BEYOND SPORTSWEAR INTERNATIONAL LIMITED
ABN 41 108 042 593
AND CONTROLLED ENTITIES

APPENDIX 4D & FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2008.

BEYOND SPORTSWEAR INTERNATIONAL LIMITED
ABN 41 208 042 593
AND CONTROLLED ENTITIES

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008
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 2008.

Rule 4.2A.3

Appendix 4D

Half Year Report for the six months to 31 December 2008

Name of entity

BEYOND SPORTSWEAR INTERNATIONAL LIMITED

ABN or equivalent company reference:	41 108 042 593

1. Reporting period

Report for the half year ended	31 DECEMBER 2008
Previous corresponding period is the financial year ended and half year ended	30 JUNE 2008 31 DECEMBER 2007

2. Results for announcement to the market

Revenues from ordinary activities *(item 2.1)*	down	11%	to	$15,927
Profit (loss) from ordinary activities after tax attributable to members (*item 2.2*)	up	48%	to	$639
Net profit (loss) for the period attributable to members *(item 2.3)*	up	48%	to	$639

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 2008

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

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(1.2) cents	(3.0) 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 2007	Not applicable	Nil
Final dividend – year ended 30 June 2007	Not applicable	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
Not applicable	

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

Group's share of associates' and joint venture entities':	2007 $	2006 $
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 accounting standards.

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

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)*

BEYOND SPORTSWEAR INTERNATIONAL LIMITED
ABN 41 108 042 593
AND CONTROLLED ENTITIES

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2008.

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

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DIRECTORS' REPORT

The Directors present their report together with the condensed financial report of Beyond Sportswear International Limited ("BSI") and the entities it controlled, for the half-year ended 31 December 2008 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
Andrew Plympton	Since 9 February 2007
Glen Casey	Since 18 April 2007
Gary March	Since 18 March 2004
Jeff Taylor	Since 4 March 2004

Review of Operations

Despite the challenging economic and operating environment in the first half of FY09, BSI has posted improved earnings from ongoing operations in the six month period to the end of December 2008. BSI's results for the six months to December 2008 are as follows:

Profit and Loss (Actual)		
	Half Year December	**Half Year December**
$000s	**2008**	**2007**
Sales	15,925	17,909
Profit before income and tax ("PBIT") from ongoing operations	1,698	1,062
Profit/(loss) for the period from event & licenses not renewed or to be exited by June 30	(1,151)	96
Interest Expense	308	725
Tax Benefit	400	-
Profit After Tax	**639**	**433**

The December 2008 half-yearly result was adversely impacted by performance of certain events & licenses that the Company has since either, not renewed, exited or decided to exit by 30 June 2009. The assessment of the events business commenced during FY07 and will be completed by June 2009.

The following licences and events have adversely affected the Company's operating performance for the half-year ended 31 December 2009:

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- SuperLeague (Europe)
- Hummel
- Women's Soccer
- Suncorp Stadium
- World Cup Rugby
- Cricket

These licences have now either expired, will not be renewed or a decision has been made to terminate the licence by June 2009.

The Company's strategy in relation to its ongoing events business is to be critically selective focussing on events that have historically proven to be reasonably predictable and profitable, such as the Olympic games events.

Profit before income and tax (PBIT) from ongoing operations for the half-year to December 2008 was up by 59% for the previous corresponding period. The ongoing focus of the business is in the schools and sporting clubs sector and results from both of these areas for the half-year ended 31 December 2009 were increased from the previous corresponding period.

Interest costs were also 58% lower for the December 2008 half-year compared to the previous corresponding period and the profit after tax result was enhanced by recognition of additional tax losses following completion of a strategic review by the ATO.

It is possible that there will be some final restructuring costs, during the second half of the current financial year following completion of the assessment of the events business. It is also possible that there will be further favourable tax adjustments which may offset these costs.

Forecasting future financial performance in this market is challenging. Directors expect a continued improvement in the operating performance of ongoing operations and expect to complete the assessment of the events business by June 2009. The Directors expect the Company to report incremental earnings in FY10 as the losses incurred from certain events contracts in FY09 are non-recurring.

The outlook in both the schools and clubs sectors remains positive with an expectation that both will perform at above the levels achieved in the last financial year. In addition, the current financial year trading results will benefit from a full years contribution from businesses acquired during the previous financial year . The Company will also be seeking organic growth by expanding into the UK and New Zealand markets.

