

# Appendix 4D & Half-Yearly Financial Report

## LaserBond Limited

ABN 24 057 636 692

Half Year Information given to the ASX under Listing Rule 4.2A

For half-year ended 31<sup>st</sup> December 2011

All comparisons to period ending 31<sup>st</sup> December 2010

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## RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half Year To 31 <sup>st</sup> December 2011		Half Year To 31 <sup>st</sup> December 2010
Revenues from continuing operations	\$7,651,119	<b>Up 28.3% from</b>	\$5,964,586
Net Profit from Ordinary Operating Activities after Tax Attributable to Members	\$786,484	<b>Up 116.9% from</b>	\$362,568
Net Profit Attributable to Members	\$786,484	<b>Up 116.9% from</b>	\$362,568
Earnings per share (cents)	1.07	<b>Up 109.8% from</b>	0.51
Net Tangible Assets per Ordinary Share (NTA Backing - cents)	5.54	<b>Up 47.3% from</b>	3.76

### Dividend Information

Dividends	Amount Per Share (cents)	Franked Amount	Record Date	Payment Date
2011 Final	0.5	100%	7 <sup>th</sup> October 2011	21 <sup>st</sup> October 2011
2012 Interim	0.3	100%	23rd March 2012	5 <sup>th</sup> April 2012

The Board has resolved to pay a 0.3 cent per share fully franked interim dividend representing a payout ratio of approximately 28% of NPAT. With the forecasted continued growth, the Board expects to be able to continue to pay dividends.

### Dividend Reinvestment Plans

During the period LaserBond Limited had a Dividend Reinvestment Plan (DRP) in operation. Under the DRP shareholders may elect to have dividends on some or all of their ordinary shares automatically reinvested in additional LaserBond shares, at a discount to the market price. Full details of the operation of the DRP are contained in the Terms and Conditions available on the LaserBond website: [www.laserbond.com.au](http://www.laserbond.com.au).

The Board has resolved to offer the DRP for the 2012 Interim Dividend. The discount applied to determine the Market Price in accordance with the DRP Terms and Conditions will be 5%.

Shareholders should carefully consider participation in the DRP. The shares issued under the DRP for the Final Dividend declared for the 2011 Financial Year were at a Market Price of \$0.1350 per share. The \$0.24 closing price on 28<sup>th</sup> February 2012 represents a 78% growth in the value of the DRP shares. All Board members will be participating in the DRP with respect to their holdings for this dividend.

In order to participate in the DRP for this dividend, shareholders that have not already done so must return a completed DRP Application Form to arrive at the share registry (Boardroom Pty Ltd) by 23 March 2012. The form will be mailed shortly to all shareholders that have not already submitted a completed form. The form is also available on our website: [www.laserbond.com.au](http://www.laserbond.com.au). Shareholders that have already returned the form need not complete another, unless a change in the level of participation is being requested.

**Brief Explanation of Results:**

For commentary on our half yearly results please refer to the Directors' Report on pages 4 to 7.

**Details of Subsidiaries**

During the period from 1<sup>st</sup> July 2011 to 31<sup>st</sup> December 2011, LaserBond Limited has not gained or lost control over any entities

**Details of Associates and Joint Venture Entities**

During the period from 1<sup>st</sup> July 2011 to 31<sup>st</sup> December 2011, LaserBond Limited has no interest in any Associates or Joint Venture Activities

**Accounting Standards**

Australian Accounting Standards, including Australian equivalents to International Financial Reporting Standards (AIFRS) have been used in compiling the information contained in this Appendix 4D.

**Audit Modified Opinion, Emphasis of Matter or other matter**

None.

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## Directors Report

Your directors present their report on the consolidated entity for the half-year ended 31<sup>st</sup> December 2011

### Directors

The names of directors who held office during or since the end of the half-year:

