For immediate release **ASX CODE: MBO**

Date: 31 August 2011

MBO Reports Record Orders and Revenues for FY2011

- **FY2011 orders increased 115% over previous year**
- **FY2011 revenues increased 77% over the previous year**
- **Completed Entitlements Offer and acquisition of Marine Rescue Technologies Ltd**
- **Mobilarm now world's largest man overboard safety company**
- **Strong growth outlook for FY2012 –growing sales pipeline and revenue base**

Perth, Western Australia: Global marine safety equipment provider, **Mobilarm Limited (ASX: MBO)** ("The Company") today reported full year results for the year ended 30 June 2011.Mobilarm reported an overall increase in orders to $1.3 million during the year, representing a 115% increase over the prior corresponding period. Revenues increased 77% from the previous year to $0.9 million and the Company decreased its operating loss by 34% to $4.1 million.

The Company funded the acquisition of UK-based Marine Rescue Technologies Ltd ("MRT") through an Entitlements Offer to existing shareholders. The acquisition has provided Mobilarm an established presence and installed base in Europe and added Sea Marshall, one of the world's leading safety equipment brands and the industry standard for oil & gas operators in the North Sea, to Mobilarm's existing product line.

The Company now has multiple solutions to service a wide range of commercial marine markets worldwide, and continues to focus on well-defined customer segments to strengthen recurring revenues. MRT was immediately accretive, and contributed $0.2 million to Mobilarm's annual sales, which is expected to grow significantly in FY2012.

The Company has increased the sales of its Crewsafe V100 man overboard locating device during the year, delivering to key customers in the oil & gas, commercial marine and commercial fishing markets. Mobilarm continued to grow its sales pipeline in these sectors.

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The previous year has seen steady growth for Mobilarm and we are pleased to have strengthened our revenues and significantly built our order pipeline. Following the successful acquisition of MRT, Mobilarm has emerged as the world's leading man overboard safety company with an expanding global presence and product offering.

The move beyond pilot and trial orders for our Crewsafe V100 device to increased, regular orders has bolstered our recurring revenue base and provided greater earnings visibility.

Mobilarm's outlook remains strong and we expect to see continued revenue growth, reduced operating loss and to become cash flow positive in the current year.

Lindsay Lyon
Chief Executive Officer

Perth, Western Australia
31 August 2011

Appendix 4E

Full Year Report

30 June 2011

MOBILARM LIMITED

ACN 106 513 580

Results for announcement to the market

		June 2011	June 2010
Financial Results	**Movement**	**$**	**$**
Revenue from ordinary activities	77%	941,701	530,704
Profit/(loss) from ordinary activities after tax attributable to members	34%	(4,094,955)	(6,208,022)
Net profit/(loss) for the period attributable to members	34%	(4,094,955)	(6,208,022)

Dividends	**Amount per Ordinary Security**	**Franked amount per security**
2011 dividend	Nil	-
2010 dividend	Nil	-

Record date for determining entitlements to interim dividends	N/A

Net Tangible Asset/(Liability) Backing	**June 2011**	**June 2010**
Net tangible asset/(liability) backing per ordinary security	($0.01)	$0.00

MOBILARM LIMITED
PRELIMINARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
		$	$
Revenue			
Sale of goods		941,701	530,704
Interest		21,414	13,642
Rental income		76,922	66,556
		1,040,037	**610,902**
Other income	(10)	22,847	4,108
Changes in inventories of finished goods and work in progress		(205,992)	62,965
Raw materials and consumables purchased		(116,583)	(322,605)
Employee benefits		(2,523,379)	(2,264,724)
Share based compensation expense		(428,923)	(1,363,888)
Depreciation and amortisation		(303,118)	(415,562)
Advertising		(4,211)	(114,340)
Audit and tax		(85,726)	(140,479)
Accountancy		(20,110)	(12,919)
Freight and cartage		(20,599)	(16,768)
External consultants and contractors		(579,034)	(608,178)
Rental		(285,609)	(207,426)
Travel and accommodation		(168,159)	(261,001)
Allowance for doubtful debts		-	(10,659)
Payroll tax		(90,391)	(56,151)
Legal fees		(240,913)	(385,010)
Telephone and internet charges		(29,702)	(31,594)
Insurance		(36,027)	(67,661)
Printing, postage and stationery		(24,673)	(39,784)
Motor vehicles		(3,828)	(651)
Finance costs		(42,790)	(198,550)
Foreign exchange (loss)/gain		237,482	69,534
Writedown of capitalised R&D costs		(185,129)	(59,511)
Writedown of fixed assets		(39,556)	-
Variation of convertible note terms		-	(298,179)
Other expenses		(537,074)	(437,567)
Loss before income tax		**(4,671,160)**	**(6,565,698)**
Income tax benefit		576,205	357,676
Loss after income tax from continuing operations		**(4,094,955)**	**(6,208,022)**

