

RATTOON

H o l d i n g s L i m i t e d

**A.B.N. 16 076 611 268
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

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DIRECTORS' REPORT

The Board of Directors of Rattoon Holdings Limited ('Rattoon') present the following report for the half-year ended 31 December 2009.

1 DIRECTORS

The names of the Directors in office at any time during or since the end of the half- year are:

Graeme Cureton
Hugh Robertson
Peter Landos

2 REVIEW AND RESULTS OF OPERATIONS

The Company has reported a net loss attributable to shareholders of \$1,514 for the half year ended 31 December 2009.

The Company disposed its remaining shareholding in Tatts Group Limited during the half-year period to 31 December 2009, selling 252,240 shares, yielding sale proceeds of \$615,949.

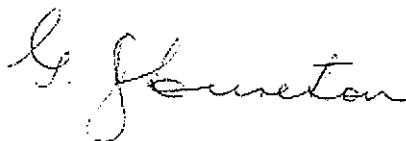
The Company's assets were mainly cash and cash equivalents at 31 December 2009.

The Board continues to consider future options for the Company.

3 AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required by Section 307C of the Corporations Act 2001 is set out in the following Report.

Signed in accordance with a resolution of the Board of Directors at Melbourne this 16th day of March 2010.



.....
Graeme Cureton
Chairman

STATEMENT OF COMPREHENSIVE INCOME THE HALF-YEAR ENDED 31 DECEMBER 2009

	Note	31 Dec 2009	31 Dec 2008
		\$	\$
Revenue		131,832	4,043,184
Other income		25,707	13,972,578
Total income	2	157,539	18,015,762
Loss in movements in interest rate swaps		-	(649,727)
Finance costs	3	(63,524)	(3,883,774)
Professional fees		(58,235)	(259,068)
Filing fees		(7,377)	(7,338)
Other expenses		(29,917)	(114,147)
Total expenses		(159,053)	(4,914,054)
Profit/(loss) before income tax expense		(1,514)	13,101,708
Income tax expense		-	-
Net profit/(loss) after income tax expense attributable to the members		(1,514)	13,101,708
Other comprehensive income			
Changes in fair value of available for sale financial assets		(24,912)	620,820
Other comprehensive income for the half-year		(24,912)	620,820
Total comprehensive income for the half-year attributable to the members		(26,426)	13,722,528
Basic earnings per share (cents per share)		(0.003) cents	2.59 cents
Diluted earnings per share (cents per share)		(0.003) cents	2.59 cents

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	Note	31 Dec 2009 \$	30 June 2009 \$
CURRENT ASSETS			
Cash and cash equivalents		2,079,469	70,441,498
Trade and other receivables		92,957	5,020
Available for sale financial assets	4	192,000	804,690
TOTAL CURRENT ASSETS		2,364,426	71,251,208
NON-CURRENT ASSETS		-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		2,364,426	71,251,208
CURRENT LIABILITIES			
Trade and other payables		54,396	68,914,752
TOTAL CURRENT LIABILITIES		54,396	68,914,752
NON-CURRENT LIABILITIES		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		54,396	68,914,752
NET ASSETS		2,310,030	2,336,456
EQUITY			
Contributed equity		90,706,450	90,706,450
Reserves		32,803	57,715
Accumulated losses		(88,429,223)	(88,427,709)
TOTAL EQUITY		2,310,030	2,336,456

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Contributed Equity	Available- for- sale financial assets reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1.7.08	159,447,981	-	(88,718,149)	70,729,832
Profit for the half-year	-	-	13,101,708	13,101,708
Other comprehensive income				
Revaluation increments on available for sale financial assets	-	620,820	-	620,820
Total comprehensive income for the half-year	-	620,820	13,101,708	13,722,528
Dividend payable	-	-	(11,119,953)	(11,119,953)
Total transactions with owners in their capacity as owners			(11,119,953)	(11,119,953)
Balance as at 31.12.08	159,447,981	620,820	(86,736,394)	73,332,407
Balance at 1.7.09	90,706,450	57,715	(88,427,709)	2,336,456
Loss for the half-year	-	-	(1,514)	(1,514)
Other comprehensive income				
Revaluation decrements on available for sale financial assets	-	(24,912)	-	(24,912)
Total comprehensive income for the half-year	-	(24,912)	(1,514)	(26,426)
Balance as at 31.12.09	90,706,450	32,803	(88,429,223)	2,310,030

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	31 Dec 2009	31 Dec 2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(277,557)	(402,547)
Interest received	131,832	389,055
Dividends received	-	3,654,129
Finance costs paid	(63,524)	(3,883,774)
Net cash used in operating activities	(209,249)	(243,137)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from entering into options in options written portfolio	-	549,184
Proceeds from sale of available for sale financial assets	615,949	160,643,528
Payment for available for sale financial assets	(27,198)	-
Net cash provided by investing activities	588,751	161,192,712
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital reduction	(68,741,531)	-
Repayment of borrowings	-	(81,411,365)
Net cash used in financing activities	(68,741,531)	(81,411,365)
Net (decrease)/increase in cash held	(68,362,029)	79,538,210
Cash at 1 July	70,441,498	638,706
Cash at 31 December	2,079,469	80,176,916

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half-year reporting period ended 31 December 2009 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.

