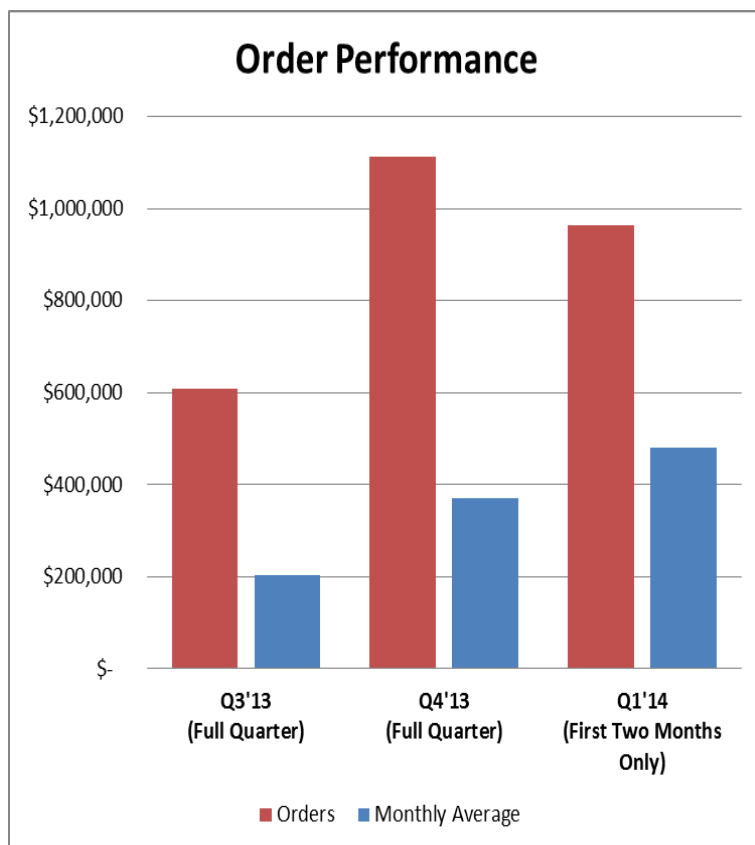
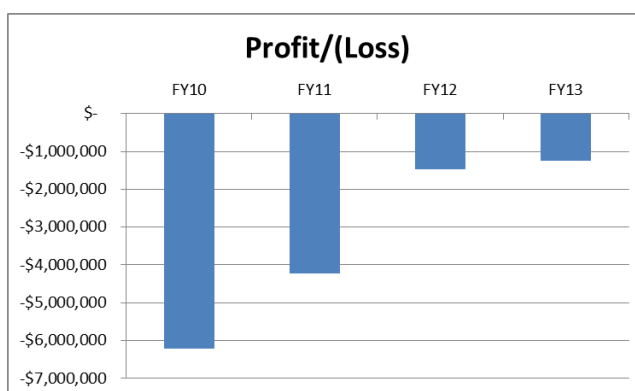


MBO improving results by last quarter of FY2013

- Full year loss reduced by \$0.235M or 16% over the previous year
- Improvement in sales position over last eight months including the start of the new financial year

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 2013. Mobilarm reported an overall decrease in its operating loss by 16% to \$1,239,280, continuing its path to profitability.



Ken Gaunt, Mobilarm’s Chief Executive Officer, commented: “The changes made over the last 18 months have allowed the company to continue operating considerably better than in past years. We are introducing new products and financial solutions that have been well received in their initial trials with customers. Our focus on sales has been fundamental in the growth in business orders from our third quarter through to our current quarter, where two months in, we are close to exceeding our previous full quarter. With a full pipeline of sales opportunities, we anticipate exceeding our last quarter results.”

Mobilarm's Chief Financial Officer, Jorge Nigaglioni, commented: "Our business structure is now far more flexible to operate in tougher business conditions. Our operations are running more efficiently and we can devote more focus on growing our sales to accelerate our path to profitability and sustainable long term returns to our shareholders. This is evidenced by our increased order volume since the third financial quarter of 2013. We are working closely with our existing and prospective customers to make sure we address their needs via a comprehensive product portfolio and attractive financial options."