Summary

While uncertainty still prevails in the current market, BSI has continued to implement its turnaround plan which saw significantly increased profits from its continuing operations last financial year. The Company continues to invest in new products, develop new markets and make decisions, which seek to improve long term profitability.

Auditor’s Independence Declaration

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

Subsequent Events

No matters or circumstances have arisen since the end of the December 2008 half year that have 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.

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 directors made pursuant to s306(3) of the Corporations Act 2001.

GLEN CASEY
Chief Executive Officer
Melbourne, 27 February 2009

Deloitte.

Deloitte Touche Tohmatsu
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27 February 2009

The Board of Directors
Beyond Sportswear International Limited
Unit 11, 333 Ingles Street,
Port Melbourne,
VIC, 3207

Dear Board Members

Beyond Sportswear International 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 Beyond Sportswear International Limited.

As lead audit partner for the review of the financial statements of Beyond Sportswear International Limited for the financial half-year ended 31 December 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

T Imbesi
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the Members of Beyond Sportswear International Limited

We have reviewed the accompanying half-year financial report of Beyond Sportswear International Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 9 to 16.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 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 Beyond Sportswear International 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.

Deloitte.

Auditor's Independence Declaration

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 Beyond Sportswear International 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 2008 and of its performance for the half-year ended on that date; and

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

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that as at 31 December 2008 the disclosing entity's current liabilities exceeded its current assets by $7,328 thousand. These conditions, along with other matters as set forth in Note 1, indicate the existence of material uncertainty which may cast significant doubt about the disclosing entity's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

T IMBESI
Partner
Chartered Accountants
Melbourne, 27 February 2009

BEYOND SPORTSWEAR INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Half-year	
	31 Dec 2008 ($'000's)	**31 Dec 2007 ($'000's)**
Revenue		
Sales revenue	15,925	17,398
Interest earned	-	12
Other income	2	499
	15,927	17,909
Changes in inventories of finished goods and work in progress	(991)	354
Raw materials, consumables and other cost of sales	(8,500)	(10,699)
Employee benefits expense	(2,771)	(3,360)
Depreciation and amortisation expenses	(381)	(209)
Finance costs	(308)	(725)
Other expenses	(2,737)	(2,933)
	(15,688)	(17,572)
Profit from continuing operations before income tax	**239**	**337**
Income tax benefit	400	**-**
Profit from continuing operations	**639**	**337**
Profit from discontinued operations	-	96
Profit attributable to the members of the parent	**639**	**433**
Basic earnings per share (cents per share)	0.29	0.31
Diluted earnings per share (cents per share)	0.28	0.29

The accompanying notes form part of these financial statements.

BEYOND SPORTSWEAR INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	31 Dec 2008 ($'000's)	30 Jun 2008 ($'000's)
CURRENT ASSETS		
Cash and cash equivalents	422	744
Trade and other receivables	4,484	3,270
Inventories	5,249	4,258
Other Current Assets	1,301	112
TOTAL CURRENT ASSETS	**11,456**	**8,384**
NON-CURRENT ASSETS		
Deferred tax assets	2,800	2,400
Property, plant and equipment	3,674	3,906
Goodwill	5,021	4,644
Intangible assets	8,178	8,178
TOTAL NON-CURRENT ASSETS	**19,673**	**19,128**
TOTAL ASSETS	**31,129**	**27,512**
CURRENT LIABILITIES		
Trade and other payables	10,415	11,199
Borrowings	7,534	4,847
Provisions	791	787
Current tax liabilities	44	44
TOTAL CURRENT LIABILITIES	**18,784**	**16,877**
NON-CURRENT LIABILITIES		
Borrowings	3,568	2,648
Provisions	10	6
TOTAL NON-CURRENT LIABILITIES	**3,578**	**2,654**
TOTAL LIABILITIES	**22,362**	**19,531**
NET ASSETS	**8,767**	**7,981**
EQUITY		
Share capital	35,583	35,283
Reserves	(93)	60
Accumulated losses	(26,723)	(27,362)
TOTAL EQUITY	**8,767**	**7,981**

The accompanying notes form part of these financial statements.

BEYOND SPORTSWEAR INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Half-year	
	31 Dec 2008 ($'000's)	31 Dec 2007 ($'000's)
TOTAL EQUITY AT THE BEGINNING OF THE HALF-YEAR	**7,981**	**838**
Employee share option reserve	-	-
Foreign currency translation reserve	(153)	(115)
Profit for the half year	639	433
Total recognised income and expense for the period	**486**	**318**
Attributable to:		
Members of the parent	486	433
Transactions with equity holders in their capacity as equity holders – Issue of shares	**300**	**5,465**
TOTAL EQUITY AT THE END OF THE HALF-YEAR	**8,767**	**6,621**

The accompanying notes form part of these financial statements.

