

# Appendix 4D

## Half- yearly report Period ended 31 December 2010

**EUROZ LIMITED**

**ABN 53 000 364 465**

### Results for announcement to the market

*Extracts from this report for announcement to the market*

**\$A'000**

Total Revenue	Up	11.91%	To	45,368
Profit/(Loss) from ordinary activities after tax attributable to members	Up	97.81%	To	18,453
Net Profit/(loss) for the period attributable to members	Up	97.81%	To	18,453

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	-	-
Interim dividend	3 Cents	3 Cents

Record date for determining entitlements to the dividend

21/1/2011

Dividend payable date

28/1/2011

### Results commentary for announcement to the market

The Directors are pleased with these audited results which demonstrate a strong first half of trading across all our business units.

We have continued to invest capital and resources into our existing businesses and have further consolidated our major market position in Western Australian Capital Markets.

The Euroz Group has a well established and consistent business strategy and remains leveraged to a buoyant Western Australian economy and strong commodity prices.

### Reporting period

The financial information contained in this report is for the six month period ended 31 December 2010. This report should be read in conjunction the Euroz Limited Annual Report for the twelve months to 30 June 2010

## **Euroz Limited and Controlled Entities**

ABN 53 000 364 465

**Half Year Report - 31 December 2010**

### **Contents**

Directors' Report .....	1
Auditor's Independence Declaration .....	2
Consolidated Income Statement .....	3
Consolidated Statement of Comprehensive Income .....	4
Consolidated Statement of Financial Position .....	5
Consolidated Statement of Changes in Equity .....	6
Consolidated Statement of Cash Flows .....	7
Notes to the Financial Statements.....	8
Directors' Declaration .....	14
Independent Review Report .....	15

**Euroz Limited  
Directors' Report**

Your directors submit the financial report of the consolidated entity for the half year ended 31 December 2010.

**DIRECTORS**

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

Peter Diamond  
Andrew McKenzie  
Jay Hughes

**PRINCIPAL ACTIVITIES**

During the half year the principal activities of the consolidated entity consisted of:

- Retail and Institutional Dealing in the Stock Market
- Stock Market Research
- Equity Capital Market Raisings
- Corporate Advisory
- Investments
- Funds Management

**OPERATING RESULTS AND REVIEW OF OPERATIONS**

The directors of Euroz Limited (EZL) are pleased to announce a net consolidated profit after tax of \$18,453,110 for the half year to 31 December 2010 (2009: \$9,328,643). This result is almost double the previous half year's result and has been achieved in extremely difficult market conditions.


**DIVIDENDS**

A dividend of three cents per share, fully franked, was provided for out of current period earnings.

**AUDITOR'S DECLARATION**

The lead auditor's independence declaration under section 307c of the Corporations Act 2001 is set out on page 2 for the half year ended 31 December 2010.

This report is made in accordance with a resolution of the directors.

  
\_\_\_\_\_  
Peter Diamond  
Director

Dated: 16<sup>th</sup> FEBRUARY 2011

2ND FLOOR, 35 HAVELOCK ST. WEST PERTH WA 6005  
PO BOX 609, WEST PERTH WA 6872

TELEPHONE +61 8 9322 2798 FACSIMILE +61 8 9481 2019  
E-MAIL: MAIL@MACKCO.COM.AU WEB: MACKCO.COM.AU

**Auditor's Independence Declaration  
Under Section 307c of the Corporations Act 2001  
To The Directors of Euroz Limited**

I declare that to the best of my knowledge and belief during the half year ended 31 December 2010 there have been:

