

# FORM: Preliminary final report

Name of *issuer*

REVETEC HOLDINGS LIMITED

ACN or ARBN

115 621 317

Half yearly  
(tick)

NO

Preliminary  
final (tick)

YES

Half year/financial year ended  
(‘Current period’)

30 JUNE 2008

## For announcement to the market

Extracts from this statement for announcement to the market (*see note 1*).

Extracts from this statement for announcement to the market (see Note 1).

				\$AUD
Revenue (item 1.1)	up	21.04%	to	364,880
(Loss) for the period (item 1.9)	up	45.09%	to	(420,134)
(Loss) for the period attributable to members (item 1.11)	up	45.09%	to	(420,134)
<b>Dividends</b>	Current period		Previous corresponding period	
Franking rate applicable:	n/a		n/a	
<b>Final dividend</b> (preliminary final report only)(item 10.13-10.14)	Nil		Nil	
Amount per security				
Franked amount per security				
<b>Interim dividend</b> (Half yearly report only) (item 10.11 – 10.12)	Nil		Nil	
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market: n/a				

**Consolidated income statement** *(The figures are not equity accounted)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$AUD	Previous corresponding period - \$AUD
1.1 Revenues <i>(item 7.1)</i>	364,880	301,446
1.2 Research & development expenses <i>(item 7.2)</i>	(608,465)	(631,581)
1.2 Marketing expenses	(270)	(1,040)
1.2 Directors fees	(13,868)	(29,381)
1.2 Management fees	(143,709)	(138,482)
1.2 Depreciation expenses	(1,047)	(1,047)
1.2 Impairment of property, plant & equipment	(10,629)	-
1.2 Other expenses <i>(item 7.3)</i>	(97,970)	(261,533)
1.3 Finance costs	2,574	(3,613)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 <b>Profit (loss) before income tax</b>	(508,504)	(765,231)
1.6 Income tax expense	88,370	-
1.7 Profit (loss) from continuing operations	-	-
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 <b>Profit (loss) for the period</b>	(420,134)	(765,231)
1.10 Profit (loss) attributable to minority interests	-	-
1.11 <b>Profit (loss) attributable to members</b>	(420,134)	(765,231)
1.12 Basic earnings per <i>security</i> <i>(item 9.1)</i>	(0.0021)	(0.0038)
1.13 Diluted earnings per <i>security</i> <i>(item 9.1)</i>	(0.0021)	(0.0038)
1.14 Dividends per <i>security</i> <i>(item 9.1)</i>	-	-

**Comparison of half-year profits***(Preliminary final statement only)*

	Current period - \$AUD	Previous corresponding period - \$AUD
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(169,737)	(465,891)
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	(250,397)	(299,340)

## Consolidated balance sheet)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$AUD	Previous corresponding period - \$AUD
3.1	Cash and cash equivalents	16,883	84,093
3.2	Trade and other receivables	7,989	23,760
3.3	Inventories	-	-
3.4	Other current assets (provide details if material)	-	-
3.5	<b>Total current assets</b>	24,872	107,853
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	2	2
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	60,625	115,623
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	-	-
3.16	Other (provide details if material)	-	-
3.17	<b>Total non-current assets</b>	60,627	115,625
3.18	<b>Total assets</b>	85,499	223,478
Current liabilities			
3.19	Trade and other payables	356,708	165,475
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	-
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		-	-
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	<b>Total current liabilities</b>	356,708	165,475
Non-current liabilities			
		Current period -	Previous corresponding period

		\$AUD	- \$AUD
3.27	Long-term borrowings	-	-
3.28	Deferred tax liabilities	-	-
3.29	Long term provisions	-	-
3.30	Other (provide details if material)	-	-
3.31	<b>Total non-current liabilities</b>	-	-
3.32	<b>Total liabilities</b>	356,708	165,475
3.33	<b>Net assets</b>	(271,209)	58,003
	<b>Equity</b>		
3.34	Share capital	1,429,640	1,338,718
3.35	Other reserves	-	-
3.36	Accumulated losses	(1,700,849)	(1,280,715)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	<b>Parent interest</b>	-	-
3.38	<b>Minority interest</b>	-	-
3.39	<b>Total equity / (deficiency)</b>	(271,209)	58,003

## Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

### Capital and reserves

#### 4.1 Reconciliation of movement in capital and reserves attributable to equity holders of the parent

	Share capital \$AUD	Accumulated losses \$AUD	Total \$AUD
Balance at 1 July 2006	487,517	(515,484)	(27,967)
Total recognised income and expense	-	(765,231)	(765,231)
Shareholder contribution	393,490	-	393,490
Shares issued	457,711	-	457,711
Balance at 30 June 2007	1,338,718	(1,280,715)	58,003
Balance at 1 July 2007	1,338,718	(1,280,715)	58,003
Total recognised income and expense	-	(420,134)	(420,134)
Shareholder contribution	90,922	-	90,922
Shares issued	-	-	-
Balance at 30 June 2008	1,429,640	1,700,849	271,209

