

20 July 2010

# Landkom International Plc

## Harvest well underway with substantial forward sale completed

Landkom International PLC (AIM: LKI, "Landkom" or "the Group"), the Ukrainian producer of agricultural commodities, announces its results for the six months ending 30 April 2010.

### Highlights

- Increased spring planting programme resulted in 38% more hectares planted than 2009 at 39,967 ha
- Further sharp reduction in operating costs
  - Operating cost per hectare expected at 35% below 2009
- Group on target to achieve year end EBITDA break even
- 35,000 tonnes of rapeseed sold forward at approximately \$318 per tonne (ex works)
  - 17% increase in price over the average rapeseed sales price in 2009.
- Harvest is now underway for rapeseed in west and throughout southern operations

**Vitaliy Skotsyk**, Landkom CEO, commented

***"We have maintained our momentum during the first six months of the financial year, in terms of substantially lowering our cost base, improving operational efficiencies as well as notably increasing the amount of land planted. We now have more land being farmed than ever before, with vastly reduced costs."***

***"Our forward sales agreements for rapeseed are very encouraging and current commodity prices give us confidence that we will reach our target of EBITDA breakeven this financial year."***

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## **Overview**

Landkom's objective is to become a leading, profitable, vertically integrated producer and processor of agricultural commodities for the global food and biofuel markets. The management believes it will attain this goal through delivery of best in class, efficient farming operations in the fertile black earth soils of Ukraine.

Spring planting amounted to 18,584 ha, 10,584 ha more than was anticipated at the end of the planting season last autumn. Planting was increased due to improved operating efficiencies. This increased spring planting resulted in an aggregate year on year increase in harvest of 38 per cent compared to 2009.

Through a process of strong budgeting and accountability throughout the Group, from Board level to infield farm operators, tight control has been maintained on Landkom's operations. Structure and processes have been implemented which can be scaled and will serve the business in the future with minimal additional corporate cost. The drive to improve efficiencies will continue into the 2010/11 crop year.

Rapeseed forward sales contracts have been signed for 35,000 tonnes at \$337 per tonne CPT (carriage paid to Black Sea ports), which is equivalent to \$318 per tonne ex works and well in excess of internal budgeting.

## **Operational review**

### **Operations**

Farming strategy and methodology has materially changed with the new team. The team have moved the business to an appropriate operating cost structure with a sustainable crop rotation programme. This has been achieved over the last nine months. Landkom farms on a "min till" basis, combined with certain areas of "no till" where applicable.

Landkom has also moved from a two year rotation to a four year rotation, incorporating winter crops of rapeseed and winter wheat together with spring crops of maize and soybean. This not only complies with recent Ukrainian legislation, which states that rapeseed can only be grown one year in four, but also improves working capital management and will improve soil quality while decreasing fertiliser and chemical application costs.

Considerable savings have already been made in all areas of operating costs through improved and efficient practices. These have been made without upfront costs and with no projected negative yield impact.

The Group's farming operations remain focussed on efficiency and margin. The Group's immediate target is to raise the proportion of the land bank planted from 54 per cent to as close to 100 per cent as is efficiently possible without sacrificing margin or farming quality.

### **Planting**

Including associate companies, a total of 21,383 ha was planted in autumn 2009 for harvest in 2010. The crop came through the winter with minimal damage despite considerable losses across most of Ukraine, owing to the unusually harsh winter conditions. This success was largely as a result of the strong agronomy practices implemented by the Group.

After the planting of 18,584 ha of spring crop in the spring of 2010, the Group, including associate companies, had a total area planted of 39,967 ha; a rise of 38 per cent on 2009. Spring crop makes up 46 per cent of the total area planted. This proportion is expected to remain at around 50 per cent in the future, delivering working capital efficiencies and limiting the Group's exposure to severe winter weather risk.

Although the spring has been wetter than average and has caused some delays to spring planting and input applications, there is no evidence that this weather has had a significant impact on the crop. The Board is very satisfied with the condition of the crop moving towards harvest.

Winter planting in excess of 25,000 ha is planned for autumn 2010 with over 13,000 ha of rapeseed and the remainder constituting wheat and barley. Including spring planting in 2011, with existing financial resources, total crop for harvest in 2011 is expected to exceed 50,000 ha or approximately 70 per cent of the current land bank.

#### Storage and logistics

Storage is an important area of the Group's assets, providing flexibility around crop harvest and sales as well as reducing operating costs. As part of the review of operations, the Group, including associate companies, now has secured 55,000 tonnes of storage located around its seven farming modules.