Loss after income tax from continuing operations		**(4,094,955)**	**(6,208,022)**
Other comprehensive income			
Changes in value of available-for-sale investments, net of tax		-	-
Total comprehensive loss for the period		**(4,094,955)**	**(6,208,022)**
Basic earnings per share (cents per share)	(6)	($0.03)	($0.05)
Diluted earnings per share (cents per share)	(6)	($0.03)	($0.05)

MOBILARM LIMITED
PRELIMINARY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011	2010
CURRENT ASSETS		**$**	**$**
Cash assets		92,470	106,411
Restricted cash		201,087	1,024,400
Trade and other receivables		3,480,512	609,741
Inventories		589,291	34,049
Prepayments		44,899	52,485
TOTAL CURRENT ASSETS		**4,408,259**	**1,827,086**
NON-CURRENT ASSETS			
Plant and equipment		340,375	81,997
Intangible assets	(3)	2,923,028	716,239
TOTAL NON-CURRENT ASSETS		**3,263,403**	**798,236**
TOTAL ASSETS		**7,671,662**	**2,625,322**
CURRENT LIABILITIES			
Trade and other payables		2,057,378	655,252
Other payable – shares to be issued IPO		-	1,024,400
Other payable – shares to be issued Entitlements Offer	(9)	1,815,420	-
Other payable – shares to be issued MRT	(10)	599,721	-
Other payable – shares to be issued Loans	(4),(9)	62,500	-
Interest bearing loans and borrowings	(4)	1,236,446	3,501
Provisions		234,251	217,469
TOTAL CURRENT LIABILITIES		**6,005,716**	**1,900,622**
NON-CURRENT LIABILITIES			
Provisions		57,971	33,741
Interest Bearing loans and borrowings		29,833	5,580
Other payable – shares to be issued	(10)	199,907	-
Deferred tax liability		28,488	-
TOTAL NON-CURRENT LIABILITIES		**316,199**	**39,321**
TOTAL LIABILITIES		**6,321,915**	**1,939,943**
NET ASSETS		**1,349,747**	**685,379**

EQUITY			
Contributed equity	(5)	23,175,481	18,488,563
Accumulated Losses		(21,898,139)	(17,803,184)
Reserves	(5)	72,405	-
TOTAL EQUITY/(SHAREHOLDER DEFICIT)		**1,349,747**	**685,379**

MOBILARM LIMITED
PRELIMINARY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Issued Capital $	Accumulated Losses $	Stock Option Reserve $	Convertible Note Reserve $	Total Equity $
As at 30 June 2009	**9,192,597**	**(11,595,162)**	**-**	**153,291**	**(2,249,274)**
Net loss for the period	-	(6,208,022)	-	-	(6,208,022)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	(6,208,022)	-	-	(6,208,022)
Transactions with owners in their capacity as owners					
Issue of equity	3,546,502	-	-	-	3,546,502
Cost of Share issues	(42,675)	-	-	-	(42,675)
Issuance of Shares in lieu of director fees payable	80,657	-	-	-	80,657
Share based payments Ordinary Shares	170,333	-	-	-	170,333
Share based payments Performance Shares	1,205,555	-	-	-	1,205,555
Equity portion of convertible notes issued	-	-	-	230,001	230,001
Conversion of convertible	4,335,594	-	-	(383,292)	3,952,302
As at 30 June 2010	**18,488,563**	**(17,803,184)**	**-**	**-**	**685,379**
Net loss for the period	-	(4,094,955)	-	-	(4,094,955)
Other comprehensive income					
Total comprehensive loss for the period	-	(4,094,955)	-	-	(4,094,955)
Transactions with owners in their capacity as owners					
Issue of equity	4,232,622	-	-	-	4,232,622
Cost of share issues	(98,699)	-	-	-	(98,699)
Share based payments Ordinary Shares	196,477	-	-	-	196,477
Share based payments Performance Shares	356,518	-	-	-	356,518
Share based payments – Stock Options	-	-	72,405	-	72,405
As at 30 June 2011	**23,175,481**	**(21,898,139)**	**72,405**	**-**	**1,349,747**

