



## Appendix 4E

### Preliminary Final Report

Name of Entity	Allomak Limited
ABN	50 113 883 560
Financial Period Ended	30 June 2009
Previous Corresponding Reporting Period	30 June 2008

#### Results for Announcement to the Market

	Year ended 30 June 2009 (\$'000)	Year ended 30 June 2008 (\$'000)	Percentage increase over previous corresponding period
Total Revenue for the period	65.9	79.3	(16.9)%
Revenue from continuing activities	44.3	56.5	(21.6)%
Net profit /(Loss) after tax for the period	(59.8)	6.3	N/A
Net profit /(loss) for the period attributable to members	(59.8)	6.3	N/A
Dividends (distributions)	Amount per security		Franked amount per security
Final Dividend	-	-	-
Interim Dividend	-	-	-
Previous corresponding period	-	-	-
Record date for determining entitlements to the dividends (if any)			

#### Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

During FY2009 the Company completed a significant restructure, which included a change of management, the closure of several businesses which were not contributing, the sale of a distribution business, several businesses being placed into voluntary administration and a business being prepared for resale.

On 30 June 2009 the Company announced that it had finalised a significant recapitalisation of the Company. These arrangements, are still subject to shareholder approval by EGM, which will be held on 2 October 2009. This will resolve the go forward positions with the company's bankers and certain key vendors.

The Company had owed approximately \$10 million to the vendors of certain key operating businesses underlying Allomak and was in breach of its obligation to repay these amounts. The vendors have now agreed to accept 50% of the amounts owed to them as a conversion to ordinary shares in Allomak and 50% in the form of a long term loan, interest free, that will be repaid over a 5 year period. These loans are subordinated to the Company's banking facilities.

The Company's bankers have agreed to provide a long term loan facility over the next 5 years with an additional long term loan of \$12m for 9.75 years, with covenants in line with the projected performance of the restructured businesses. This proposal is conditional on shareholder approval of the vendor agreements to be voted by EGM.

The Preliminary Financial Report should be looked at in conjunction with the EGM documents lodged with the ASX on 26 August 2009, which includes the Notice of Meeting, the Explanatory Memorandum for the meeting, and a report from the Independent Expert.

Date the dividend is payable	-
Record date to determine entitlement to the dividend	-
Amount per security (cent)	-
Total dividend (\$'000)	-
Amount per security of foreign sourced dividend or distribution	-
Details of any dividend reinvestment plans in operation	-
The last date for receipt of an election notice for participation in any dividend reinvestment plans	

#### NTA Backing

	Current Period 30 June 2009	Prev corresponding period 30 June 2008
Net Tangible Asset backing per ordinary security	(23.2) cents	

#### Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit from ordinary activities since the date in the current period on which control was acquired, before amortization and inter company charges	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A


#### Loss of Control Over Entities Having Material Effect

Name of entity (or group of entities)	LPGas1 Pty Ltd; Dual LPG Conversions Pty Ltd Dual LPG Pty Ltd; LPGas1 Franchising Pty Ltd
Date control lost	9 June 2009
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control (\$'000)	\$(1,775)
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period (\$'000)	TBA

#### Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Loss	
	Current Period %	Previous Period %	Current Period \$'000	Previous Period \$'000
Aggregate Share of Net Loss				

### Audit/Review Status



This report is based on accounts to which one of the following applies:			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

### Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Preliminary Financial report
2	

Signed By (Director)	Signed By (Company Secretary)
	
<b>Print Name</b> Don Easter	Tom McDonald
<b>Date</b> 31 August 2009	31 August 2009