**Consolidated statement of cash flows)***(as per AASB 107: Cash Flow Statements)*

		Current period - \$AUD	Previous corresponding period - \$AUD
	<b>Cash flows related to operating activities</b>		
5.1	Commercial Ready Grant funds received	553,083	364,775
5.2	Payments to suppliers and employees	(807,974)	(896,292)
5.3	Interest received	2,843	13,716
5.4	Income tax benefit received	88,370	248,648
5.5	Other (provide details if material)	-	-
5.6	<b>Net cash used in operating activities</b>	<b>(163,678)</b>	<b>(269,153)</b>
	<b>Cash flows related to investing activities</b>		
5.7	Payments for purchases of property, plant and equipment	-	(78,800)
5.8	Proceeds from sale of property, plant and equipment	5,545	-
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	-	-
5.12	Loans repaid by other entities	-	-
5.13	Interest and other items of similar nature received	-	-
5.14	Dividends received	-	-
5.15	Other (provide details if material)	-	-
5.16	<b>Net cash used in investing activities</b>	<b>5,545</b>	<b>(78,800)</b>
	<b>Cash flows related to financing activities</b>		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	350,000
5.18	Loans from related parties	90,923	2,307
5.19	Loans from/(to) directors received	-	(8,661)
5.20	Loans (from)/to directors repaid	-	11,011
5.21	Dividends paid	-	-
5.22	<b>Net cash used in financing activities</b>	<b>90,923</b>	<b>354,657</b>
	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(67,210)</b>	<b>6,704</b>
5.23	Cash at beginning of period (see Reconciliations of cash)	84,093	77,389
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	<b>Cash at end of period</b> (see Reconciliation of cash)	<b>16,883</b>	<b>84,093</b>

## 6.1 Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period \$AUD	Previous corresponding period \$AUD
<b>Cash flows from operating activities</b>		
Profit/(loss) for the period after tax ( <i>item 1.9</i> )	(420,134)	(765,231)
<i>Adjustments for:</i>		
Depreciation	50,295	38,653
Share based payment for consulting	-	107,711
Interest expense	269	17,329
Interest income	(2,843)	(13,716)
Income tax expense/(benefit)	(88,370)	-
<b>Operating profit before changes in working capital</b>	(460,783)	(615,254)
(Increase)/decrease in trade and other receivables	15,771	227,677
(Decrease)/increase in trade and other payables	(190,121)	104,708
	(254,891)	(282,869)
Interest received	2,843	13,716
Income tax refund – R&D concessions received	88,370	-
<b>Net cash from operating activities (<i>item 5.6</i>)</b>	(163,678)	(269,153)

## **Notes to the financial statements**

### **Details of revenues and expenses**

*(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)*

#### **7.1 Revenue**

	Current Period \$AUD	Previous corresponding period \$AUD
Commercial Ready Grant income	364,880	301,446
	<u>364,880</u>	<u>301,446</u>

#### **7.2 Research and development expense**

	Current Period \$AUD	Previous corresponding period \$AUD
Director's fees	78,584	117,524
Depreciation	38,619	37,606
Lease payments	28,640	26,459
Employee benefits	266,972	276,777
Materials and supplies	116,881	85,478
Other	78,769	87,737
	<u>608,465</u>	<u>631,581</u>

#### **7.3 Auditors' remuneration**

##### **Audit services**

Auditors of the Company – KPMG  
Audit and review of financial reports  
Other services

18,000	20,000
6,000	8,400
<u>24,000</u>	<u>28,400</u>

##### **Other services**

Auditors of the Company – KPMG  
Taxation services

-	4,000
<u>-</u>	<u>4,000</u>

**Ratios**

		Current period	Previous corresponding period
<b>Loss before tax / revenue</b>			
8.1	Consolidated profit (loss) before tax ( <i>item 1.5</i> ) as a percentage of revenue ( <i>item 1.1</i> )	<b>(139.36%)</b>	<b>(253.85%)</b>

## Earnings per Security

*Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:*

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### 9.1 Loss per share

#### Basic loss per share

The calculation of basic loss per share at 30 June 2008 was based on the loss attributable to ordinary shareholders of \$420,134 (2007: \$765,231) and a weighted average number of ordinary shares outstanding of 203,598,657 (2007: 200,929,327), calculated as follows:

#### Loss attributable to ordinary shareholders

	Current period	Previous corresponding period
Loss attributable to ordinary shareholders	(420,134)	(765,231)

#### Weighted average number of ordinary shares

	Number	Number
Issued ordinary shares at 1 July	200,929,327	193,070,879
Effect of shares issued during the year	2,669,330	7,858,448
Weighted average number of ordinary shares at 30 June	203,598,657	200,929,327