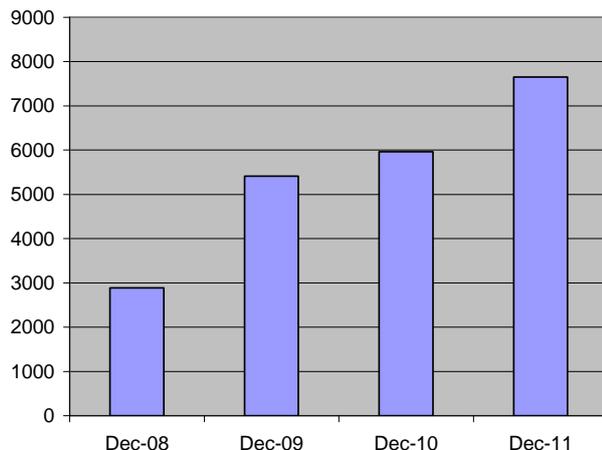
Mr Wayne Hooper  
Mr Gregory Hooper

Mr Timothy McCauley  
Mr Philip Suriano

### Results for Half Year Dec 2011

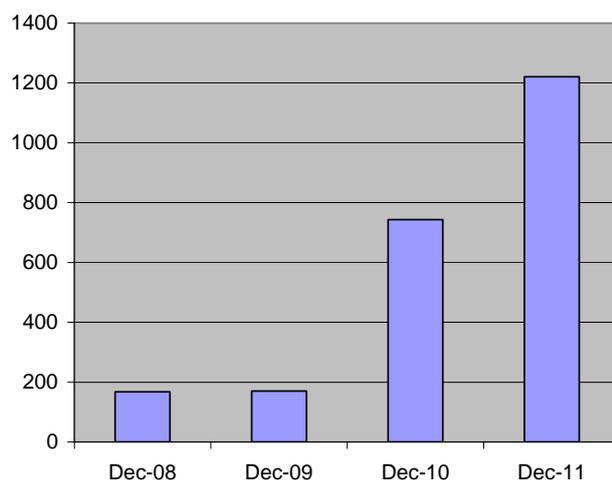
LaserBond is pleased to report half yearly results to 31 December 2011 that continue to show significant growth year on year.

#### Half Year Revenue



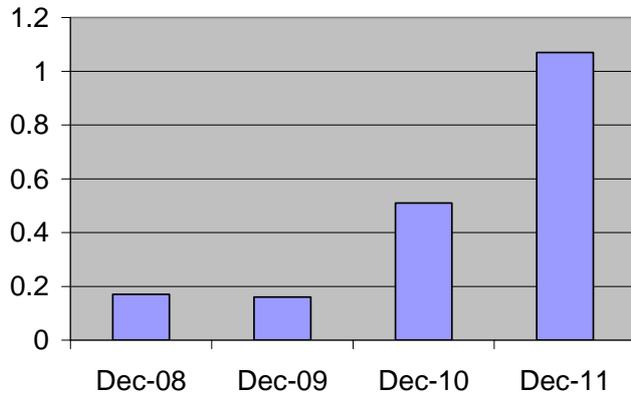
- Consolidated half year revenues up 28.3% to \$7.65 million.
- LaserBond (NSW) half year revenue up 34.4% to \$5.2 million.
- LaserBond (Qld) half year revenue up 16.9% to \$2.45 million.

#### Half Year EBIT



- Consolidated half year EBIT up 64.2% to \$1.22 million.
- LaserBond (NSW) half year EBIT up 38.6% to \$1.2 million.
- LaserBond (Qld) half year EBIT improved by 114% from losses HY Dec 2010 to a small positive EBIT result for HY Dec 2011.

### Half Year Earnings Per Share (cents)



- 109.8% increase in EPS to 1.07 cents per share.
- An increase of 485% since HY Dec 08.

### LaserBond (NSW)

The Board continues to be very pleased with the performance and growth of the NSW division. The 34% increase in revenue and 39% increase in profit over the previous corresponding period were achieved through the hard work and dedication of LaserBond's skilled personnel, and the Board is confident that revenue growth will continue.

It is important to reiterate that the continued growth in revenue and profit can only be achieved with increased capacity from planned investment recently undertaken, or to be undertaken in the future. These investments are necessary to help drive future growth for NSW and in the short term will have an impact on our fixed costs. However these fixed costs will diminish as a percentage of revenue as the increased capacity from investment is utilised.

These investments in NSW include:

- An additional temporary rental property in Minto NSW leased in July 2011 to provide for the operational requirements of plant & equipment purchases, particularly the assets of C&B Engineering. The cost of this lease was included in the results for this period. The leases on this property and the original Ingleburn property will expire in July 2012 when Laserbond (NSW) relocates to a new, purpose built 5,400 m<sup>2</sup> facility currently under construction, with expected completion in June / July 2012. The total rent in the 2013 financial year will reflect the additional cost of the larger premises.