MOBILARM LIMITED
PRELIMINARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		**$**	**$**
Receipts from customers		919,915	257,100
Payments to suppliers and employees		(4,070,011)	(4,256,288)
Interest received		21,378	13,642
Payment for research & development		(401,012)	(680,496)
R&D tax rebate		312,158	288,098
Rental income & recoveries		90,714	66,556
Interest and other borrowing costs paid		(17,306)	(198,550)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		**(3,144,164)**	**(4,509,938)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(8,113)	(21,042)
Purchase of intangible assets		-	(5,808)
Acquisition of business	(10)	(1,674,390)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(1,682,503)**	**(26,850)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings – related parties		540,000	266,667
Lease and hire purchase repayments		-	(39,556)
Proceeds from issue of term loan		510,000	-
Proceeds from issue of convertible notes		-	808,000
Proceeds from share issues		4,062,512	3,546,500
Costs of share issue		(98,699)	(42,675)
NET CASH FLOWS PROVIDED BY FINANCING		**5,013,813**	**4,538,936**
NET INCREASE/(DECREASE) IN CASH HELD		187,146	2,148
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		106,411	104,263
CASH AT THE END OF THE FINANCIAL YEAR		**293,557**	**106,411**

1 CORPORATE INFORMATION

Mobilarm Limited is a Company limited by shares incorporated and domiciled in Australia. The nature of the operations and principal activities of the Company are described in the Director's Report.

The Company owns two subsidiary companies as follows:

Name	Country of Incorporation
Marine Rescue Technologies Ltd	United Kingdom
Mobilarm, Inc.	United States of America

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The preliminary final report has been prepared in accordance with the Australian Securities Exchange Listing Rules as set out in Appendix 4E and in accordance with the measurement and recognition (but not disclosure) requirements of the Australian Accounting Standards, Corporations Act 2001 and other pronouncements of the Australian Accounting Standards.

As such, this preliminary final report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2010 and with any public announcement made by Mobilarm Limited during the reporting period in accordance with the disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Apart from the changes in accounting policies below, the accounting policies and methods of computation are the same as those adopted in the annual financial report for the year ended 30 June 2010.

The financial report is presented in Australian Dollars and all values are rounded to the nearest dollar.

b) New and amending Accounting Standards and Interpretations

Since 1 July 2010, the Group has adopted all the amending Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2010 including:

AASB 101 Presentation of Financial Statements

The revised standard stipulates that the terms of a liability that could at any time result in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification as current or non-current.

AASB 107 Statement of Cash Flows

The revised standard states that only expenditures that result in a recognised asset can be classified as a cash flow from investing activities. This has resulted in a reclassification of capitalised research and development from operating to investing activities, for the periods presented.

AASB 117 Leases

The revised standard removes specific guidance on classifying land as a lease so that only the general guidance remains.

AASB 132 Financial Instruments: Presentation

The revised standard amends the definition of a financial liability to classify certain rights (and certain options or warrants) as equity instruments if they satisfy certain conditions.

AASB 136 Impairment

The revised standard clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment defined in AASB 8 before aggregation for reporting purposes.

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are “consideration paid”. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that liability.

AASB 2010-3 Amendments to Australian Accounting Standards Arising from the Annual improvements Project

This amendment affected the following standards:

AASB 3 Business Combinations;

AASB 7 Financial Instruments: Disclosures;

AASB 121 The Effects of Changes in Foreign Exchange Rates;

AASB 128 Investments in Associates;

AASB 131 Investments in Joint Ventures;

AASB 132 Financial Instruments: Presentation; and

AASB 139 Financial Instruments: Recognition and Measurement.