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

*Mack and Co*  
\_\_\_\_\_  
MACK & CO

*S Sermanis*  
\_\_\_\_\_  
S S PERMANIS  
PARTNER  
WEST PERTH

DATE: *1<sup>ST</sup> February 2011*

**Euroz Limited**  
**Consolidated Income Statement**  
**For the half year ended 31 December 2010**

	Note	31 December 2010 \$	31 December 2009 \$
Revenue	3	34,321,691	36,069,335
Other income		1,283,738	976,123
Share of net gain of equity accounted investees		9,762,572	3,495,110
Brokerage and underwriting expenses		(1,874,645)	(1,907,249)
Carrying value of principal trading stock sold		(4,000,617)	(13,250,292)
Employee benefits expense		(12,258,247)	(9,625,240)
Depreciation and amortisation expenses		(430,376)	(94,272)
Regulatory expenses		(171,841)	(382,589)
Consultancy expenses		(1,048,140)	(947,259)
Conference and seminar expenses		(250,519)	(251,686)
Communication expenses		(158,137)	(141,176)
Occupancy expenses		(763,418)	(226,404)
Other expenses		(2,011,052)	(1,798,370)
<b>Profit before income tax expense</b>		<b>22,401,009</b>	<b>11,916,031</b>
Income tax expense		(3,947,899)	(2,587,388)
<b>Profit for the period</b>		<b>18,453,110</b>	<b>9,328,643</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		13.72	7.14
Diluted earnings per share		12.87	6.53

The above consolidated income statement should be read in conjunction with the accompanying notes.

**Euroz Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the half year ended 31 December 2010**

	<b>31 December 2010</b>	<b>31 December 2009</b>
	<b>\$</b>	<b>\$</b>
<b>Profit for the period</b>	<b>18,453,110</b>	<b>9,328,643</b>
<b>Other comprehensive income</b>		
Net change in fair value of available for sale financial assets (net of tax)	-	(893,576)
<b>Total comprehensive income for the period</b>	<b><u>18,453,110</u></b>	<b><u>8,435,067</u></b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**Euroz Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2010**

	Note	31 December 2010 \$	30 June 2010 \$
<b>Current assets</b>			
Cash and cash equivalents		52,236,794	62,472,744
Trade receivables		5,664,698	452,001
Financial assets		1,220,875	386,086
Other receivables and prepayments		<u>1,439,390</u>	<u>967,615</u>
Total current assets		<u>60,561,757</u>	<u>64,278,446</u>
<b>Non-current assets</b>			
Other receivable		5,000,000	5,000,000
Investments accounted for using equity method		66,473,775	58,792,688
Financial assets		351,592	351,592
Property, plant and equipment		3,706,606	584,507
Deferred tax assets		<u>410,327</u>	<u>415,653</u>
Total non-current assets		<u>75,942,300</u>	<u>65,144,440</u>
<b>Total assets</b>		<b><u>136,504,057</u></b>	<b><u>129,422,886</u></b>
<b>Current liabilities</b>			
Trade and other payables		2,583,417	2,367,819
Current tax liabilities		2,759,597	3,013,685
Provisions		<u>4,486,795</u>	<u>13,704,960</u>
Total current liabilities		<u>9,829,809</u>	<u>19,086,464</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		611,597	231,735
Provisions		<u>679,729</u>	<u>687,274</u>
Total non-current liabilities		<u>1,291,326</u>	<u>919,009</u>
<b>Total liabilities</b>		<b><u>11,121,135</u></b>	<b><u>20,005,473</u></b>
<b>Net assets</b>		<b><u>125,382,922</u></b>	<b><u>109,417,413</u></b>
<b>Equity</b>			
Share capital	8	81,068,625	79,296,164
Reserve		186,000	186,000
Retained earnings		<u>44,128,297</u>	<u>29,935,249</u>
<b>Total equity</b>		<b><u>125,382,922</u></b>	<b><u>109,417,413</u></b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Euroz Limited**  
**Consolidated Statement of Changes in Equity**  
**For the half year ended 31 December 2010**

