,500	160,421
Receivables		1,164,847	1,857,337
Inventories		3,265,279	3,425,052
TOTAL CURRENT ASSETS		4,602,626	5,442,810
NON-CURRENT ASSETS			
Other financial assets		12,903	13,661
Property, plant and equipment		470,384	544,192
Intangible assets		1,155,863	1,129,327
TOTAL NON-CURRENT ASSETS		1,639,150	1,687,180
TOTAL ASSETS		6,241,776	7,129,990
CURRENT LIABILITIES			
Payables		2,005,367	2,588,074
Interest bearing liabilities		824,109	800,144
Tax liabilities		165,229	120,000
Provisions		475,939	346,992
Other		-	4,232
TOTAL CURRENT LIABILITIES		3,470,644	3,859,442
NON-CURRENT LIABILITIES			
Interest bearing liabilities		10,919	18,967
Provisions		6,881	142,740
TOTAL NON-CURRENT LIABILITIES		17,800	161,707
TOTAL LIABILITIES		3,488,444	4,021,149
NET ASSETS		2,753,332	3,108,841
EQUITY			
Contributed equity	4	36,749,430	36,749,430
Reserves		(25,269)	53,883
Accumulated losses		(33,970,829)	(33,694,472)
TOTAL EQUITY		2,753,332	3,108,841

The accompanying notes form part of the financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	Economic Entity	
		2008 $	2007 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		11,750,765	9,774,000
Payments to suppliers and employees		(11,228,808)	(10,905,000)
Dividends received		-	-
Interest received		-	4,000
Borrowing costs		(61,358)	(74,000)
Income tax paid		-	-
Other revenue		-	-
Net cash provided by (used in) operating activities	5(a)	460,599	(1,201,000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash acquired on acquisition of subsidiary		-	1,493,000
Proceeds from sale of property, plant and equipment		20,584	49,000
Purchase of property, plant and equipment		(54,821)	(212,000)
Capitalised R&D expenses		(406,407)	(419,000)
Loan to controlled entities		-	-
Loan from controlled entities		-	-
Net cash provided by (used in) investing activities		(440,644)	911,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Proceeds from borrowings		-	836,000
Repayment of borrowings		(15,000)	(473,000)
Net cash provided by (used in) financing activities		(15,000)	363,000
Net increase/ (decrease) in cash held		4,955	73,000
Cash at 1 July 2007		160,421	95,421
Effect of exchange rates on cash holdings in foreign currencies		7,124	(8,000)
Cash at 30 June 2008	5(b)	172,500	160,421

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

Consolidated	Note	$ Share Capital Ordinary	$ Accumulated Losses	$ Foreign Currency Translation Reserve	$ Options Reserve – share base payment	$ Total
Balance at *1.7.2006*		34,873,405	(30,510,000)	39,000	-	4,402,405
Loss attributable to members of parent entity		-	(3,184,472)	-	-	(3,184,472)
Movement in foreign currency translation reserve		-	-	14,883	-	14,883
Total recognised income and expense for the year		34,873,405	(33,694,472)	53,883	-	1,232,816
Shares issued during the year (net of transaction costs)		1,876,025	-	-	-	1,876,025
Balance at *30.06.2007*		36,749,430	(33,694,472)	53,883	-	3,108,841
Balance at *1.7.2007*		36,749,430	(33,694,472)	53,883	-	3,108,841
Loss attributable to members of parent entity		-	(275,950)	-	-	(275,950)
Options Reserve – share based payment		-	-	-	35,337	35,337
Movement in foreign currency translation reserve		-	-	(114,896)	-	(114,896)
Total recognised income and expense for the year		36,749,430	(33,970,829)	(60,606)	35,337	2,753,332
Shares issued during the year (net of transaction costs)		-	-	-	-	-
Balance at *30.06.2008*		36,749,430	(33,970,829)	(60,606)	35,337	2,753,332

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. Accounting policies, estimation methods and measurement bases

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half year report.