Ken Gaunt
Chief Executive Officer

Perth, Western Australia
30 August 2013

Further details

Ken Gaunt
Chief Executive Officer

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www.mobilarm.com

APPENDIX 4E

Full Year Report

30 June 2013

MOBILARM LIMITED

ACN 106 513 580

Results for announcement to the market

		June 2013	June 2012
Financial Results	Movement	\$	\$
Revenue from ordinary activities	(22%)	4,279,624	5,469,184
Profit/(loss) from ordinary activities after tax attributable to members	16%	(1,239,280)	(1,474,638)
Net profit/(loss) for the period attributable to members	16%	(1,239,280)	(1,474,638)

Dividends	Amount per Ordinary Security	Franked amount per security
2013 dividend	Nil	-
2012 dividend	Nil	-

Record date for determining entitlements to interim dividends	N/A
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Net Tangible Asset/(Liability) Backing	June 2013	June 2012
Net tangible asset/(liability) backing per ordinary security – cents per share	0.1	0.6

MOBILARM LIMITED
PRELIMINARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Mobilarm Limited	
		2013	2012
		\$	\$
Revenue			
Sale of goods		4,279,624	5,473,269
Interest		14,777	22,681
Rental income		180	19,466
		<u>4,294,581</u>	<u>5,515,416</u>
Other income	(10)	-	336,086
Changes in inventories of finished goods and work in progress		(1,205,655)	(1,646,902)
Raw materials and consumables purchased		307	(103,378)
Employee benefits		(1,759,163)	(2,843,570)
Share based compensation expense		(77,687)	283,497
Depreciation and amortisation		(577,671)	(389,209)
Advertising		(45,095)	(9,179)
Audit and tax		(46,423)	(71,473)
Accountancy		(76,731)	(68,620)
Freight and cartage		5,830	(41,489)
External consultants and contractors		(265,665)	(391,116)
Rental		(80,105)	(200,999)
Travel and accommodation		(238,476)	(343,096)
Allowance for doubtful debts		(607,639)	(15,269)
Payroll tax		(20,826)	(104,267)
Legal fees		(79,671)	(140,442)
Telephone and internet charges		(72,150)	(61,010)
Insurance		(79,359)	(79,092)
Printing, postage and stationery		(90,502)	(111,903)
Motor vehicles		(57,588)	(36,854)
Finance costs		(137,473)	(230,644)
Foreign exchange (loss)/gain		174,777	(76,439)
Redundancy costs		(27,115)	(275,503)
Provision for unused leased facilities		-	(187,235)
Other expenses		(460,168)	(718,242)
Loss before income tax		<u>(1,529,667)</u>	<u>(2,011,292)</u>
Income tax benefit		290,387	536,654
Loss after income tax from continuing operations		<u>(1,239,280)</u>	<u>(1,474,638)</u>

MOBILARM LIMITED
PRELIMINARY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

Mobilarm Limited

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash assets		589,072	1,091,190
Restricted cash		48,217	265,174
Trade and other receivables		981,729	1,463,688
Inventories		482,739	293,587
Prepayments		105,867	93,770
TOTAL CURRENT ASSETS		<u>2,207,624</u>	<u>3,207,409</u>
NON-CURRENT ASSETS			
Plant and equipment		229,167	320,717
Intangible assets	(3)	3,088,432	2,959,544
TOTAL NON-CURRENT ASSETS		<u>3,317,599</u>	<u>3,280,261</u>
TOTAL ASSETS		<u>5,525,223</u>	<u>6,487,670</u>
CURRENT LIABILITIES			
Trade and other payables		1,166,374	1,483,522
Financial liability – Contingent Consideration	(10)	-	114,233
Interest bearing loans and borrowings	(4)	723,954	23,312
Provisions		226,307	405,822
TOTAL CURRENT LIABILITIES		<u>2,116,635</u>	<u>2,026,889</u>
NON-CURRENT LIABILITIES			
Provisions		17,425	9,802
Interest Bearing loans and borrowings	(4)	17,738	30,194
TOTAL NON-CURRENT LIABILITIES		<u>35,163</u>	<u>39,996</u>
TOTAL LIABILITIES		<u>2,151,798</u>	<u>2,066,885</u>
NET ASSETS		<u>3,373,425</u>	<u>4,420,785</u>
EQUITY			
Contributed equity	(5)	27,790,295	27,710,729
Accumulated Losses		(24,752,057)	(23,512,777)
Reserves	(5)	335,187	222,833
TOTAL EQUITY		<u>3,373,425</u>	<u>4,420,785</u>