	Share Capital	Retained Profits	Asset Revaluation Reserves	Option Premium Reserves	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2010</b>	<b>79,296,164</b>	<b>29,935,249</b>	<b>-</b>	<b>186,000</b>	<b>109,417,413</b>
Profit for the period	-	18,453,110	-	-	18,453,110
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	18,453,110	-	-	18,453,110
<i>Transactions with owners, recorded directly in equity</i>					
Options exercised during the period	1,772,461	-	-	-	1,772,461
Dividends to equity holders	-	(4,260,062)	-	-	(4,260,062)
Total contributions by and distributions to owners	1,772,461	(4,260,062)	-	-	(2,487,601)
<b>Balance at 31 December 2010</b>	<b>81,068,625</b>	<b>44,128,297</b>	<b>-</b>	<b>186,000</b>	<b>125,382,922</b>
<b>Balance at 1 July 2009</b>	<b>75,711,764</b>	<b>19,504,347</b>	<b>893,576</b>	<b>186,000</b>	<b>96,295,687</b>
Profit for the period	-	9,328,643	-	-	9,328,643
Net change in fair value of available for sale financial assets	-	-	(893,576)	-	(893,576)
Total comprehensive income for the period	-	9,328,643	(893,576)	-	8,435,067
<i>Transactions with owners, recorded directly in equity</i>					
Retained earnings relating to equity acquisition	-	202	-	-	202
Shares issued during the period	2,900,994	-	-	-	2,900,994
Dividends to equity holders	-	(2,636,235)	-	-	(2,636,235)
Total contributions by and distributions to owners	2,900,994	(2,636,033)	-	-	264,961
<b>Balance at 31 December 2009</b>	<b>78,612,758</b>	<b>26,196,957</b>	<b>-</b>	<b>186,000</b>	<b>104,995,715</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Euroz Limited**  
**Consolidated Statement of Cash Flows**  
**For the half year ended 31 December 2010**

	<b>31 December 2010</b>	<b>31 December 2009</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	23,090,399	23,772,801
Proceeds from sale of trading shares	5,289,824	13,593,477
Payments to suppliers and employees	(18,043,417)	(15,267,796)
Payments for trading shares	(4,835,406)	(13,410,089)
Dividends received	2,570	-
Interest received	1,258,282	954,559
Income taxes paid	(3,816,800)	(2,396,409)
	<u>2,945,452</u>	<u>7,246,543</u>
<b>Net cash from operating activities</b>		
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(3,552,476)	(38,893)
Payments for additional investments in associates	(967,757)	(4,281,102)
Dividend received from associates	3,049,242	-
	<u>(1,470,991)</u>	<u>(4,319,995)</u>
<b>Net cash used in investing activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	2,910,300
Proceeds from shares options exercised	1,772,461	-
Dividends paid	(13,482,872)	(8,347,990)
	<u>(11,710,411)</u>	<u>(5,437,690)</u>
<b>Net cash used in financing activities</b>		
Net decrease in cash and cash equivalents	(10,235,950)	(2,511,142)
Cash and cash equivalents at 1 July	62,472,744	63,884,694
	<u>52,236,794</u>	<u>61,373,552</u>
<b>Cash and cash equivalents at 31 December</b>		

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**Euroz Limited**  
**Notes to the Financial Statements**  
**For the half year ended 31 December 2010**

**Note 1. Statement of significant accounting policies**

The half year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of 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.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Euroz Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Euroz Limited is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The half year financial report is presented in Australian dollars.

These consolidated half year financial report was approved by the Board of Directors for issue on 1 February 2011.

**Basis of preparation**

The 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 consolidated entity's 2010 annual financial report for the financial year ended 30 June 2010, 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.

New and revised Standards and amendments there of and Interpretations effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

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

The half year report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and realisation of assets and the settlement of liabilities in the normal course of business.

**Estimates**

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, significant judgment made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2010.

**Euroz Limited**  
**Notes to the Financial Statements**  
**For the half year ended 31 December 2010**

**Note 2: Segment information**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The group has identified its operating segments based on the internal reports that are reviewed and used by the executive team (the chief operating decision makers) in assessing performance and in allocating resources.

The Group's reportable segments under AASB 8 are therefore as follows:

***Stockbroking***

Stockbroking business offering trading of Australian securities, post trade reporting, corporate investment opportunities, provision of company research.

***Principal trading***

Principal trading relates to the purchase and sale of securities by the consolidated group.

***Funds management***

The consolidated group provides advice in relation to fund management.

