CONCEPT SPORTS LTD
ABN 41 108 042 593
AND CONTROLLED ENTITIES

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2006

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2006.

CONCEPT SPORTS LTD AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

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CONCEPT SPORTS LTD AND CONTROLLED ENTITIES
DIRECTORS' REPORT

The director presents their report together with the condensed financial report of Concept Sports Limited and the entities it controlled, for the half-year ended 31 December 2006 and independent review report thereon. This financial report has been prepared in accordance with Australian Equivalents of International Financial Reporting Standards.

Directors Names

The names of the directors in office at any time during or since the end of the half-year are:

Name	**Period of directorship**
Gary March	Since 18 March 2004
Jeff Taylor	Since 4 March 2004
Darrold Cordes	Since 4 September 2006
Andrew Plympton	Since 7 February 2007

Review of Operations

Performance - Overview

The company has improved its trading performance over the last six months. The improvement in performance has been underpinned by the following:

- As at the half year ended 31 December 2006, the Company's consolidated profit after providing for income tax amounted to $171,000. This represents a $1.988 million improved turnaround from the corresponding period in 2005.

- Furthermore, as at the half year ended 31 December 2006, the Company's consolidated net asset position shows a net deficiency of $152,000. This represents an improvement in the Company's consolidated balance sheet of $1.402 million from the position at 30 June 2006.

Performance - Operations

The result comprised of much improved trading performance of the Australian operations, in particular the strong performance of the Cricket Australia license in the second quarter of the financial year.

The result also reflects a much improved position with the Company's German entity. The Company concluded its contract with Mercedes Benz in December 2006. The creditor position in Germany reduced significantly in the half year ended 31 December 2006 due to improved revenues in the first quarter and closure of the office at the end of the first quarter with a resultant significant reduction in overheads.

The Company also experienced an improved trading performance in France with the opening of our Rugby World Cup store in Paris in late November.

The Company has also undertaken significant restructuring of the business over the past 12 months.

Current Projects

The directors are now looking forward to an improved full year performance due to current contracts being held in the second half of the financial year, including the conclusion of the international cricket series and the World Swimming Championships domestically, along with the Cricket World Cup and America's Cup internationally. We expect these events to not only provide the business with significant cash flows during the second half of the financial year but also strong profits that should provide an improved result for shareholders.

Corporate

During the half year ended 31 December 2006, the Company successfully completed two capital raisings. The details are as follows:

1. On or about 18th September 2006, the Company placed 9,000,000 shares at 2 cents per share to raise $180,000; and
2. On or about 27th December 2006, the Company successfully completed an entitlement issue whereby the Company issued 48,123,986 shares at 2 cents per share to raise $962,479.

Furthermore, the Company settled the Federal Court action.

As previously announced the company has continued the re-structuring of its entire operations which included the cancellation of a number of licenses and contracts that were previously providing poor outcomes for the business. The result of these changes is now being seen in the improved financial position and we expect this to continue in the second half.

Auditor's Independence Declaration

A copy of the auditor's declaration in relation to the review for the half-year is provided with this report.

Rounding of amounts to nearest thousand dollars

The amounts contained in the report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the director:

Director ....

Dated this 27 day of February 2007

AUDITOR'S INDEPENDENCE DECLARATION
To the Directors of Concept Sports Limited

In relation to the half-year independent review for the six months to 31 December 2006, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the Corporations Act 2001