MOBILARM LIMITED
PRELIMINARY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital	Accumulated Losses	Stock Option Reserve	Total Equity
	\$	\$	\$	\$
As at 30 June 2011	24,990,901	(22,038,139)	212,405	3,165,167
Net loss for the period	-	(1,474,638)	-	(1,474,638)
Other comprehensive income				
Total comprehensive loss for the period	-	(1,474,638)	-	(1,474,638)
Transactions with owners in their capacity as owners				
Issue of equity	2,458,334	-	-	2,458,334
Cost of share issues	(208,345)	-	-	(208,345)
Conversion of convertible notes into ordinary shares	350,000	-	-	350,000
Issue of deferred ordinary share compensation from MRT acquisition	351,265	-	-	351,265
Share based payments Ordinary Shares	62,500	-	-	62,500
Share based payments Performance Shares	184,889	-	-	184,889
Forfeiture of Performance Shares	(478,815)	-	-	(478,815)
Share based payments – Stock Options	-	-	22,549	22,549
Forfeiture of Stock Options	-	-	(12,121)	(12,121)
As at 30 June 2012	27,710,729	(23,512,777)	222,833	4,420,785
Net loss for the period	-	(1,239,280)	-	(1,239,280)
Other comprehensive income				
Total comprehensive loss for the period	-	(1,239,280)	-	(1,239,280)
Transactions with owners in their capacity as owners				
Issue of deferred ordinary share compensation from MRT acquisition	114,233	-	-	114,233
Share based payments Performance Shares	16,000	-	-	16,000
Forfeiture of Performance Shares	(50,667)	-	-	(50,667)
Share based payments Performance Share Rights	-	-	29,549	29,549
Share based payments – Stock Options	-	-	82,805	82,805
Forfeiture of Stock Options	-	-	-	-
As at 30 June 2013	27,790,295	(24,752,057)	335,187	3,373,425

MOBILARM LIMITED
PRELIMINARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		\$	\$
Receipts from customers		3,822,246	5,876,388
Payments to suppliers and employees		(5,567,185)	(8,108,878)
Interest received		11,726	22,681
Payment for research & development		(263,158)	(453,577)
R&D tax rebate		584,645	576,205
Rental income & recoveries		-	21,412
Interest and other borrowing costs paid		(21,710)	(23,516)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		<u>(1,433,436)</u>	<u>(2,089,285)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(7,578)	(12,851)
Acquisition of business	(10)	-	(156,925)
Term Deposit		217,907	(48,217)
NET CASH FLOWS PROVIDED/(USED) IN INVESTING ACTIVITIES		<u>210,329</u>	<u>(217,993)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings – related parties		720,989	-
Repayment of borrowings		-	(734,422)
Proceeds from share issues		-	4,248,765
Costs of share issue		-	(208,345)
NET CASH FLOWS PROVIDED BY FINANCING		<u>720,989</u>	<u>3,305,998</u>
 NET INCREASE/(DECREASE) IN CASH HELD		502,118	998,720
 CASH AT THE BEGINNING OF THE FINANCIAL YEAR		<u>1,091,190</u>	<u>92,470</u>
 CASH AT THE END OF THE FINANCIAL YEAR		<u><u>589,072</u></u>	<u><u>1,091,190</u></u>

NOTES TO THE PRELIMINARY FINAL REPORT (UNAUDITED) FOR THE YEAR ENDED 30 JUNE 2013

1 CORPORATE INFORMATION

The financial report of Mobilarm Limited (the "Company") for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of directors on 30 August 2013.

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 three wholly owned subsidiary companies as follows:

Name	Country of Incorporation	Date of Establishment
Marine Rescue Technologies Ltd	United Kingdom	
Mobilarm, Inc.	United States of America	
Rentquip Ltd	United Kingdom	14 June 2013

The Company also owns 50% ownership stake of a joint venture as follows:

Name	Country of Incorporation	Date of Establishment
Mobilarm Nigeria	Nigeria	19 March 2013

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 2012 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.