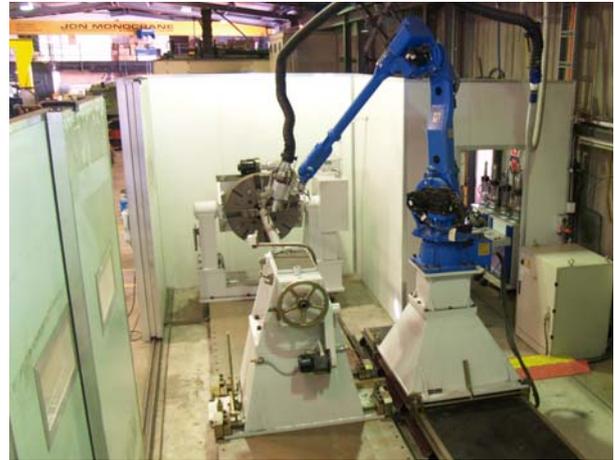
Progress on construction of the new facility in Smeaton Grange

- Planned recruitment of a National Sales Manager to manage sales & marketing aspects for all divisions, including any future acquisitions.

- Approximately \$2 million in capital expenditure for:
  - New LaserBond<sup>®</sup> cladding equipment, for which construction and installation was completed during this reporting period. This equipment will substantially reduce energy usage and greenhouse emissions.
  - The assets of C&B Engineering purchased in July 2011.
  - A large capacity new CNC Borer installed in February 2012.



New CNC Borer in operation.



New LaserBond<sup>®</sup> cladding equipment

### LaserBond (Qld)

The increased demand for LaserBond's unique surface engineering has provided significant growth for HY Dec 2011 for the machining and LaserBond<sup>®</sup> cladding sections, which have provided a 27.2% growth in revenue in comparison to HY Dec 2010. Project style work for the fabrication facilities declined in FY2012 continuing into this first half. However there are several quoted projects in the pipeline expected over the next three to four months to provide growth in this area moving forward.

Investment in Human Resources have been necessary over the last 10 months with continuing focus on recruitment of skilled machinists and boilermakers to increase capacity and work centre utilisation. There is significant upward pressure on employee costs in Gladstone due to the high level of wages offered to skilled personnel during the construction of the LNG plants, and the increased cost of living in the area. In order to negate this effect focus by our Gladstone team over the last 6 to 8 months has been on efficiency improvements in order to stabilise margins and provide increased capacity. This focus has increased costs in the short term, particularly in training and maintenance of equipment.

With the production focus showing improved results across all operational key performance indicators and the steady growth of machining and LaserBond<sup>®</sup> cladding work, it is expected revenue and margins will continue to increase for the Queensland division.

### Expansion

As discussed at the AGM with the Executive Director's Address, the Board is actively investigating and pursuing growth strategies in other markets, in particular Western Australia. Preliminary discussions continue to be held with potential acquisitions that will be accretive in earnings per share and will be enhanced with LaserBond's surface engineering capabilities.

The business continues to develop applications to achieve organic growth. In NSW the larger premises to be occupied from July 2012 will be necessary to fully exploit the opportunities presented.

## Customer Base & Growth Opportunities

Abundant sales growth opportunities with new and existing customers stem from the investments in new equipment and the increase in capacity that will be available as a consequence of the move to larger premises in NSW.

The "Top 20" client spending increased by 36% for HY Dec 11 compared to HY Dec 10. Top 20 industry spending is focused heavily on resources or related industries (60%) followed by Aluminium & Steel manufacturing or processing (20%). Whilst media focus in recent times has been on the closure of some facilities in the aluminium and steel sectors, our clients within these sectors continue to show positive growth year to date. Generally speaking, the assets or facilities affected are largely not related to the areas LaserBond currently service. The improvements to our technology and techniques over the years continue to provide our customers with real maintenance cost savings.

## Dividends

Dividends details are discussed in the Results for Announcement to Market on page 2 of this report

## Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is included on page eight (8) for the half-year ended 31 December 2011.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the director's by:



Wayne Hooper  
Director

Dated this 29<sup>th</sup> Day of February 2012



Gregory Hooper  
Director

**AUDITORS INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF LASERBOND LIMITED AND CONTROLLED ENTITIES**

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2011, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

**Robert Nielson Partners**



**Robert Nielson**

**Dated this 29 day of February 2012**

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## DIRECTORS' DECLARATION

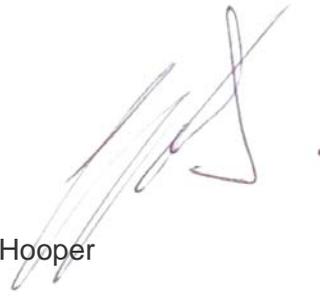
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 12 to 19:
  - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the consolidated entity's financial position as at 31<sup>st</sup> December 2011 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.