(ii) No contraventions of any applicable code of professional conduct

Dated at Melbourne on 27 February 2007

Pitcher Partners
Pitcher Partners

M Harrison
M J HARRISON

CONCEPT SPORTS LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Half-year	
	31 Dec 2006 ($'000's)	**31 Dec 2005 ($'000's)**
Revenue		
Sales revenue	6,174	7,063
Other income	154	64
	6,328	7,127
Changes in inventories of finished goods and work in progress	(86)	(166)
Raw materials, consumables and other cost of sales	(4,630)	(5,658)
Employee benefits expense	(1,355)	(1,407)
Depreciation and amortisation expenses	(122)	(135)
Finance costs	(29)	(95)
Other expenses	(450)	(698)
	(6,672)	(8,159)
Share of profits of associates accounted for using the equity method	-	-
Profit/(loss) from continuing operations before income tax	**(344)**	**(1,032)**
Income tax expense/(benefit)	-	-
Profit/(loss) from continuing operations	**(344)**	**(1,032)**
Profit/(loss) from discontinued operations	515	(785)
Profit/(loss) attributable to the members of the parent	**171**	**(1,817)**
Basic earnings/(loss) per share (cents per share)	0.22	(2.8)
Diluted earnings/(loss) per share (cents per share)	0.19	(2.5)

The accompanying notes form part of these financial statements.

CONCEPT SPORTS LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

	31 Dec 2006 ($'000's)	30 June 2006 ($'000's)
CURRENT ASSETS		
Cash and cash equivalents	589	890
Trade receivables	1,124	1,027
Inventories	1,428	1,887
Other Current Assets	144	211
TOTAL CURRENT ASSETS	**3,285**	**4,015**
NON-CURRENT ASSETS		
Property, plant and equipment	1,046	1,189
Intangible assets	2,375	2,375
TOTAL NON-CURRENT ASSETS	**3,421**	**3,564**
TOTAL ASSETS	**6,706**	**7,579**
CURRENT LIABILITIES		
Trade and other payables	5,502	8,301
Short-term borrowings	1,038	494
Short-term provisions	299	284
TOTAL CURRENT LIABILITIES	**6,839**	**9,079**
NON-CURRENT LIABILITIES		
Other non-current liabilities	19	54
TOTAL NON-CURRENT LIABILITIES	**19**	**54**
TOTAL LIABILITIES	**6,858**	**9,133**
NET ASSETS/(DEFICIENCY OF NET ASSETS)	**(152)**	**(1,554)**
EQUITY		
Share capital	30,384	29,242
Reserves	66	(23)
Accumulated losses	(30,602)	(30,773)
TOTAL EQUITY	**(152)**	**(1,554)**

The accompanying notes form part of these financial statements.

CONCEPT SPORTS LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Half-year	
	31 Dec 2006 ($'000's)	31 Dec 2005 ($'000's)
TOTAL EQUITY AT THE BEGINNING OF THE HALF-YEAR	**(1,554)**	**10,268**
Employee share option reserve	3	3
Foreign currency translation reserve	86	(61)
Profit/(loss) for the half year	171	(1,817)
Total recognised income and expense for the period	**171**	**(1,817)**
Attributable to:		
Members of the parent	171	**(1,817)**
Transactions with equity holders in their capacity as equity holders – Issue of shares	**1,142**	-
TOTAL EQUITY AT THE END OF THE HALF-YEAR	**(152)**	**8,393**

The accompanying notes form part of these financial statements.

CONCEPT SPORTS LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Note	Half-year 31 Dec 2006 ($'000's)	31 Dec 2005 ($'000's)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		7,021	9,897
Payments to suppliers and employees		(8,637)	(11,026)
Interest received		15	64
Interest paid		(30)	(100)
Net cash used by operating activities		**(1,631)**	**(1,165)**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		27	33
Payment for property, plant and equipment		(2)	(8)
Loans repaid/(paid) by associated entities		-	219
Net cash provided by investing activities		**25**	**244**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		1,142	-
Repayment of borrowings		(605)	(40)
Net cash provided/(used) by financing activities		**537**	**(40)**
Net decrease in cash and cash equivalents		(1,069)	(961)
Cash and cash equivalents at beginning of half year		771	2,968
Cash and cash equivalents at end of the half-year		**(298)**	**2,007**

The accompanying notes form part of these financial statements.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This general purpose half year financial report has been prepared in accordance with Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2006 and any public announcements made by Concept Sports Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation of the half-year financial report

The financial report of Concept Sports Ltd was prepared in accordance with Australian Equivalents of International Financial Reporting Standards (AIFRS).