The accounting policies and methods of computation are the same as those adopted in the annual financial report for the year ended 30 June 2012.

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

(b) 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 2013 of \$1,239,280 (2012: \$1,474,638) and experienced net cash outflows from operating activities of \$1,433,436 (2012: \$2,089,285). As 30 June 2013, the Company had net assets of \$3,373,425 (2012: \$4,420,785).

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 the Company will achieve increased cash flows from operations to sustain its ability to continue as a going concern, which will also make the raising of funds more achievable if needed. The Company decreased its revenues by 22% and has reduced its losses by 16% compared to the previous year. The Company has made significant expense reductions which allowed it to reduce its losses in the current year despite a decrease in revenues. The Company is focused on delivering new products and new financial models to expand its sales, including an expanded sales team. 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 2013	June 2012
	\$	\$
Intangible assets net of amortisation		
Development Cost	1,164,364	1,034,879
Goodwill	1,924,068	1,924,068
Incorporation Cost	-	597
Intangible assets net of amortisation	<u>3,088,432</u>	<u>2,959,544</u>

4 INTEREST BEARING LOANS AND BORROWINGS

CURRENT	June 2013	June 2012
	\$	\$
Intangible assets net of amortisation		
Credit facility (1)	<u>720,989</u>	-
	<u>720,989</u>	-
Finance leases	<u>2,965</u>	<u>4,420</u>
	<u>723,954</u>	<u>4,420</u>
NON CURRENT		
Finance leases	<u>17,738</u>	<u>19,681</u>

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

- (1) The Company entered into credit facility with its director Ken Gaunt for up to \$1,000,000 on 8 March 2013. The facility is at an interest rate of 5.53% per annum. The Company had drawn down \$720,989 as of 30 June 2013.

5 CONTRIBUTED EQUITY

	June 2013	June 2012
	\$	\$
Ordinary shares (a)	27,623,480	27,509,247
Ordinary shares to be issued under the Entitlements Offer		
Performance shares (b)	166,815	201,482
Contributed equity	<u>27,790,295</u>	<u>27,710,729</u>

	June 2013		June 2012	
	Number	\$	Number	\$
(a) Ordinary Shares				
Movement in ordinary shares on issue				
Balance at beginning of year	296,704,866	27,509,247	193,581,712	24,495,494
Issuance of equity	-	-	86,305,708	2,453,080
Cost of share issues	-	-	-	(208,345)
Issue of deferred ordinary share compensation from MRT acquisition	2,855,815	114,233	8,567,446	356,518
Share based payments - Ordinary Shares	-	-	1,250,000	62,500
Conversion of Convertible Notes	-	-	7,000,000	350,000
Balance at end of the year	<u>299,560,681</u>	<u>27,623,480</u>	<u>296,704,866</u>	<u>27,509,247</u>

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.

	June 2013		June 2012	
	Number	\$	Number	\$
(b) Performance Shares				
(i) Movement in Performance Shares Class B				
Balance at beginning of year	833,333	125,927	3,166,666	309,630
Expiry of shares during the year	(833,333)	-	-	-
Forfeiture of shares during the year	-	-	(2,333,333)	(299,259)
Share based payment expense for the year	-	-	-	115,556
Balance at end of the year	<u>-</u>	<u>125,927</u>	<u>833,333</u>	<u>125,927</u>

	June 2013		June 2012	
	Number	\$	Number	\$
(ii) Movement in Performance Shares Class C				
Balance at beginning of year	833,334	75,555	3,166,668	185,778
Share issue	-	-	-	-
Forfeiture of shares during the year	(500,000)	(50,667)	(2,333,334)	(179,556)
Share based payment expense for the year	-	16,000	-	69,333
Balance at end of the year	<u>333,334</u>	<u>40,888</u>	<u>833,334</u>	<u>75,555</u>
Total Performance Shares	<u>333,334</u>	<u>166,815</u>	<u>1,666,667</u>	<u>201,482</u>

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. 833,333 Performance shares class B reached their expiry date without meeting the performance condition.

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. 500,000 Performance shares class C were forfeited during the year as the employees did not meet the service condition as part of the grant due to their departure from the Company. The Company offset \$50,667 of previously expensed share based payments as part of the forfeiture.