#### Diluted earnings/ (loss) per share

The calculation of diluted earnings/ (loss) per share at 30 June 2008 was based on loss attributable to ordinary shareholders (diluted) of \$420,134 (2007: \$765,231) and a weighted average number of ordinary shares (diluted) outstanding during the financial year ended 30 June 2008 of 203,598,657 (2007: 200,929,327), calculated as follows:

#### Loss attributable to ordinary shareholders (diluted)

	\$	\$
Loss attributable to ordinary shareholders (diluted)	(420,134)	(765,231)

#### Weighted average number of ordinary shares (diluted)

	Number	Number
Weighted average number of ordinary shares at 30 June	203,598,657	200,929,327
Weighted average number of ordinary shares (diluted) at 30 June	203,598,657	200,929,327

## Dividends

10.1 Date the dividend is payable

n/a

10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

n/a

10.3 If it is a final dividend, has it been declared? n/a

*(Preliminary final report only)*

10.4 The *dividend or distribution plans* shown below are in operation.

n/a

The last date(s) for receipt of election notices to the  
*dividend or distribution plans*

n/a

10.5 Any other disclosures in relation to *dividends or distributions*

n/a

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## Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – \$AUD	Previous corresponding period – \$AUD
14.1	<b>Preference securities</b> <i>(description)</i>	n/a				
14.2	Balance at start of period					
14.3	a) Increases through issues					
14.4	a) Decreases through returns of capital, buybacks etc.					
14.5	Balance at end of period					
14.6	<b>Ordinary securities</b> <i>(description)</i>					
14.7	Balance at start of period	200,929,327	200,929,327	1,338,718	1,338,718	487,517
14.8	a) Increases through issues	2,669,330	2,669,330	-	-	457,711
14.9	b) Increases through Shareholder contribution	-	-	90,922	90,922	393,490
14.10	Balance at end of period	203,598,657	203,598,657	1,429,640	1,429,640	1,338,718
14.11	<b>Convertible Debt Securities</b> <i>(description &amp; conversion factor)</i>	n/a				
14.12	Balance at start of period					
14.13	a) Increases through					

	issues				
14.14	b) Decreases through maturity, converted.				
14.15	Balance at end of period				
		<b>Number issued</b>	<b>Number listed</b>	<b>Paid-up value (cents)</b>	<b>Current period – A\$'000</b>
					<b>Previous corresponding period – A\$'000</b>
14.16	<b>Options</b> <i>(description &amp; conversion factor)</i>	<b>n/a</b>			
14.17	Balance at start of period				
14.18	Issued during period				
14.19	Exercised during period				
14.20	Expired during period				
14.21	Balance at end of period				
14.22	<b>Debentures</b> <i>(description)</i>	<b>n/a</b>			
14.23	Balance at start of period				
14.24	a) Increases through issues				
14.25	b) Decreases through maturity, converted				
14.26	Balance at end of period				
14.27	<b>Unsecured Notes</b> <i>(description)</i>	<b>n/a</b>			

14.28	Balance at start of period					
14.29	a) Increases through issues					
14.30	b) Decreases through maturity, converted					
14.31	Balance at end of period					
14.32	<b>Total Securities</b>					

		Current period – \$AUD	Previous corresponding period – \$AUD
<b>Reserves</b>			
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	<b>Total reserves</b>	-	-
<b>Retained earnings/ (Accumulated losses)</b>			
14.38	<b>Balance at start of period</b>	(1,280,715)	(515,484)
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	loss for the balance	-	-
14.42	Total recognised income & expense for the period	(420,134)	(765,231)
14.43	Dividends	-	-
14.44	<b>Balance at end of period</b>	(1,700,849)	(1,280,715)

## NTA Backing

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	n/a	n/a

## Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

21.1	n/a
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## International Financial Reporting Standards

*Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.*

22.1	n/a
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*Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.*

22.2	n/a
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**Comments by directors**

*Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.*

**Basis of accounts preparation**

*If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]*

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

n/a

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

n/a

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

n/a

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)*

n/a

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

n/a

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

n/a

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

n/a

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

n/a

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

n/a

**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place: not yet available

Date: not yet available

Time: not yet available

Approximate date the annual report will be available

29 <sup>th</sup> October 2008

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange.

Identify other standards used

n/a

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed.
4. This statement is based on financial statements to which one of the following applies:
- |  |   |
|--|---|
| <input type="checkbox"/> The financial statements have been audited.   | <input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input checked="" type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed.                                 |
5. The accounts are now being audited and the audit report will follow immediately when they are available.
6. The *issuer* does not have a formally constituted audit committee.

Sign here:



(Director/Company secretary)

Date: 12 September 2008

Print name: Bradley David Howel-Smith