Wayne Hooper  
Director



Gregory Hooper  
Director

Dated this 29<sup>th</sup> Day of February 2012

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
LASERBOND LIMITED AND CONTROLLED ENTITIES**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half year financial report of Laserbond Limited and controlled entities ('the consolidated company'), which comprises the consolidated condensed statement of financial position as at 31 December 2011, consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information notes and the directors' declaration.

**Directors' Responsibility for the Half-Year Financial Report**

The directors' of Laserbond Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatements, whether due to fraud or error.

**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 the Laserbond Limited and controlled entities financial position as at 31 December 2011 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 the Laserbond Limited 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.

## **Matters Relating to the Electronic Presentation of the Audited Financial Report**

This review report relates to the financial report of the Laserbond Limited and controlled entities for the half-year ended 31 December 2011 included on the website of Laserbond Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Laserbond Limited and controlled entities on 31 December 2011, would be in the same terms if provided to the directors as at the time of this auditor's review report.

### **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 Laserbond Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- ii. complying with AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

### **Robert Nielson Partners**



**Robert Nielson**

**Dated this 29 day of February 2012**

**Consolidated Statement of Comprehensive Income  
 For the Half-Year Ended 31 December 2011**

	Note	Dec 11	Dec 10
Revenue		7,651,119	5,964,586
Cost of Sales		(4,022,587)	(3,105,757)
<b>Gross Profit</b>		<b>3,628,532</b>	<b>2,858,829</b>
Other Income	2	123,294	57,832
Advertising & Promotional Expenses		(14,709)	(41,472)
Depreciation & Amortisation		(109,437)	(80,452)
Employment Expenses		(840,263)	(883,101)
Property Rental & Rates Expenses	3	(403,473)	(317,554)
Administration Expenses	4	(722,272)	(594,794)
R&D Expenditure		(337)	(10,041)
Repairs & Maintenance Expenses	5	(103,209)	(56,552)
Operating Lease Expenses		(336,472)	(252,353)
Borrowing Costs		(33,913)	(51,020)
Other Expenses		(80,859)	(17,543)
<b>Profit before income tax expense</b>		<b>1,106,882</b>	<b>611,779</b>
Income tax expense		(320,398)	(249,211)
<b>Profit after tax from continuing operations</b>		<b>786,484</b>	<b>362,568</b>
Other Comprehensive Income		-	-
<b>Net profit attributable to members of LaserBond Limited</b>		<b>786,484</b>	<b>362,568</b>
Earnings per share (cents)		1.07	0.51
Diluted earnings per share	6	1.05	0.51

These Reviewed Financial Statements should be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position  
 for the Half-Year Ended 31 December 2011**

	Note	Dec 11	Jun 11
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,064,864	982,639
Trade and Other Receivables		3,217,587	3,282,835
Inventories		1,949,706	1,546,127
<b>Total Current Assets</b>		<b>6,232,157</b>	<b>5,811,601</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		580,334	651,574
Deferred tax assets		253,125	250,787
Other Non-Current Assets		14,900	14,900
Intangible assets		3,609,980	3,610,973
<b>Total Non-Current Assets</b>		<b>4,458,339</b>	<b>4,528,234</b>
<b>TOTAL ASSETS</b>		<b>10,690,496</b>	<b>10,339,835</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		1,144,870	1,662,602
Provisions		586,261	665,381
Interest-bearing liabilities		80,311	87,469
Current tax liabilities		495,866	242,386
<b>Total Current Liabilities</b>		<b>2,307,308</b>	<b>2,657,838</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities		421,538	451,527
Provisions		262,885	236,625
Other Non-Current Liabilities		12,500	12,500
<b>Total Non-Current Liabilities</b>		<b>696,923</b>	<b>700,652</b>
<b>TOTAL LIABILITIES</b>		<b>3,004,231</b>	<b>3,358,490</b>
<b>NET ASSETS</b>		<b>7,682,265</b>	<b>6,981,345</b>
<b>EQUITY</b>			
Issued Capital		3,204,205	3,062,907
Retained earnings		4,482,060	3,918,438
<b>TOTAL EQUITY</b>		<b>7,682,265</b>	<b>6,981,345</b>

These Reviewed Financial Statements should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows  
 for the Half-Year Ended 31 December 2011**