	June 2013		June 2012	
	305,639	\$		\$
Stock options		305,638		222,834
Performance share rights		29,549		-
Reserves		<u>335,187</u>		<u>222,834</u>

(c) Options

	June 2013		June 2012	
Movement in options on issue	Number	\$	Number	\$
Balance at beginning of year (i)	44,006,314	222,833	9,924,333	72,405
Options issued – Capital Raising (ii)	-	-	15,000,000	-
Options issued – Capital Raising (iii)	-	-	19,998,651	-
Options issued – Employee Stock Option Plan (iv)	-	-2,152	-	22,549
Options forfeited – Employee Stock Option Plan (iv)	-	-	(600,004)	(12,121)
Options cancelled – Employee Stock Option Plan (iv)	(883,330)	-	(316,666)	-
Options issued – Directors Compensation (v)	31,670,487	80,653	-	-
Options cancelled – Capital Raising	(3,448,000)	-	-	-
Subtotal	<u>71,345,471</u>	<u>305,638</u>	<u>44,006,314</u>	<u>82,833</u>
Compensation recorded on issue of convertible loan to director		-		140,000
Balance at end of the year		<u>305,638</u>		<u>222,833</u>

(i) 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.

(ii) The Company issued 15,000,000 share options on 28 July 2011 as part of its Entitlements Offer. 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

(iii) The Company issued 19,998,651 share options during the year ended 30 June 2012 as part of its capital raising. The options have a three year expiry and the exercise price is \$0.10.

(iv) The outstanding 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*	925,000
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		<u>1,508,333</u>

* 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.

(v) On the 8th of August 2012 the Board (excluding Mr Ken Gaunt who did not wish to make any recommendation) has proposed the issue of 29,670,487 share options to Director/Chief Executive Officer Ken Gaunt. Each option entitles the holder to exercise the option in exchange for one ordinary share in the Company. The options are exercisable at an exercise price of per option A\$0.021. The Options vest when the Share Price is equal to or greater than A\$0.10 (subject to adjustment under the terms of the grant). In addition, upon a Change of Control Event (i), the Options automatically vest.

(i) Change of Control Event means:

- a. a person acquires voting power in at least 50.1% or more of the issued Shares;
- b. a person acquires the power to direct or cause the direction of management or policies of the Company;
- c. a person directly or indirectly acquires all or substantially all of the business and assets of the Group; or
- d. (d) a person otherwise acquires or merges with the Group, including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, share acquisition, securities issuance, share buyback or repurchase, reverse takeover, dual listed company structure, establishment of a new holding entity for the Group or any other comparable transaction or arrangement.

In association with the grant above, the Company has also proposed that the Company enter into an interest-free loan agreement with Mr. Gaunt of an amount equal to the total Grant Price payable for the 29,670,487 Options, being a total loan amount of \$267,034. These transactions were approved at a general meeting of shareholders on the 7th of September 2012.

Additionally, Sir Tim McClement was issued 2,000,000 options. The options are exercisable at an exercise price of per option A\$0.027. The Options vest when the Share Price is equal to or greater than A\$0.10 (subject to adjustment under the terms of the grant). These transactions were approved at a general meeting of shareholders on the 29th of November 2012.

(d) Performance Share Rights Movement in options on issue	June 2013		June 2012	
	Number	\$	Number	\$
Balance at beginning of year	-	-	-	-
Performance share rights issued	11,000,000	29,549	-	-
Balance at end of the year	11,000,000	29,549	-	-

The Company granted 11,000,000 performance share rights in 2013 to employees. The performance share rights vest when the Share Price is equal to or greater than A\$0.10 (subject to adjustment under the terms of the grant). In addition, upon a Change of Control Event (i), the performance share rights automatically vest.

- (i) Change of Control Event means:
- a. a person acquires voting power in at least 50.1% or more of the issued Shares;
 - b. a person acquires the power to direct or cause the direction of management or policies of the Company;
 - c. a person directly or indirectly acquires all or substantially all of the business and assets of the Group; or
 - d. (d) a person otherwise acquires or merges with the Group, including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, share acquisition, securities issuance, share buyback or repurchase, reverse takeover, dual listed company structure, establishment of a new holding entity for the Group or any other comparable transaction or arrangement.