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Going Concern

As at 31 December 2006 the company's current liabilities exceed current assets by $3,554,000 (30 June 2006: ($5,064,000)) and financing agreements with its primary financier, being trade finance, overdraft facilities and bank guarantees and standby letters of credit are supported by security cash deposits held by the financier and registered mortgage debentures. The ability of the company to secure further financing, if existing facilities were to cease or circumstances were such that additional facilities were required, can not be assessed with any degree of certainty.

The financial report has been prepared on a going concern basis, which assumes the continued support of the entity's financiers and suppliers, the ability to source alternative finance, if required, and the company's ability to generate sufficient positive cash flows from major events retailing and wholesaling of licensed products, in particular the 2007 Cricket World Cup, Americas Cup 2007 and the Rugby World Cup 2007, being the three major events for the 2007 calendar year.

Preparation of this half year financial report assumes that the entity will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The going concern basis may not be appropriate if existing financiers and suppliers do not continue to provide facilities on terms suitable to the Company, alternative sources of finance, if required, can not be obtained or future trading performance, in particular the major events listed above, fails to generate sufficient positive cash flows to meet the company's financial obligations. If the going concern basis is found to no longer be appropriate the recoverable amounts of the assets shown in the Balance Sheet are likely to be significantly less than the amounts disclosed.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONT)

(c) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which Concept Sports Ltd controlled from time to time during the period and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist. All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(d) Revenue Recognition

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

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

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

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, deposits held at call with financial institutions and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows: Raw materials and consumables: purchase cost on a first-in-first-out basis; Finished goods and work-in-progress: cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

(g) Property, plant and equipment

All classes of property, plant and equipment are measured at cost.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. Refer to note 1(j).

Depreciation
The depreciable amounts of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONT)

The useful lives for each class of assets are:

	2006	2005
Plant and equipment:	3 - 20 years	3 - 20 years
Motor Vehicles:	5 - 10 years	5 - 10 years

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

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

(i) Intangibles

Goodwill
Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

(j) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(k) Taxes

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONT)

No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(l) Employee Benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Share-based payments
The group operates an employee share option plan. The bonus element over the exercise price for the grant of shares and options is recognised as an expense in the Income Statement in the period(s) when the benefit is earned.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options at grant date. Under the transitional arrangements for first-time adoption of AIFRS for options granted after 7 November 2002 and vesting after 1 January 2005 the fair value of options at grant date is determined using a Black-Scholes option pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the option.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an expense when the employees become entitled to the shares.

(m) Financial Instruments

Classification
The group classifies its financial instruments in the following categories:
loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates the designation at each reporting date.

Non-listed investments for which fair value cannot be reliably measured, are carried at cost and tested for impairment.

Loans and Receivables
Loan and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONT)

Financial Liabilities
Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

(n) Foreign Currencies

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

Transactions and Balances
Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Group Companies
The financial statements 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; and
- All resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve as a separate component of equity in the balance sheet.

(o) Comparatives

In accordance with the AIFRS, comparative information has been reclassified where appropriate through retrospective application of AIFRS to the previous year results so as to achieve consistency with current year disclosures.

(p) Rounding Amounts

The company is of a kind referred to in ASIC Class Order CO 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

NOTE 2: CHANGES IN THE COMPOSITION OF THE ENTITY

The Company has made a decision to cease the operations of its German based subsidiary, Concept Sports International (Germany) Gmbh. The subsidiary is reported in this financial report as a discontinued operation.

Financial information relating to the discontinued operation for the half year to 31 December 2006 is set out below.