	31 Dec 2011	31 Dec 2010
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	7,803,819	5,888,132
Payments to suppliers and employees	(7,116,724)	(5,128,023)
Interest paid	(322,736)	(247,800)
Interest received	(33,913)	(51,020)
Income taxes paid	22,013	7,009
<b>Net cash provided by operating activities</b>	<b>352,459</b>	<b>468,298</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for plant and equipment	(47,690)	(7,558)
Loans to employees	2,560	(51,261)
Payment for subsidiary / business	-	(150,000)
<b>Net cash (used in) / provided by investing activities</b>	<b>(45,130)</b>	<b>(208,819)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments from borrowings	(37,148)	(38,172)
Dividends paid	(187,957)	-
<b>Net cash used in financing activities</b>	<b>(225,105)</b>	<b>(38,172)</b>
<b>NET (DECREASE) / INCREASE IN CASH HELD</b>	<b>82,224</b>	<b>221,307</b>
Cash at beginning of period	982,639	421,506
<b>CASH AT END OF PERIOD</b>	<b>1,064,864</b>	<b>642,813</b>

These Reviewed Financial Statements should be read in conjunction with the accompanying notes.

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**Consolidated Statement of Changes in Equity  
 for the Half-Year Ended 31 December 2011**

	Issued ordinary capital \$	Retained earnings \$	Total equity \$
<b>Opening Balance at 1<sup>st</sup> July 2010</b>	<b>3,001,655</b>	<b>2,940,822</b>	<b>5,942,477</b>
Profit attributable to members of parent entity	-	362,568	362,568
Deferred Tax Adjustment – Capitalisation of costs incurred for IPO	(21,074)	-	(21,074)
<b>Closing Balance at 31st December 2010</b>	<b>2,980,581</b>	<b>3,303,390</b>	<b>6,283,971</b>
<b>Opening Balance at 1<sup>st</sup> July 2011</b>	<b>3,062,907</b>	<b>3,918,438</b>	<b>6,981,345</b>
Profit attributable to members of parent entity	-	786,484	786,484
Dividends Payable	-	(222,862)	(222,862)
Issue of Share Capital	162,372	-	162,372
Deferred Tax Adjustment – Capitalisation of costs incurred for IPO	(21,074)	-	(21,074)
<b>Closing Balance at 31st December 2011</b>	<b>3,204,205</b>	<b>4,482,060</b>	<b>7,686,265</b>

These Reviewed Financial Statements should be read in conjunction with the accompanying notes.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

**Note 1: Significant Accounting Policies**

**Statement of Compliance**

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

**Basis of Preparation**

The condensed consolidated financial statements have 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 accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The adoption of these amendments has not resulted in any changes to the Group's accounting policies and have no effect on the amounts reported for the current or prior periods.

**Note 2: Other Income**

	<b>Consolidated Group</b>	
	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
Interest Received	22,013	7,009
Rental Income	76,400	50,000
Recycling Income	10,323	-
Other Income	14,558	823
	123,294	57,832

\$75,000 of the rental income relates to the sub-letting of 50% of the premises at George Mamalis Place, Gladstone Qld to RTA Yarwun Pty Ltd. This lease expires 31<sup>st</sup> August 2012 with no options.

Increases in interest received are directly attributed to the level of cash holdings and the use of high interest on-line savings accounts for surplus cash.

Recycling Income historically has been off-set against the waste expense account. This income

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now exceeds costs therefore the new allocation to Other Income.

**Note 3: Property Rental & Rates Expenses**

	<b>Consolidated Group</b>	
	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
Rent	366,907	280,512
Rates	36,566	37,042
	403,473	317,554

The increase in rent is directly attributed to the lease of premises at Pembury Road, Minto NSW. With the purchase of the assets of C&B Equipment in July 2011 it was necessary for LaserBond to continue to rent this property until construction of the new property in Smeaton Grange, NSW is completed around June / July 2012.

**Note 4: Administration Expenses**

	722,272	594,794
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The 2011 Financial Report under Note 28: Matters Subsequent to the end of the Financial Year discussed 2012 Worker's Compensation Premiums increasing significantly due to the musculature injury of one employee and the experience adjustment factor added to the premium by our insurer. It was also noted investigations by LaserBond's advisors deemed the increase to be excessive and an appeal was lodged with WorkCover (NSW) who have not come to a resolution in regards to this appeal. Therefore our allocation of Worker's Compensation Insurance expense for the period to 31 Dec 2011 is based on the worst case assumption that our appeal is unsuccessful, resulting in an increase in our insurance provisions of approximately \$149,000 for the six month period.