Some of the performance share rights have additional vesting criteria regarding specific performance of projects being completed, such as the development of our next generation products.

6 EARNINGS PER SHARE

	June 2013 Number	June 2012 Number
EARNINGS PER SHARE		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	296,884,821	260,204,642
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	296,884,821	260,204,642
Basic earnings/(loss) per share (cents per share)	(0.4)	(0.6)
Diluted earnings/(loss) per share (cents per share)	(0.4)	(0.6)

7 SEGMENT INFORMATION

The company operates solely in the development, manufacturing and sale of Man Overboard safety systems. The Company operates in four geographical locations being Australia, the United Kingdom, Nigeria 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

- On the 28th of July 2013, the Company entered into a convertible note agreement for \$720,989. The note was entered into with a shareholder of the Company. The note carries a coupon rate of 6% and a conversion price of \$0.04 per share. The note replaces the debt facility held with a director as of 30 June 2013 (see note 4). The note expires on 8 March 2014.
- On the 6th of August 2013, the Company announced that it was undertaking a pro rata non-renounceable entitlements offer (Entitlement Offer) of new ordinary shares (New Shares) to raise up to \$1,711,725 (subject to rounding) before costs. The Entitlement Offer is being made on the basis of 1 New Share for every 7 Mobilarm shares held at the offering price of \$0.04 for eligible shareholders. Under the Entitlement Offer, Mobilarm will issue up to 42,794,383 New Shares, resulting in total Mobilarm ordinary shares on issue after completion of the Entitlement Offer of up to 342,355,064 (subject to rounding).

The Entitlement Offer is underwritten up to \$1,300,000 or 32,500,000 ordinary shares by Truestone Capital Limited.

The net proceeds of the Entitlement Offer will be used to fund the purchase of new beacon and lifejacket inventory for the rollout of rental solutions. The Company is also raising working capital as part of this new program to fund operations for customers who transition from outright purchase to rental solution.

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 at the time of acquisition), 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 at the time of acquisition).
- 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 at the time of acquisition).

MRT achieved 2012 gross revenue of £2,724,138, exceeding its deferred compensation target of £1,600,000. The Company issued 8,567,446 ordinary shares in accordance with the terms of the Share Purchase Agreement.

The excess 2012 gross revenue of £1,124,138 can be applied to a shortfall in the 2013 year. The shortfall would only require 2013 gross revenue of £875,862 for the remaining deferred compensation of 2,855,815 ordinary shares to be issued. MRT achieved 2013 gross revenue of £2,162,712, which in addition to the excess 2012 gross revenue of £1,124,138 totalled £3,286,850 exceeding its deferred compensation target of £1,600,000. The Company issued 2,855,815 ordinary shares in accordance with the terms of the Share Purchase Agreement. The deferred compensation was valued at \$114,233.

The foreign exchange rate as at 9 June 2012 was \$1.5402 for 1 GBP.

Marine Rescue Technologies Limited

	Final fair value at acquisition date on acquisition	Carrying value
ASSETS	\$	\$
Cash assets	\$16,178	\$16,178
Trade and other receivables	\$576,523	\$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	\$1,685,538	\$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	\$729,722	
Goodwill arising in transaction	\$1,924,068	
	\$2,653,790	
Cash paid	\$1,831,315	
Deferred share compensation (current)	\$616,856	
Deferred share compensation (non current)	\$205,619	
	\$2,653,790	

Management believes the goodwill reflects the synergies between Mobilarm and MRT. Management believes that it is probable that it MRT will reach the deferred milestone 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 each reporting period to reflect the current value of the Company's share price. The resulting fair value adjustment of \$0 (2012: \$334,130) is recognized as other income and reduces the value of the deferred compensation to \$465,498 all of which was issued as at 30 June 2013.

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 2013

COMPLIANCE STATEMENT

- 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)

- | | | | |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/> | The +accounts have been audited. | <input type="checkbox"/> | The +accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The +accounts have <i>not</i> yet been audited or reviewed. |

- 5 The entity has formally constituted audit committee.

Sign here:



Date: 30 August 2013

Print name: Jorge Nigaglioni

Executive Director & Chief Financial Officer