Adoption of these Standards and Interpretations did not have any material effect on the financial position or performance of the Company.

The Company has not early adopted any standards or interpretations.

c) Going Concern

This report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a net loss after tax for the year ended 30 June 2011 of $4,094,955 (2010: $6,208,022) and experienced net cash outflows from operating activities of $3,144,164 (2010: $4,509,938). As 30 June 2011, the Company had net assets of $1,349,747 (2010: $685,379).

Notwithstanding the above, the ability of the Company to continue as a going concern is reliant on:

- increased cash flows from operations, and/ or
- the raising of funds through a debt or equity issues.

The directors have reviewed the business outlook and plans of the company and believe that both of the above can be achieved. The recent acquisition of Marine Rescue Technologies Ltd as well as the continued work with the United States Navy on the Crewsafe V200 device is part of the continued growth strategy.

Should the entity not achieve the matters set out above, there is significant uncertainty whether the entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

The financial report does not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

3 INTANGIBLE ASSETS

	June 2011 $	June 2010 $
Intangible assets net of amortisation		
Development Cost	990,417	701,581
Goodwill	1,924,068	-
Other	8,543	14,658
Total	2,923,028	716,239

4 INTEREST BEARING LOANS AND BORROWINGS

CURRENT	June 2011 $	June 2010 $
Term debt (a)	541,979	-
Term debt from related party (b)	121,115	-
Term debt from related party (c)	207,074	-
Convertible note from related party (d)	362,777	-
	1,232,945	-
Finance leases	3,501	3,501
	1,236,446	3,501
NON CURRENT		
Finance leases	29 833	5,580

The Company entered into various interest bearing loans for working capital purposes. The terms of each loan are described below.

(a) The Company entered into two term loans for $400,000 and $100,000, respectively. The loans carry an interest rate of 15% per annum and a borrowing fee of 7.50% ($30,000 and $7,500, respectively) and 2.5 ordinary shares of the Company per dollar borrowed (1,000,000 and 250,000, respectively). The shares appear on the balance sheet as shares to be issued at 5 cents for a value of $62,500. These loans were repaid on 25 July 2011.

(b) The Company entered into a GBP£74,067 (approximately AUD $111,994) term loan with the sellers of MRT. The loan carries an interest rate of 10% per annum if paid in 30 day, 15% if paid in 60 days and 20% if paid beyond 60 days. This loan was repaid on 5 August 2011.

(c) The Company entered into a $200,000 term loan with its Chairman. The loan carries an interest rate of 15% per annum if paid within 30 days and 18% if paid after 30 days. The loan also has a borrowing fee of $4,500. This loan was repaid on 25 July 2011.

(d) The Company entered into a convertible note agreement with an executive director for $350,000. The loan carries an interest rate of 15% per annum and a borrowing fee of 2.5%. The conversion is at the option of the note holder and converts into equity at 5 cents per ordinary share.

5 CONTRIBUTED EQUITY

	June 2011	June 2010
	$	$
Ordinary shares (a)	22,680,073	17,283,008
Performance shares (b)	495,408	1,205,555
Contributed equity	23,175,481	18,488,563

(a) Ordinary Shares	**June 2011**		**June 2010**	
Movement in ordinary shares on issue	**Number**	**$**	**Number**	**$**
Balance at beginning of year	134,108,744	17,283,008	264,425,398	9,192,597
Consolidation of capital	-	-	(176,283,599)	
Issuance of equity	48,901,446	4,232,622	17,641,568	3,546,502
Cost of share issues	-	(98,699)	-	(42,675)
Issuance of Shares in lieu of director fees payable	-	-	537,712	80,657
Share based payments - Ordinary Shares	3,904,856	196,477	871,666	170,333
Conversion of Convertible Notes	-	-	26,915,999	4,335,594
Conversion of performance shares class A	6,666,666	1,066,666		
Balance at end of the year	193,581,712	22,680,074	134,108,744	17,283,008