**Basis of accounting for purpose of reporting by operating segments**

The accounting policies used by the group in reporting segments internally are consistent with those adopted in the financial statements of the group, unless otherwise stated.

**Segment assets and liabilities**

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset.

Liabilities are allocated to segments where there is a direct nexus between the liability and the operations of the segment.

**Unallocated items**

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segments:

- Dividend revenue
- Fair value gains or losses on financial instruments
- Share of profits and losses of equity-accounted investments
- Corporate assets and liabilities not specific to any segments
- Deferred tax assets and liabilities
- Current tax liabilities

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

**Euroz Limited**  
**Notes to the Financial Statements**  
**For the half year ended 31 December 2010**

**Note 2: Segment information (cont'd)**

**Segment performance**

	<b>Stockbroking</b>	<b>Principal Trading</b>	<b>Funds Management</b>	<b>Total</b>	<b>Unallocated items</b>	<b>Total Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>		<b>\$</b>	<b>\$</b>
<b>31 December 2010</b>						
Sales and other fees	26,649,100	5,289,824	2,382,767	34,321,691	-	34,321,691
Other income	652,678	-	98,415	751,093	532,645	1,283,738
<b>Total segment revenue</b>	<b>27,301,778</b>	<b>5,289,824</b>	<b>2,481,182</b>	<b>35,072,784</b>	<b>532,645</b>	<b>35,605,429</b>
Segment net profit operating profit after tax	6,258,990	796,463	1,378,818	8,434,271	10,018,839	18,453,110
Interest revenue	631,808	-	96,415	728,223	530,059	1,258,282
Depreciation and amortisation	430,126	-	250	430,376	-	430,376
Share of net gain of equity accounted investee	-	-	-	-	9,762,572	9,762,572
Segment assets	32,098,124	-	3,275,820	35,373,944	101,130,113	136,504,057
Investment in associate	-	-	-	-	66,473,775	66,473,775
Segment liabilities	6,526,360	-	1,072,395	7,598,755	3,522,380	11,121,135

**Euroz Limited**  
**Notes to the Financial Statements**  
**For the half year ended 31 December 2010**

**Note 2: Segment information (cont'd)**

**Segment performance**

	<b>Stockbroking</b>	<b>Principal Trading</b>	<b>Funds Management</b>	<b>Total</b>	<b>Unallocated items</b>	<b>Total Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>		<b>\$</b>	<b>\$</b>
<b>31 December 2009</b>						
Sales and other fees	19,185,049	13,593,478	3,290,808	36,069,335	-	36,069,335
Other income	553,086	-	39,774	592,860	383,263	976,123
Total segment revenue	<u>19,738,135</u>	<u>13,593,478</u>	<u>3,330,582</u>	<u>36,662,195</u>	<u>383,263</u>	<u>37,045,458</u>
Segment net profit operating profit after tax	<u>6,638,834</u>	<u>343,185</u>	<u>1,208,985</u>	<u>8,191,004</u>	<u>1,137,639</u>	<u>9,328,643</u>
Interest revenue	533,263	-	39,774	573,037	381,522	954,559
Depreciation and amortisation	85,821	-	8,451	94,272	-	94,272
Share of net gain of equity accounted investee	-	-	-	-	3,495,110	3,495,110
Segment assets	<u>31,102,083</u>	<u>-</u>	<u>5,980,304</u>	<u>37,082,387</u>	<u>92,340,499</u>	<u>129,422,886</u>
Investment in associate	-	-	-	-	58,792,688	58,792,688
Segment liabilities	<u>6,549,254</u>	<u>-</u>	<u>3,862,605</u>	<u>10,411,859</u>	<u>9,593,614</u>	<u>20,005,473</u>

**Euroz Limited**  
**Notes to the Financial Statements**  
**For the half year ended 31 December 2010**

	<b>31 December 2010</b>	<b>31 December 2009</b>
	\$	\$
<b>Note 3: Revenue</b>		
Brokerage	11,022,293	11,116,712
Corporate advisory, underwriting and management fees	18,009,574	11,359,146
Proceeds on sale of principal trading shares	<u>5,289,824</u>	<u>13,593,477</u>
	<u>34,321,691</u>	<u>36,069,335</u>