**Allomak Limited**  
**Income statement**  
**For the year ended 30 June 2009**

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from continuing operating activities</b>	44,322	56,538
Other income	632	542
<b>Expenses</b>		
Raw materials and consumables used	(21,235)	(27,767)
Employee benefits expense	(16,411)	(13,730)
Depreciation and amortisation expense	(718)	(740)
Advertising and marketing	(385)	(680)
Insurance	(230)	(427)
Travel and motor vehicle	(630)	(1,352)
Occupancy expenses	(2,545)	(2,158)
Professional services	(2,403)	(1,816)
Research and development	(111)	(2)
Communication expenses	(268)	(319)
Bad and doubtful debts expense	(295)	0
Other expenses	(868)	(2,179)
Finance costs	(2,787)	(1,822)
Profit/(Loss) from continuing operations before impairment, present value adjustments and vendor payments	(3,932)	4,088
Impairment of assets	(22,745)	0
Fair value adjustments to bank and vendor loans	6,968	0
Vendor payments	(1,025)	0
<b>Profit/(Loss) before income tax (expense)/benefit</b>	<b>(20,734)</b>	<b>4,088</b>
Income tax (expense)/benefit	1,888	(2,075)
<b>Profit/(Loss) after income tax (expense)/benefit</b>	<b>(18,846)</b>	<b>2,013</b>
Loss attributable to minority interest	0	137
<b>Profit/(Loss) after income tax (expense)/benefit attributable to members of Allomak Limited from continuing operations</b>	<b>(18,846)</b>	<b>2,150</b>
<b>Discontinued Operations</b>		
Impairment of assets	(30,964)	0
Impairment loss on net assets held for sale	(2,086)	0
Trading Loss for the year from discontinued operations	(5,051)	5,103
Loss from discontinued operations being placed into voluntary administration / being wound up	(1,094)	0
Trading Loss from business sold	(185)	(27)
Loss on sale of business	(561)	0
<b>Total loss attributable to discontinued operations</b>	<b>(39,941)</b>	<b>5,076</b>
<b>Profit/(Loss) attributable to members of the parent entity</b>	<b>(58,787)</b>	<b>7,226</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	(43.5)	5.49
Diluted earnings/(Loss) per share	(43.5)	4.84

**Allomak Limited**  
**Balance sheet**  
**As at 30 June 2009**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2009</b>	<b>2008</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents		365	3,446
Trade and other receivables		8,377	18,989
Inventories		4,463	11,863
Income tax receivable		748	-
Assets classified as held for sale	4	600	-
Other		403	710
Total current assets		<u>14,956</u>	<u>35,008</u>
<b>Non-current assets</b>			
Other financial assets		-	395
Property, plant and equipment		2,888	6,685
Intangibles	5	28,346	74,527
Deferred tax		1,094	1,488
Total non-current assets		<u>32,328</u>	<u>83,095</u>
<b>Total assets</b>		<u>47,284</u>	<u>118,103</u>
<b>Current liabilities</b>			
Trade and other payables	6	10,810	21,023
Borrowings	7	2,060	30,143
Liabilities classified as held for sale	4	206	-
Income tax payable		-	1,457
Provisions	8	4,239	1,451
Total current liabilities		<u>17,315</u>	<u>54,074</u>
<b>Non-current liabilities</b>			
Borrowings	7	25,552	602
Provisions		155	263
Other	9	5,329	1,404
Total non-current liabilities		<u>31,036</u>	<u>2,269</u>
<b>Total liabilities</b>		<u>48,351</u>	<u>56,343</u>
<b>Net assets / (Liabilities)</b>		<u>(1,067)</u>	<u>61,760</u>
<b>Equity</b>			
Contributed equity		54,854	56,882
Equity to be issued	10	1,803	-
Reserves		47	47
Retained profits		(57,771)	4,831
<b>Total equity</b>		<u>(1,067)</u>	<u>61,760</u>

**Allomak Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2009**

	<b>Contributed equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Parent interest \$'000</b>	<b>Minority interest \$'000</b>	<b>Total equity \$'000</b>
<b>Consolidated</b>						
Balance 1 July 2007	25,153	29	1,969	27,151	(175)	26,976
Profit after income tax (expense)/benefit	-	-	6,267	6,267	(137)	6,130
Total recognised income/(expense) for the year	-	-	6,267	6,267	(137)	6,130
Divestment of minority interest	-	-	-	-	312	312
Contributions of equity, net of transaction costs	31,729	-	-	31,729	-	31,729
Share-based payments	-	18	-	18	-	18
Dividends paid	-	-	(3,405)	(3,405)	-	(3,405)
Balance 30 June 2008	<u>56,882</u>	<u>47</u>	<u>4,831</u>	<u>61,760</u>	<u>-</u>	<u>61,760</u>