**Note 5: Repairs & Maintenance Expenses**

	103,209	56,552
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These expenses relate to repairs & maintenance of plant & equipment. For the Dec 11 half year period we incurred scheduled services of Laser cladding equipment (25% of this cost) and extensive maintenance, repairs and cleaning carried out on equipment in Gladstone in order to improve efficiencies and effectiveness of our equipment in operation, and ultimately improve Gross Margins.

**Note 6: Earnings per Share**

	<b>Consolidated Group</b>	
	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
Basic earnings per share (cents)	1.07	0.51
Diluted earnings per share (cents)	1.05	0.51

In April 2010 unsecured convertible notes were issued with a face value of \$350,000 to provide additional working capital for the group. The repayment date of the notes is 30 June 2012 convertible into ordinary fully paid shares at an issue price determined as the lesser of either 15 cents or the price that is 85% of the average market price of the company's ordinary fully paid shares over the last 5 days on which sales were recorded before the date of conversion and issue.

As at 31 December 2011 \$240,000 worth of convertible notes remained unconverted with \$80,000 converted in January and February 2012. It is expected the final \$160,000 of unconverted notes will be converted at the issue price of 15 cents.

The diluted earnings per share calculation takes into account EPS as at 31 December 2011 if all convertible notes had been converted.

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**Note 7: Segment Reporting**

The Company has identified its operating segments based on internal reports that are reviewed by the Board and management. The Company operated in one business segment during the half year, being engineering and in two geographical areas, being Sydney NSW and Gladstone Queensland.

	LaserBond (NSW)		LaserBond (Qld)		Consolidated	
	31 Dec 11	31 Dec 10	31 Dec 11	31 Dec 10	31 Dec 11	31 Dec 10
Revenue	5,202,104	3,869,131	2,449,015	2,095,455	7,651,119	5,964,586
Profit Before Income Tax	1,145,311	804,370	(38,429)	(192,591)	1,106,882	611,779
Assets	10,521,006	8,766,633	1,755,390	1,733,605	10,690,496	9,090,590
Liabilities	2,346,149	1,920,607	2,243,983	2,295,661	3,004,231	2,806,619
Capital Expenditure	25,493	7558	22,197	0	47,690	7558

Included in LaserBond Ltd (Sydney, NSW) Assets and Peachey's Engineering Pty Ltd Liabilities (Gladstone, Qld) are amounts related to Intercompany Loans. These are ignored for the Consolidated Asset & Liability values.

There are no assets or liabilities that have not been allocated to a segment.

Please refer to the Directors' Report on Pages 4 to 7 of this half year financial report for further detail on segment results.

**Note 8: Subsequent Events**

As at 31<sup>st</sup> December 2011 \$240,000 of the original \$350,000 Convertible Notes remained unconverted. Conversion of some of these notes to shares has occurred subsequent to the reporting date. These shares were issued as fully paid ordinary shares at \$0.15 pursuant to the Unsecured Convertible Note Agreements. Details of these issues are:

- a) \$30,000 notes converted to 200,000 ordinary shares 27 January 2012;
- b) \$50,000 notes converted to 333,333 ordinary shares 13 February 2012;
- c) A further conversion notice for \$40,000 in convertible notes has been received and is yet to be converted to shares. These will be converted to 266,667 ordinary shares soon after the date of this report.

**Note 9: Company Details**

**Registered Office and Principal Place of Business:**

**LaserBond Ltd**

Principal Place of Business

28 York Road  
INGLEBURN NSW 2565  
Phone: 02 9829 3815  
Fax: 02 9829 2417  
[www.laserbond.com.au](http://www.laserbond.com.au)

Additional Machine Shop

10 Pembury Road  
MINTO NSW 2566

**Subsidiaries:**

**Peachey's Engineering Pty Ltd - Trading as LaserBond (Qld)**

Machine Shop

10 Blain Drive  
GLADSTONE QLD 4680  
Phone: 07 4972 5422  
Fax: 07 4972 5411

LaserBond® Cladding / Fabrication

5 George Mamalis Place  
GLADSTONE QLD 4680  
Phone / Fax: 07 4972 7608

**Share Registry:**

**Boardroom Pty Ltd**

Level 7, 207 Kent Street  
SYDNEY NSW 2000  
Phone: 1300 737 760  
[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

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