BEYOND SPORTSWEAR INTERNATIONAL LTD AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Half-year	
	31 Dec 2008 ($'000's)	**31 Dec 2007 ($'000's)**
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	16,234	17,287
Payments to suppliers and employees	(17,032)	(16,237)
Interest received	-	11
Interest paid	(308)	(725)
Other Income	2	431
Net cash (used in) provided by operating activities	**(1,104)**	**767**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	135
Payment for property, plant and equipment	(67)	(153)
Purchase of Intangible Assets	(1,397)	(9,618)
Net cash (used in) investing activities	**(1,464)**	**(9,636)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	-	916
Proceeds from borrowings	711	6,435
Proceeds from reserves	(153)	-
Repayment of borrowings	(300)	-
Net cash provided by financing activities	**258**	**7,351**
Net decrease in cash and cash equivalents	(2,310)	(1,518)
Cash and cash equivalents at beginning of half year	627	1,671
Cash and cash equivalents at end of the half-year	**(1,683)**	**153**

The accompanying notes form part of these financial statements.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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 2008 and any public announcements made by Beyond Sportswear International Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

Basis of preparation of the half-year financial report

The financial report of Beyond Sportswear International Limited was prepared in accordance with Australian Equivalents of International Financial Reporting Standards (AIFRS).

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 a 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 stated.

Significant Accounting Policies

(i) Going Concern

Summary of financial position:

- As at 31 December 2008 current liabilities exceeded current assets by $7,328, an improvement of $1,165 thousand in the six month period from 30 June 2008
- As at 31 December 2008 the net asset position improved by $786 thousand to $8.767 thousand.
- In the current half year operating earnings before interest, tax, depreciation and amortisation ("EBITDA") totalled $928 thousand, continuing the turn around since the acquisitions in 2007.
- The consolidated entity has increased its banking facilities by $2,400 thousand to include additional debtor finance and a new trade finance facility.
- Cash flows from operations was an outflow of $1,104 thousand compared to an inflow of $767 thousand for the comparable period. The outflow in the current period reflects an inventory build ahead of the peak sales period in the first quarter of the 2009 calendar year.

The Directors are confident that the consolidated entity will continue as a going concern for the following reasons:

- After excluding the results from contracts that have been either exited, expired or planned to be exited before 30 June 2009 the EBITDA for the six months was $2,100 thousand;
- Ongoing support of financiers (as evidenced by the increase in the banking facility during the period) and of suppliers;
- Forecast future cash flows indicate sufficient funds will be available to pay for debts as and when they fall due;

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

- Continued cost reduction focus, primarily in procurement, logistics and warehouse/selling costs;
- Successfully winning significant contracts during the period being the World Masters Games (Oct 09) and ATP uniform supplier.

The consolidated entity is also evaluating capital raising options and is confident that, if required, the company has the capacity to raise additional cash.

Preparation of this 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. Notwithstanding the above, should existing financiers and suppliers not continue to provide facilities on terms suitable to the consolidated entity, alternative sources of finance, if required, not be obtained or future trading performance fail to generate sufficient positive cash flows to meet the consolidated entity's financial obligations, there is significant uncertainty whether the consolidated entity will continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

NOTE 2: SEGMENT INFORMATION

	31 Dec 2008 ('000's)	31 Dec 2007 ('000's)
Segment revenue		
Australia	15,371	7,651
United Kingdom	306	-
Portugal	-	-
France	(48)	9,544
Spain	298	714
Total revenue	**15,927**	**17,909**
Segment results		
Australia	440	925
United Kingdom	79	-
Germany	-	39
Switzerland	-	-
France	(172)	469
Spain	(108)	(1,000)
Profit/(loss) loss before income tax	**239**	**433**

NOTE 3: CONTINGENT LIABILITIES

Estimates of the potential financial effect of amounts, that may become payable:	31 Dec 2008 ('000's)	30 June 2008 ('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 5 years.	129	129

NOTE 4: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the December 2008 half year that have 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.

BEYOND SPORTSWEAR INTERNATIONAL LIMITED

DIRECTORS DECLARATION

The directors declare that the financial statements and notes set out on pages 9 to 15 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 2008 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 Beyond Sportswear International Limited 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 made pursuant to s306(3) of the Corporations Act 2001.

GLEN CASEY
Director

Melbourne, 27 February 2009