	<b>Contributed equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Parent interest \$'000</b>	<b>Minority interest \$'000</b>	<b>Total equity \$'000</b>
<b>Consolidated</b>						
Balance 1 July 2008	56,882	47	4,831	61,760	-	61,760
Profit/(Loss) after income tax (expense)/benefit	-	-	(59,788)	(59,788)	-	(59,788)
Total recognised income/(expense) for the year	-	-	(59,788)	(59,788)	-	(59,788)
Contributions of equity, net of transaction costs	972	-	-	972	-	972
Reclassified of vendor share issue	(3,000)	-	-	(3,000)	-	(3,000)
Equity to be issued	1,803	-	-	1,803	-	1,803
Dividends paid	-	-	(2,814)	(2,814)	-	(2,814)
Balance 30 June 2009	<u>56,657</u>	<u>47</u>	<u>(57,771)</u>	<u>(1,067)</u>	<u>-</u>	<u>(1,067)</u>

**Allomak Limited**  
**Cash flow statement**  
**For the year ended 30 June 2009**

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	77,499	78,868
Payments to suppliers (inclusive of GST)	<u>(78,804)</u>	<u>(77,240)</u>
	(1,305)	1,628
Interest received	94	177
Interest and other finance costs paid	(2,867)	(1,845)
Income taxes paid	<u>77</u>	<u>(1,320)</u>
Net cash inflow/(outflow) from operating activities	<u>(4,001)</u>	<u>(1,360)</u>
<b>Cash flows from investing activities</b>		
Payment for purchase of business, net of cash acquired	(1,278)	(28,015)
Payments for property, plant and equipment	(610)	(1,500)
Proceeds from sale of business	50	-
Payments for intangibles	(1,250)	(4,297)
Proceeds from sale of property, plant and equipment	112	328
Cash foregone on entities placed into administration	<u>(65)</u>	<u>-</u>
Net cash inflow/(outflow) from investing activities	<u>(3,041)</u>	<u>(33,484)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	19,025
Recovery of share issue costs	79	-
Share issue transaction costs	-	(739)
Proceeds from borrowings	4,824	29,736
Dividends paid	-	(2,846)
Repayment of borrowings	<u>(942)</u>	<u>(8,188)</u>
Net cash inflow/(outflow) from financing activities	<u>3,961</u>	<u>36,988</u>
Net increase/(decrease) in cash and cash equivalents	(3,081)	2,144
Cash and cash equivalents at the beginning of the financial year	<u>3,446</u>	<u>1,302</u>
Cash and cash equivalents at the end of the financial year	<u>365</u>	<u>3,446</u>

## **Note 1. Significant accounting policies**

This Preliminary Final Report has been prepared in accordance with the recognition and measurement requirement of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Preliminary Final 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 explanatory memorandum to the EGM and the report issued by the Independent Expert (both released to the market on 26 August) and any other public announcements made by the Company during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year.

## **Note 2. Going Concern**

The Directors have prepared this report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. This is notwithstanding that the consolidated entity incurred losses for the year of \$57 million, of which more than \$37 million relates to the impairment of goodwill and intangible assets, which were created from the acquisition of subsidiary businesses.

The losses have negatively impacted the consolidated entity's cash flows and contributed to the breach of certain bank covenants and resulted in a net current liability position at 30 June 2009 of \$2.4 million.

During FY2009 the Company completed a significant restructure, which included a change of management, the closure of several businesses which were not contributing, the sales of a distribution business, several businesses being placed into voluntary administration and a business being prepared for resale. In other businesses, management has curtailed operating expenses and headcount where necessary. As a consequence, staff have been reduced by approximately 109 full time equivalents when compared to June 2008 and Head office employees and expenses have been significantly reduced in order to protect the EBIT of the group.