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

(b) Performance Shares	**June 2011**		**June 2010**	
(i) Movement in performance shares class A on issue	**Number**	**$**	**Number**	**$**
Balance at beginning of year	6,666,666	888,889	-	-
Share issue	-	-	6,666,666	-
Share based payment expense for the year	-	177,777	-	888,889
Conversion of performance shares class A	-6,666,666	(1,066,666)	-	-
Balance at end of the year	-	-	6,666,666	888,889

	June 2011		**June 2010**	
(ii) Movement in performance shares class B on issue	**Number**	**$**	**Number**	**$**
Balance at beginning of year	3,166,666	211,111	-	-
Share issue	-	-	3,166,666	-
Share based payment expense for the year	-	98,519	-	211,111
Balance at end of the year	3,166,666	309,630	3,166,666	211,111

(iii) Movement in performance shares class C on issue	June 2011 Number	$	June 2010 Number	$
Balance at beginning of year	3,166,668	105,556	-	-
Share issue	-	-	3,166,668	-
Share based payment expense for the year	-	80,222	-	105,555
Balance at end of the year	3,166,668	185,778	3,166,668	105,555
Total Performance Shares	6,333,334	495,408	13,000,000	1,205,555

Performance class A shares convert to ordinary shares on a 1 for 1 basis upon obtaining ASX conditional listing. The Company obtained conditional listing on 25 August 2010 and the shares have now been converted. The Company amortised the shares from their issuance date through the milestone date.

Performance class B shares convert to ordinary shares on a 1 for 1 basis upon the Company reaching a market capitalisation of $65 million dollars based on the five day weighted average share price on the ASX. The Company has amortised the Performance shares class B based upon the Company's financial plans to reach that milestone.

Performance class C shares convert to ordinary shares on a 1 for 1 basis upon the Company reaching a market capitalisation of $100 million dollars based on the five day weighted average share price on the ASX. The Company has amortised the Performance shares class C based upon the Company's financial plans to reach that milestone.

(c) Options	June 2011		June 2010	
Movement in options on issue	**Number**	**$**	**Number**	**$**
Balance at beginning of year	3,448,000	-	-	-
Options issued – Capital Raising (i)	3,168,000	-	3,448,000	-
Options issued – Employee Stock Option Plan (ii)	3,308,333	72,405	-	-
Balance at end of the year	9,924,333	72,405	3,448,000	-

All options were issued as a free attaching option as part of the Company's capital raises in 2011 and 2010 or as part of the employee stock option plan.

The options issued under the employee stock option plan are detailed as follows:

Grant Date	Expiry Date	Strike Price	Amount
22-Dec-2010	22-Dec-2015	$0.193*	2,725,000
20-Jan-2011	15-Oct-2015	$0.193*	83,333
09-Jun-2011	09-Jun-2016	$0.072	500,000
		Balance at end of the year	3,308,333

* The original strike price for these options was $0.20. The terms of these employee options provide for the exercise price of the options to be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2 following an Entitlement Offer. The Company adjusted the strike price as part of the Entitlements Offer completed.

6 EARNINGS PER SHARE

	June 2011	June 2010
	Number	**Number**
EARNINGS PER SHARE		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	155,392,998	116,899,114
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	162,892,998	123,565,780
Basic earnings/(loss) per share (cents per share)	($0.03)	($0.05)
Diluted earnings/(loss) per share (cents per share)	($0.03)	($0.05)

7 SEGMENT INFORMATION

The company operates solely in the development, manufacturing and sale of man overboard safety systems. The Company operates in three geographical locations being Australia, the United Kingdom and the United States of America. The Company manages its operations internally as one segment under the management of the CEO. The accounting policies applied for internal reports are consistent with the policies used to prepare the financial statements.

8 CONTINGENT LIABILITIES

As at reporting date there were no contingent liabilities.

9 SUBSEQUENT EVENTS

The Company completed its shortfall offer related to its Entitlements Offer for $1,815,420 on 25 July 2011. The Company issued 36,308,406 ordinary shares as part of this transaction. The Company also issued 15,000,000 share options as part of this transaction. The options have a three year expiry and the exercise price is as follows:

Date of Exercise	Exercise Price
Within 365 days of issue	$0.10
Within 366-730 days of issue	$0.15
Within 731-1095 days of issue	$0.20

The Company also completed a private placement for $500,000 on 15 August 2011 and issued 10,000,000 shares for this transaction.