	Half Year	
	31 Dec 2006 ($'000)	31 Dec 2005 ($'000)
Financial Performance and Cash Flow Information		
Revenue	1,548	2,083
Expenses	1,033	2,868
Profit/(loss) before income tax	515	(785)
Income tax (expense)/benefit	-	-
Profit/(loss) from discontinued operations	515	(785)
Net cash outflow from ordinary activities	(154)	
Net cash inflow/(outflow) from investing activities	-	
New cash inflow from financing activities	62	
Net decrease in cash generated by German subsidiary	(92)	
Carrying Amounts of Assets and Liabilities at 31 December 2006		
Receivables (i)	163	
Total assets	163	
Bank overdraft	1	
Payables (ii)	1,678	
Total liabilities	1,679	
Net Assets	(1,516)	

(i) Amounts receivable includes a loan of $131,000 to a wholly owned subsidiary of Concept Sports Limited.

(ii) Amounts payable include loans of $521,000 from wholly owned subsidiaries of Concept Sports Limited.

NOTE 3: LITIGATION SETTLEMENT

As identified in previous announcements by the Company on 3 October 2006, legal proceedings against the Company and its Directors were concluded with a $500,000 settlement. In compliance with an indemnity the Directors settled the full amount on behalf of the Company and accordingly this transaction did not impact the trading result for the period.

NOTE 4: SEGMENT INFORMATION

	31 Dec 2006 ('000's)	31 Dec 2005 ('000's)
Segment revenue		
Australia	6,077	7,127
Germany	1,548	2,083
Portugal	138	-
France	113	-
Total revenue	7,876	9,210
Segment results		
Australia	(544)	(1,031)
Germany	515	(785)
Portugal	139	-
Switzerland	(20)	(1)
France	81	-
Profit/(loss) loss before income tax	**171**	**(1,817)**

NOTE 5: SUBSEQUENT EVENTS

On 9 February 2007 the company entered into a Subscription and Funding agreement with 333 Capital Pty Ltd and Transition Group Pty Ltd which in effect gives Concept Sports Limited 100% ownership of Concept Sports International (Spain) SRL. The Net Assets of this entity at the date of signing was $398,000 (239,000 EURO). The Collaboration and Funding agreement between Westminster Communications Group Pty Ltd and Concept Sports Limited (as a result of the new Subscription and Funding agreement) is no longer in effect as at 9 February 2007.

NOTE 6: CONTINGENT LIABILITIES

Estimates of the potential financial effect of amounts, that may become payable:	**31 Dec 2006 ('000's)**	**30 June 2006 ('000's)**
Contingent Liabilities		
Bank Guarantees A controlled entity has provided guarantees to third parties in relation to the performance and obligations of that entity in respect of its licensed products business and property lease rentals. The guarantees are for the terms of the licenses and leases. The periods covered by the guarantees range from 1 to 3 years.	216	216
Minimum Guarantees Controlled entities have provided a guarantee to a third party in relation to the performance and obligations of that entity in respect of its licensed products business. The guarantees are for the terms of the licence. It is expected this amount will be financed by event cash flows.	1,183	2,508

CONCEPT SPORTS LIMITED

DIRECTORS DECLARATION

The directors declare that the financial statements and notes set out on pages 6 to 20 in accordance with the *Corporations Act 2001*:

(a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and

(b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2006 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Concept Sports Ltd will be able to pay its debts as and when they become due and payable.

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

GARY MARCH
Director

Melbourne
27 February 2007

INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF CONCEPT SPORTS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Concept Sports Ltd and the entities it controlled, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Concept Sports Ltd and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Concept Sports Ltd 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 Concept Sports Ltd and controlled entities financial position as at 31 December 2006 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 Concept Sports Ltd and controlled entities, 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.

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 Concept Sports Ltd and controlled entities is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entities financial position as at 31 December 2006 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 going concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 1 to the financial statements, at 31 December 2006 the company's current liabilities exceed current assets by $3,554,000 (30 June 2006: ($5,064,000)) and financing agreement with its primary financier, being trade finance, overdraft facilities and bank guarantees and standby letters of credit are supported by security cash deposits held by the financier and registered mortgage debentures. The ability of the company to secure further financing, if existing facilities were to cease or circumstances were such that additional facilities were required, can not be assessed with any degree of certainty.