On 30 June 2009 the Company announced that it had finalised a significant recapitalisation program which will resolve the go forward positions with the Company's bankers and certain key vendors. These arrangements are still subject to shareholder approval by EGM, which will be held on 2 October 2009.

1. The Company had owed approximately \$10 million to the vendors of certain key operating businesses underlying Allomak and was in breach of its obligation to repay these amounts. The vendors have now agreed to accept 50% of the amounts owed to them as a conversion to ordinary shares in Allomak and 50% in the form of a long term loan, interest free, that will be repaid over a 5 year period. These loans are subordinated to the Company's banking facilities.
2. The Company's bankers have agreed to provide a long term loan facility over the next 5 years together with a loan of \$12m for 9.9 years, with covenants in line with the projected performance of the restructured businesses. The new facility also requires 35% of the Company's EBIT to be paid quarterly towards the principal of the bills and is conditional on shareholder approval of the vendor agreements to be voted by EGM.
3. The previously announced dividend was deferred until the AGM to be held in November 2009, when it will again be reviewed.



### Note 3. Segment information

The consolidated entity operates in two business segments: manufacturing and distribution. These business segments are the basis on which the consolidated entity reports its primary information.

### Note 4. Assets and Liabilities classified as held for sale

	2009 \$'000	2008 \$'000
Current Assets of business held for resale	600	-
Current Liabilities of business held for resale	<u>(206)</u>	-
	394	-

The Assets and Liabilities held for resale represent the adjusted fair value of Dyno Dynamics Pty Ltd. Discussions are currently ongoing regarding the sale of this business.

**Note 5 Non-Current Assets - Intangibles**

Intangible assets other than goodwill have finite useful lives. The current amortisation charge in respect of intangible assets is included under depreciation and amortisation expense in the income statement

	2009 \$'000	2008 \$'000
Goodwill - at cost	50,828	66,699
Less Impairment	(22,495)	-
	<u>28,333</u>	<u>66,699</u>
Product development - at cost	-	1,187
Less: Accumulated amortisation	-	(31)
	<u>-</u>	<u>1,156</u>
Patents and trademarks - at cost	12	12
Less: Accumulated amortisation	-	-
	<u>12</u>	<u>12</u>
Intellectual property - at cost	-	6,660
Less: Accumulated amortisation	-	-
	<u>-</u>	<u>6,660</u>
	<u><u>28,346</u></u>	<u><u>74,527</u></u>

*Reconciliations*

Reconciliations of the fair values at the beginning and end of the current and previous financial year are set out below:

	Goodwill \$'000	Product development \$'000	Patents and trademarks \$'000	Intellectual property \$'000	Consolidated \$'000
<b>Consolidated</b>					
<b>Balance 1 July 2007</b>	26,673	541	23	-	27,237
Additions	-	637	-	6,660	7,297
Additions through business combinations	41,120	-	-	-	41,120
Write-off of assets	-	-	(11)	-	(11)
EBIT adjustments to previous acquisitions	(1,094)	-	-	-	(1,094)
Amortisation expense	<u>-</u>	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>(22)</u>
Balance 30 June 2008	66,699	1,156	12	6,660	74,527
Additions	-	195	9	365	569
Additions through business combinations	7,050	-	-	-	7,050
Impairment of Continuing businesses	(22,495)	-	(9)	-	(22,504)
Impairment of Discontinuing businesses	(22,275)	(1,351)	-	(6,673)	(30,299)
EBIT adjustments to previous acquisitions	(646)	-	-	-	(646)
Amortisation expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(352)</u>	<u>(352)</u>
Balance 30 June 2009	<u><u>28,333</u></u>	<u><u>-</u></u>	<u><u>12</u></u>	<u><u>-</u></u>	<u><u>28,345</u></u>