The historical cost basis has been used, except for the available-for-sale financial assets and derivative financial instruments, which have been measured at fair value.

This interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Rattoon Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2009

31 Dec 2009 31 Dec 2008
\$ \$

NOTE 2: REVENUE AND EXPENSES

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Revenue and other income

• dividends received or receivable	-	3,654,129
• interest received or receivable	131,832	389,055
Revenue	<u>131,832</u>	<u>4,043,184</u>
• profit on sale of available for sale investments	25,707	13,423,394
• income from options written	-	549,184
Other income	<u>25,707</u>	<u>13,972,578</u>
	<u>157,539</u>	<u>18,015,762</u>

Expenses:

• auditors remuneration – audit	12,278	41,449
• secretarial costs	42,900	42,900
• legal fees	3,058	24,237
• consulting fees	-	108,250
• insurance costs	<u>12,556</u>	<u>17,522</u>

NOTE 3: FINANCE COSTS

• finance costs	63,524	3,883,774
	<u>63,524</u>	<u>3,883,774</u>

Finance costs for half year ended 31 December 2008 include a \$3,451,000 fair value adjustment on the close out of the interest rate swap. The Company managed its cash flow interest rate risk by using floating to fixed interest swaps. As the Company sold down the balance of its investment in Tatts Group Limited and repaid the balance of its margin loan facility in full, the Company also closed out the floating to fixed interest rate swap. There are no outstanding interest rate swap positions in place as at 31 December 2009.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2009

	31 Dec 2009 \$	30 June 2009 \$
NOTE 4: AVAILABLE FOR SALE FINANCIAL ASSETS		
Investments in listed corporations		
• at fair value – shares in Tatts Group Ltd	-	640,690
• at fair value – shares in NSX Ltd	192,000	164,000
	<u>192,000</u>	<u>804,690</u>

NOTE 5: SEGMENT INFORMATION

During the half-year ended 31 December 2009 the Company operated in a single segment being investment in Australian entities, solely within Australia. The directors' review of information is performed at a total company level and as no discrete segment information is available, no segment reporting has been included in the half year financial report.

NOTE 6: CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2009 and there has been no change in contingent liabilities since the last annual reporting date.

NOTE 7: EVENTS SUBSEQUENT TO BALANCE DATE

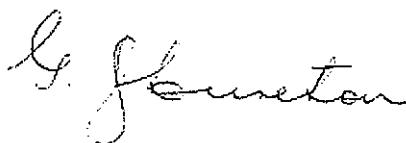
The Company acquired a further 750,000 NSX Ltd shares following the rights issue in January 2010 at \$0.17 cents per share (Cost \$127,500).

DIRECTORS' DECLARATION
31 DECEMBER 2009

The directors of the Company declare that:

1. The financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, and accompanying notes, are in accordance with the Corporations Act 2001 and :
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Company's financial position as at 31 December 2009 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 and is signed for and on behalf of the directors by:



.....
Graeme Cureton
Chairman



.....
Hugh Robertson
Director

Dated this 16th day of March 2010 at Melbourne.

DECLARATION OF INDEPENDENCE BY PAUL CARR TO THE DIRECTORS OF RATTOON HOLDINGS LIMITED

As lead auditor for the review of Rattoon Holdings Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



Paul Carr
Director



BDO Audit (NSW-VIC) Pty Ltd

Melbourne

16th March 2010

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Rattoon Holdings Limited

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's review report relates to the financial report of Rattoon Holdings Limited for the half-year ended 31 December 2009 included on Rattoon Holdings' web site. The entity's directors are responsible for the integrity of Rattoon Holdings' web site. We have not been engaged to report on the integrity of Rattoon Holdings' web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rattoon Holdings Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the entity.

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 Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls 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 Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 2009 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 Rattoon 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 audit 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* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

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

- (a) giving a true and fair view of the entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.



BDO Audit (NSW-VIC) Pty Ltd



Paul Carr
Director

Melbourne, 16th March 2010