	Note	Economic Entity 2008 $	Economic Entity 2007 $
NOTE 2: REVENUE			
Revenue – Continuing activities			
— sale of goods		10,638,222	9,073,592
— licensing/royalties		402,126	203,135
— interest received	2a	-	4,000
— government subsidies/sundry income		-	103,500
		11,040,348	9,384,227
Other income – Continuing activities			
— Excess of fair value of identifiable assets, liabilities and contingent liabilities over cost of acquisition		-	308,000
— Profit on sale of property, plant and equipment		-	2,000
		11,040,348	310,000
Total Revenue		11,040,348	9,694,227
a. Interest revenue from:			
— other persons		-	4,000

		Note	Economic Entity 2008 $	Economic Entity 2007 $
NOTE 3: LOSS FROM CONTINUING ACTIVITIES				
Loss from continuing activities before income tax has been determined after				
a.	**Expenses**			
Cost of sales			7,015,813	7,106,000
Borrowing costs:				
—	directors and director-related entities		99,275	70,940
—	other persons		61,358	29,104
Total borrowing costs			160,633	100,044
Depreciation of non-current assets:				
—	plant and equipment		78,356	102,000
Total depreciation			78,356	102,000
Amortisation of non-current assets:				
—	leasehold improvements		10,817	9,000
—	leased plant and equipment		18,872	25,000
—	capitalised development expenditure		379,871	654,000
—	intellectual property		-	158,000
Total amortisation			409,560	846,000
Impairment of assets				
—	goodwill		-	353,000
—	capitalised development		-	53,000
—	licences		-	191,000
Total impairment losses			-	597,000
Bad and doubtful debts:				
—	trade debtors		10,336	17,000
—	wholly owned subsidiaries		-	-
Total bad and doubtful debts			10,336	17,000
Rental expense on operating leases				
—	minimum lease payments		244,015	216,000
Net foreign exchange loss recognised in loss before income tax for the year			24,862	165,000
Research and development costs incurred and deferred to future financial years before crediting any related grants			406,407	447,352
b.	**Significant Revenues and Expenses**			
The following significant revenue and expense items are relevant in explaining the financial performance:				
Reversal of provision for inter-company receivables			-	-
Profit on acquisition of UK assets			-	308,000

NOTE 4: CONTRIBUTED EQUITY

		2008	2007
		$	$
a. **Ordinary shares**			
At the beginning of the reporting period		36,749,430	34,873,405
Shares issued during the year			
— 15th November 2006		-	1,876,025
At reporting date		36,749,430	36,749,430
		Number	Number
At the beginning of reporting period		531,211,104	406,142,768
Shares issued during year	Issue price per share		
— 15th November 2006	1.5c		125,068,336
At reporting date		531,211,104	531,211,104

b 13,100,000 options were granted during the year under the Employee Option Plan. Of these options 4,000,000 also lapsed during the year.

At 30th June 2008 there were 32,500,000 (2007: 43,400,000) options outstanding.

c. The Company has established the Rectifier Technologies Ltd Senior Staff Ownership Plan and the Rectifier Technologies Ltd Staff Share Ownership Plan. Eligible employees are entitled to acquire ordinary shares at a fixed cost per share. As at 30 June 2008, 796,655 (2007: 796,655) ordinary shares have been allocated to these schemes. Some shares acquired by employees are funded by interest free loans, which are repayable on cessation of employment with the economic entity. The balance of the loans has been written down to nil, being the estimated recoverable amount.

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 5: CASH FLOW INFORMATION

	Economic Entity 2008 $	Economic Entity 2007 $
(a) **Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities after Income Tax**		
Loss from ordinary activities after income tax	(275,950)	(3,184,472)
Non-cash flows in loss from ordinary activities		
Amortisation	379,871	1,428,000
Depreciation	108,045	102,000
Deferred revenue	-	-
Currency translation differences	24,862	15,000
Provision for/ (reversal of provision against) obsolete & excess inventories	(84,102)	(71,000)
Provision for/ (reversal of) provision against debtors	10,336	17,000
Provision for/ (reversal of provision against) investment	-	-
Net loss/(gain) on sale/acquisition of assets	-	(310,000)
Loss /(gain) on foreign currency loan	-	165,000
Provision for/(reversal of provision against) loan	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(increase) in trade and other debtors	710,417	398,000
Decrease/(increase) in prepayments	(28,263)	30,000
Decrease/(increase) in inventories	159,773	170,000
Increase/(decrease) in trade creditors/ accruals	(582,707)	(172,000)
Increase/(decrease) in income taxes payable	45,229	120,000
Increase/(decrease) in provisions	(6,912)	91,472
Cash flows from operations	460,599	(1,201,000)

	2008 $	2007 $
(b) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash	172,500	160,421

NOTE 6: SEGMENT REPORTING

The consolidated entity's primary reporting segment is its business segment. The consolidated entity has one business segment, the results of which are disclosed in the financial statements.