The financial report has been prepared on a going concern basis, which assumes the continued support of the entity's financiers and suppliers, the ability to source alternative finance, if required, and the company's ability to generate sufficient positive cash flows from major events retailing and wholesaling of licensed products, in particular the 2007 Cricket World Cup, Americas Cup 2007 and the Rugby World Cup 2007, being the three major events for the 2007 calendar year.

Preparation of this half year financial report assumes that the entity will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The going concern basis may not be appropriate if existing financiers and suppliers do not continue to provide facilities on terms suitable to the Company, alternative sources of finance, if required, can not be obtained or future trading performance, in particular the major events listed above, fails to generate sufficient positive cash flows to meet the company's financial obligations. If the going concern basis is found to no longer be appropriate the recoverable amounts of the assets shown in the Balance Sheet are likely to be significantly less than the amounts disclosed.

Pitcher Partners

PITCHER PARTNERS

M Harri

M J HARRISON **27 February 2007**

Melbourne

CONCEPT SPORTS LTD
ABN 41 208 042 593
AND CONTROLLED ENTITIES

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2006.

Rule 4.2A.3

Appendix 4D

Half Year Report for the six months to 31 December 2006

Name of entity

CONCEPT SPORTS LIMITED

ABN or equivalent company reference:	41 108 042 593

1. Reporting period

Report for the half year ended	31 DECEMBER 2006
Previous corresponding period is the financial year ended and half year ended	30 JUNE 2006 31 DECEMBER 2005

2. Results for announcement to the market

Revenues from ordinary activities *(item 2.1)* - includes discontinued operations	down	14%	to	$7,876
Profit (loss) from ordinary activities after tax attributable to members (*item 2.2*)	up	109%	to	$171
Net profit (loss) for the period attributable to members *(item 2.3)*	up	109%	to	$171

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Final dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend *(item 2.5)*	Not applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*:

Refer attached Financial Report for the Half Year ended 31 December 2006

3. Net tangible assets per security *(item 3)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(2.1) cents	(2.0) cents

4. Details of entities over which control has been gained or lost during the period: *(item 4)*

Control gained over entities

Name of entities *(item 4.1)*	Not Applicable
Date(s) of gain of control *(item 4.2)*	Not Applicable
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired *(item 4.3)*	$ Not applicable
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	$ Not applicable

Loss of control of entities

Name of entities *(item 4.1)*	Not Applicable
Date(s) of loss of control *(item 4.2)*	Not Applicable
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost *(item 4.3)*.	$ Not Applicable
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	$ Not Applicable

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2006	N/A	$ Nil
Final dividend – year ended 30 June 2006	N/A	$ Nil

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend:	Current year	Nil ¢	Nil ¢	Nil¢
	Previous year	Nil ¢	Nil¢	Nil¢

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities *(each class separately)*	Nil	Nil
Preference securities *(each class separately)*	Nil	Nil
Other equity instruments *(each class separately)*	Nil	Nil
Total	Nil	Nil

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6)*:

Not applicable

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	Not applicable

7. Details of associates and joint venture entities *(item 7)*

Name of associate or joint venture entity	%Securities held
Global Merchandising Management Ltd	50%

Aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2006 $	2005 $
Profit (loss) from ordinary activities before tax	Nil	Nil
Income tax on ordinary activities	Nil	Nil
Net profit (loss) from ordinary activities after tax	Nil	Nil
Adjustments	Nil	Nil
Share of net profit (loss) of associates and joint venture entities	Nil	Nil

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached), which has been prepared in accordance with Australian equivalent to International Financial Reporting Standards (AIFRS).

9. Independent review of the financial report *(item 9)*

(Select appropriate option)

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

10. Matters relating to a qualified independent review statement

A description of the dispute or qualification in respect of the independent review of the half-year financial report is provided below *(item 17)*

Refer to the attached independent review report for emphasis of matter