

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
DIRECTORS' REPORT

The Directors of Winpar Holdings Limited present their report together with the Company's accounts for the half-year ended 31 December 2008.

DIRECTORS

The following persons have held office as directors during and since the end of the half-year ended 31 December 2008:

John Weston Seaforth Mackenzie
Gordon Bradley Elkington
John David Honan
Steven Shane Pritchard
Alfred Edward Fulton Rofe

Each of these persons was a director of the company for the whole of the period.

REVIEW AND RESULTS OF OPERATIONS

The company has continued with its principal activities of share trading, investment and underwriting. There has been no significant change in the nature of these activities during the half year. However the recent volatility of the financial markets and the general deterioration of the equity markets have affected the company's performance for the half year and are likely to continue to affect the performance for the full financial year.

The net loss of the Company for the half-year ended 31 December 2008 after provision for income tax was \$692,400 (half-year ended to 31 December 2007: net profit after tax of \$393,534).

DIVIDEND

On 30 October 2008 the company paid a dividend of two cents per share to shareholders registered as at 16 October 2008. The total amount of the dividend was \$67,097. Of this amount, \$55,642 was reinvested under the company's dividend reinvestment plan, and 55,642 new shares were issued at \$1.00 each.

The company does not propose to pay a dividend in respect of the half-year ended 31 December 2008.

AUDITOR'S DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2008 is set out on page 2.

Signed at 10 Spring Street, Sydney on 13 Mar 2009 in accordance with a resolution of the Board of Directors.



John Weston Seaforth Mackenzie
Chairman



Gordon Bradley Elkington
Director

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WINPAR HOLDINGS LIMITED
ABN 81 003 035 623
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WINPAR HOLDINGS LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Graham Baker
Graham Baker & Associates

2 Kennedy Place
St Ives NSW

Dated: 13 March 2009

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
CONDENSED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31 December 2008 \$	31 December 2007 \$
Sales of shares (trading)	141,438	707,285
Cost of sales	<u>(126,471)</u>	<u>(475,960)</u>
	14,967	231,325
Revaluation of trading stock to market values	<u>(1,066,035)</u>	<u>(21,507)</u>
Gross profit	(1,051,068)	209,818
Other revenue from ordinary activities	136,928	389,418
Other expenses from ordinary activities	<u>(75,962)</u>	<u>(48,587)</u>
Profit/(loss) from ordinary activities before related income tax expense	(990,103)	550,649
Income tax expense relating to ordinary activities	<u>297,703</u>	<u>(157,115)</u>
Profit/(loss) from ordinary activities after related income tax expense	<u>(692,400)</u>	<u>393,534</u>
 Total changes in equity other than those resulting from transactions with owners as owners	 <u>(692,400)</u>	 <u>393,534</u>
 Net tangible assets per share	 0.906	 1.411
Basic earnings (cents per share)	(29.4)	12.7

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2008

	31 December 2008 \$	30 June 2008 \$
CURRENT ASSETS		
Cash & cash equivalents	146,454	15,762
Trade & other receivables	14,742	635,740
Inventories	1,700,414	2,282,510
Other current assets	-	-
TOTAL CURRENT ASSETS	<u>1,861,610</u>	<u>2,934,012</u>
NON-CURRENT ASSETS		
Property plant & equipment	367	452
Financial assets	1,531,087	1,702,244
Deferred tax assets	237,034	-
TOTAL NON-CURRENT ASSETS	<u>1,768,488</u>	<u>1,702,696</u>
TOTAL ASSETS	<u>3,630,098</u>	<u>4,636,708</u>
CURRENT LIABILITIES		
Trade & other payables	87,101	133,368
Short term borrowings	223,158	196,372
Current tax liabilities	(7,625)	29,937
TOTAL CURRENT LIABILITIES	<u>302,634</u>	<u>359,677</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	115,711
TOTAL LIABILITIES	<u>302,634</u>	<u>475,388</u>
NET ASSETS	<u>3,327,464</u>	<u>4,161,320</u>
EQUITY		
Issued capital	3,410,496	3,354,854
Revaluation reserve	(280,107)	(150,105)
Retained earnings	197,075	956,572
TOTAL EQUITY	<u>3,327,464</u>	<u>4,161,320</u>