**Note 6 Current Liabilities - Trade & other Payables**

	2009 \$'000	2008 \$'000
Trade payables	4,778	8,919
Deferred cash consideration – Key Vendors current portion	691	9,105
Deferred cash consideration – Other	380	-
Onerous lease – current portion	1,101	-
Other payables and accruals	3,860	2,999
	<u>10,810</u>	<u>21,023</u>

The key vendor agreements have resulted in \$5,052,500 being settled via equity, of which \$1,802,500 will be settled at 30 June 2009 (note 10) and the remaining liability of \$4,802,500 to be repaid quarterly over 5 years interest free. The present value of \$4,802,500 is \$4,003,980

The deferred cash consideration of \$4,003,980 that is owing to the key vendors has been partially classified as a current deferred cash consideration (note 6 above) and partially classified to non-current deferred cash consideration (note 12) .

Current portion	(note 6)	\$690,876
Non-current portion	(note 9)	<u>\$3,313,104</u>
Total Key Vendor cash consideration		\$4,003,980

**Note 7 Borrowings**

	2009 \$'000	2008 \$'000
<b><u>Current Borrowings:</u></b>		
Bank bills	1,836	29,919
Other loans – unsecured	-	4
Lease liability	<u>224</u>	<u>220</u>
<b>Total</b>	<b>2,060</b>	<b>30,143</b>
<b><u>Non-Current Borrowings:</u></b>		
Bank Bills and Loan Note	25,117	-
Lease Liabilities	<u>435</u>	<u>602</u>
<b>Total</b>	<b>25,552</b>	<b>602</b>
<b>Grand Total</b>	<b>27,612</b>	<b>30,745</b>

On 30 June 2009, the Company completed negotiations for a revised banking facility. This facility defers the due date on the bank bills until 30 June 2014 and the debt repayment is now considered as a long term liability. The new facility also requires 35% of the Company's EBIT to be paid quarterly towards the principal of the bills.

**Assets pledged as security**

The bank bills are secured by a fixed and floating charge over all of the assets and uncalled capital of Allomak Limited and all of its subsidiaries.

The lease liabilities are effectively secured as the rights to the leased assets recognised in the balance sheet revert to the lessor in the event of default.

**Financing arrangements**

Unrestricted access was available at balance date to the following lines of credit:

	2009 \$'000	2008 \$'000
Total facilities		
Bank bills	21,921	35,000
Loan Note	<u>12,000</u>	<u>-</u>
	<u>33,921</u>	<u>35,000</u>
Used at balance date:		
Bank bills	<u>33,921</u>	<u>29,919</u>
	<u>33,921</u>	<u>29,919</u>

Due to the nature of the loan note, the present value of \$12 million is approximately \$5 million. The difference has been taken to the income statement for the period.

**Note 7 Borrowings** (continued)

	2009 \$'000	2008 \$'000
Unused facilities at balance date:		
Bank bills	-	5,081
Loan Note	-	-
Lease Facilities	-	-
	<u>-</u>	<u>5,081</u>

There was a breach of covenants with the company's banker during the course of the year, which has led to a recapitalisation of the company being concluded on 30 June 2009 and is subject to shareholder resolution at EGM on 2 October 2009. The covenants are not in breach as at 30 June 2009.

**Note 8 Current Liabilities - Provisions**

	2009 \$'000	2008 \$'000
FY2009 Interim Dividend - deferred	2,818	15
Annual Leave entitlements	701	925
Long Service Leave entitlements – current portion	341	481
Warranty	323	-
Unpaid Commissions	56	30
	<u>4,239</u>	<u>1,451</u>

**Note 9. Non-current liabilities - other**

	2009 \$'000	2008 \$'000
Deferred cash consideration – Key Vendors non-current portion (refer to note 6)	3,313	1,404
Onerous Leases –non-current portion	2,016	-
	<u>5,329</u>	<u>1,404</u>

**Note 10 Equity to be issued**

	2009 \$'000	2008 \$'000
Vendors Shares to be issued after approval by shareholders at EGM	<u>1,803</u>	<u>-</u>