The Company also issued 1,250,000 shares as part of its borrowing agreements for a total of $62,500. The transaction was completed on 1 July 2011.Other than the transactions listed above, the Directors are not aware of any matter or circumstance that has significantly or may significantly affect the operations of the company or the results of those operations, or the state of affairs of the company in subsequent financial years.

10 BUSINESS COMBINATIONS

Acquisition of Marine Rescue Technologies Ltd

On 9 June 2011, Mobilarm Limited acquired Marine Rescue Technologies Ltd (MRT), a leader in the design and manufacture of man overboard technology in Europe. Mobilarm acquired 100% of the issued capital of MRT for GBP£1,723,000 (approximately AUD $2,653,790).The purchase price was split into an initial cash payment of GBP £1,189,000 (approximately AUD $1,831,316) and a deferred share based compensation of GBP£534,000 (approximately AUD $822,475). The deferred share compensation will be granted via the issue of up to 11,423,261 ordinary shares subject to the following:

- 75% of the maximum number of shares will be issued if 2012 gross revenue achieved is GBP£1,600,000 (approximately AUD $2,464,000), and
- 25% of the maximum number of shares will be issued if 2013 gross revenue achieved is GBP£2,000,000 (approximately AUD $3,080,000).
- Any excess over the target in each year can be applied to a shortfall in the other year.
- Any shortfall against the target is a reduction in the number of shares to be issued. The minimum target needed to earn any deferred shares is approximately GBP£3,066,000 (approximately AUD $4,722,000).

The foreign exchange rate as at 9 June 2011 was $1.5402 for 1 GBP.

	Marine Rescue Technologies Limited	
	Provisional fair value at acquisition date on	Carrying value
ASSETS	**$**	**$**
Cash assets	$16,178	$16,178
Trade and other receivables	$467,144	$467,144
Inventories	$477,434	$477,434
Plant and equipment	$336,532	$336,532
Intangible assets	$245,138	$245,138
Other assets	$33,733	$33,732
TOTAL ASSETS	**$1,576,159**	**$1,576,159**
LIABILITIES		
Trade and other payables	$785,265	$785,265
Tax liabilities	$115,009	$115,009
Intercompany account	$55,542	$55,542
TOTAL CURRENT LIABILITIES	**$955,816**	**$955,816**
Fair value of identified assets	$620,343	
Goodwill arising in transaction	$2,033,447	
	$2,653,790	
Cash paid	$1,831,315	
Deferred share compensation (current)	$616,856	
Deferred share compensation (non current)	$205,619	
	$2,653,790	

From the date of acquisition on 9 June 2011, MRT has contributed revenue and a loss before tax (excluding corporate overheads) of $204,674 and $30,489, respectively. Mobilarm Limited wrote down the value of inventories subsequent to the acquisition date as the future benefit of the stock is beyond 12 months. The total impact of these adjustments was $111,038. If those adjustments were not made, MRT would have had a net profit before tax of $80,549 from the date of acquisition.

Had the acquisition of MRT occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included revenue and loss of $3,170,965 and $3,632,920, respectively. The costs of acquisition have been expensed and are included in the consolidated statement of comprehensive income.

Management believes the goodwill reflects the synergies between Mobilarm and MRT. Management believes that it is probable that it MRT will reach the deferred milestones and as such has recognized the liability for the deferred compensation as at the completion date. The fair value of the deferred compensation was adjusted as at 30 June 2011 to reflect the current value of the Company's share price. The resulting fair value adjustment of $22,847 is recognized as other income and reduces the value of the deferred compensation to $799,628.

11 ANNUAL MEETING

The annual meeting will be held as follows:

Place	*to be advised*
Date	*to be advised*
Time	*to be advised*
Approximate date the annual report will be available	31 October 2011

12 COMPLIANCE ESTATEMENT

1. This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

   Identify other standards used:

2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed

4. This report is based on accounts to which one of the following applies (Tick one)

☐	The accounts have been audited	☐	The accounts have been subject to review.
✓	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.

5. The entity has formally constituted audit committee.

David McArthur
Company Secretary
31 August 2011