	<b>31 December 2010</b>	<b>31 December 2009</b>
	\$	\$
<b>Note 4: Dividends</b>		
Fully franked ordinary dividend declared on 31 December 2010 of 3 cents (2009: 2 cent) per share franked at the tax rate of 30% (2009: 30%). This has been recognised as a provision in the balance sheet at 31 December 2010.	<u>4,048,135</u>	<u>2,636,235</u>

**Note 5: Contingent liabilities and assets**

The consolidated entity had contingent liabilities at 31 December 2010 as follows:

	<b>31 December 2010</b>	<b>30 June 2010</b>
	\$	\$
(i) Secured guarantees in respect of: operating lease of the consolidated entity	<u>771,000</u>	<u>801,000</u>
(ii) The wholly owned subsidiary Euroz Securities Limited has received claims by clients totalling \$5,140,000 in relation to trading activities undertaken on behalf of these clients.		

The Directors have not provided for these claims in the financial statements of Euroz Securities Limited or the consolidated entity for the half year ended 31 December 2010 for the following reasons:

- The Directors are of the opinion that Euroz Securities had acted appropriately, has a strong legal position and will vigorously defend the claims.
- The company has an insurance policy in place that may offset the claims.

At this stage it is difficult to estimate the legal costs that may be incurred in defending the claims.

The consolidated entity had no contingent assets at 31 December 2010.

**Euroz Limited**  
**Notes to the Financial Statements**  
**For the half year ended 31 December 2010**

**Note 6: Key management personnel**

Permanent arrangements of key management personnel are disclosed in the annual financial report.

**Note 7: Subsequent event**

The directors are not aware of any other matter or circumstance subsequent to 31 December 2010 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

**Note 8: Share capital**

	<b>31 December 2010 Shares</b>	<b>30 June 2010 Shares</b>	<b>31 December 2010 \$</b>	<b>30 June 2010 \$</b>
<b>(a) Share capital</b>				
Ordinary shares				
Issued and paid up capital - consisting of ordinary shares	134,937,848	132,570,140	81,068,625	79,296,164

**(b) Movements in ordinary share capital**

	<b>31 December 2010</b>	<b>30 June 2010</b>
At the beginning of the period	132,570,140	128,385,858
Shares issued during the year (i)	-	3,000,000
Exercise of options (ii)	2,367,708	1,184,282
At the end of the period	<u>134,937,848</u>	<u>132,570,140</u>

(i) On 24 August 2009, the company issued 3,000,000 shares at 90c each for cash.

(ii) Options were exercised at various times during the financial year. The options were granted on 27 February 2009 at an exercise price of 75c and expire on 1 March 2014.

**(c) Movements in options on issue**

	<b>31 December 2010</b>	<b>30 June 2010</b>
At the beginning of the period	11,202,336	12,386,618
Exercised during the period	<u>(2,367,708)</u>	<u>(1,184,282)</u>
At the end of the period	<u>8,834,628</u>	<u>11,202,336</u>

**Euroz Limited**  
**Directors' Declaration**  
**For the half year ended 31 December 2010**

The directors of the company declare that:-

1. The financial statements and notes, of the consolidated entity are in accordance with the Corporations Act 2001 including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and
  - (c) the half year financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.
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:

  
\_\_\_\_\_  
Peter Diamond  
Director

Dated: 1st FEBRUARY 2011

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

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

We have reviewed the accompanying half-year financial report of Euroz Limited and its controlled entities (the consolidated entity) which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2010, or during the half year.

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

The directors of Euroz Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards 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 misstatement, 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 Standards on Review Engagements ASRE 2410 Review of a 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 consolidated entity's financial position as at 31 December 2010 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Euroz Limited and its 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.

### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

*Mack and Co*

MACK & CO

*S S Fermanis*

S S FERMANIS  
PARTNER  
WEST PERTH

DATE:

*1st February 2011*