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Share Capital Ordinary	Revaluation Reserve	Retained Earnings	Total
	\$		\$	\$
Balance at 1 July 2007	3,096,732	124,587	1,199,673	4,420,992
Shares issued during the period	131,935	-	-	131,935
Profit attributable to members	-	-	393,534	393,534
Revaluation increment/(decrement)	-	(138,707)	-	(138,707)
Sub-total	3,228,667	(14,120)	1,593,207	4,807,754
Dividends paid or provided for	-	-	(154,909)	(154,909)
Balance at 31 December 2007	<u>\$ 3,228,667</u>	<u>(14,120)</u>	<u>\$ 1,438,298</u>	<u>\$ 4,652,845</u>
Balance at 1 July 2008	3,354,854	(150,105)	956,571	4,161,320
Shares issued during the period	55,642	-	-	55,642
Profit/(Loss) attributable to members	-	-	(692,400)	(692,400)
Revaluation increment/(decrement)	-	(130,002)	-	(130,002)
Sub-total	3,410,496	(280,107)	264,171	3,394,560
Dividends paid or provided for	-	-	(67,097)	(67,097)
Balance at 31 December 2008	<u>\$ 3,410,496</u>	<u>(280,107)</u>	<u>\$ 197,074</u>	<u>\$ 3,327,463</u>

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31 December 2008 \$	31 December 2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of trading securities	746,305	738,820
Dividends received	49,708	32,327
Interest income	16,661	2,967
Other investment income	2,227	14,392
Payments for trading securities & to suppliers	(695,813)	(1,165,242)
Borrowing costs	(10,305)	(2,562)
Income tax paid	(36,890)	(38,846)
Net cash used in operating activities	<u>71,893</u>	<u>(418,144)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	110,408	431,204
Payments for purchase of investments	(66,940)	(265,398)
Net cash used in operating activities	<u>43,468</u>	<u>165,806</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(11,455)	(22,974)
Repayment of borrowings	26,786	-
Proceeds from borrowings	-	262,080
Net cash used in financing activities	<u>15,331</u>	<u>239,106</u>
NET INCREASE/(DECREASE) IN CASH HELD	130,692	(13,232)
CASH HELD AT THE BEGINNING OF THE PERIOD	<u>15,762</u>	<u>60,557</u>
CASH HELD AT THE END OF THE PERIOD	<u>\$ 146,454</u>	<u>\$ 47,325</u>

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1 BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report which have been prepared on the same basis as the Company's financial statements for the year ended 30 June 2008.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Winpar Holdings Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

	31 December 2008 \$	30 June 2008 \$
2 DIVIDENDS		
Distributions	<u>67,097</u>	<u>316,342</u>

3 CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
DIRECTORS' DECLARATION

The directors of the company declare that:

1. In the directors' opinion, the financial statements and notes, as set out on pages 3 to 7, are in accordance with the *Corporations Act 2001*, including:
 - (a) section 304 (compliance with accounting standards); and
 - (b) section 305 (true and fair view).
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.



John Weston Seaforth Mackenzie
Chairman



Gordon Bradley Elkington
Director

13 March 2009

**WINPAR HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF WINPAR HOLDINGS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Winpar Holdings Limited which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the 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 entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. As the auditor of Winpar Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an opinion.

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, provided to the directors of Winpar Holdings Limited on 14 March 2009, would be in the same terms if provided to the directors as at the date of this auditor's review report.

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WINPAR HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF WINPAR HOLDINGS LIMITED

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 Winpar Holdings Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Graham Baker
Graham Baker & Associates

2 Kennedy Place
St Ives NSW

Dated: 13 March 2009