The Group's 20,000 tonne modern storage facility in Lviv Oblast, has now received final regulatory approval. It is fully operational and can dry, store and sell both own and third party grains. This gives it the potential to be a revenue generating asset. Additional limited capital expenditure has been spent on the large site to prepare it for accepting grain using plastic sleeve technology which permits storage of bulk grains such as maize, wheat and soya.

The Group is planning to commence the construction of its second 20,000 tonne silo facility in the next financial year at one of Landkom's other operational sites. It is expected that the costs to complete this second silo facility should not exceed \$1 million.

The Group has signed contracts with third party silo operators to take Landkom harvest where Landkom does not have logistically efficient owned storage facilities.

#### Land bank

As at 30 June 2010, Landkom had 74,359 ha of land in its landbank across 10 Oblasts. Land is split into three operating regions; west, south and central. Although aggregate land under control has remained constant over the past 12 months, approximately 30 per cent of the land leases have been exchanged for land which management considers more fertile or logistically efficient, significantly improving the quality of the land bank. The average term of land lease is 11 years.

The Group's strategy is to ensure that the land bank is expanded only if working capital is available to cultivate the land. Many opportunities exist in the current market to expand the land bank with excellent quality land on favourable terms.

#### Ukrainian operational environment

Environmental sustainability is central to the execution of the Group's business model. With the land moratorium in place within Ukraine, land owners are key stakeholders in the business. It is vital to ensure that their land is improved for the long term to ensure their partnership with Landkom extends into the future.

Landkom adheres to state regulations regarding agricultural rotation and use of genetically modified seeds. The Group meticulously observes land zoning legislation e.g. regarding wetlands and water meadows, facilitates local beekeepers and promotes integrated pest management.

At the beginning of February 2010, Victor Yanukovich was elected President of Ukraine. The new government has created a more stable environment. Ukrainian GDP has grown 4.8% in first quarter 2010 and the UAH/USD exchange rate has remained constant at approximately 7.9UAH to 1US\$.

## Financial review

The results for the six months to 30 April 2010 begin to show the improvements which have taken place in the Group. Operating costs have been reduced to the extent that even in current pricing conditions, the Group is looking to break even on an EBITDA basis.

With the change of year end to 31 October to reflect better the annual farming cycle, the interim results now cover the six months from 1 November to 30 April. Comparative numbers reflect the period 1 January 2009 to 30 June 2009 but given the limited difference in activities, the Board believes these historic figures provide a good basis for comparison.

Revenues were \$1.9 million principally made up of the sale of the remaining crop from the 2009 harvest.

The direct costs of \$2.8 million reflect the fair value of the crop, at the time of harvest in 2009, which was sold during the period, together with the land rental cost for uncultivated land.

The Group expects 2010 operating cost per hectare to be at least 35 per cent below 2009 costs. As a result, the fair value of the Group's biological asset shows a small gain over the cost of production reflecting the likelihood of delivering profitable operations. In calculating this gain, the Group has continued to use conservative assumptions.

Despite increasing land under cultivation by 38 per cent, administration expenses are down 34 per cent to \$2.3 million (2009: \$3.5 million). Excluding share option charges and depreciation, administrative expenses are down 16 per cent to \$1.9 million (2009: \$2.2 million). The Group continues to look for ways to reduce further this overhead.

Reported EBITDA was a loss of \$0.7 million (2009: loss \$12.6 million). Underlying EBITDA, excluding exceptional items, share based payments and foreign exchange gains, was a loss of \$2.3 million (2009: loss \$9.4 million).

The operating loss was \$4.2 million (2009: loss \$15.2 million). Underlying operating loss, was \$5.8 million, (2009: loss \$13.4 million).

Reported net loss was \$4.4 million (2009: loss \$16.6 million). Underlying net loss, was \$6.0 million, (2009: loss \$13.4 million). The underlying loss per share was 1.0p per share (2009: loss 3.6p per share).

Net assets on 30 April 2010 were \$51.9 million (October 2009: \$42.8 million)

Biological assets were \$9.8 million, in part reflecting the reduction in production costs of the winter crop. Spring crops which were planted prior to the period end are reflected at cost. Inventories were higher at \$6.7 million pending the completion of the spring planting campaign in mid May 2010.

In November 2009, the Group raised gross proceeds of \$16.2 million from a placing of shares. Funds were used to pay creditors and to fund expansion and maintenance of land under cultivation.

Cash at 30 April 2010 was \$2.2 million. Remaining cash resources are sufficient to take the business through to the receipt of rapeseed revenues. Debt in the form of finance leases amounted to \$0.1 million.

## **Current trading and outlook**

The past year has been a period of extensive management and operational change with the focus on turning the business into a profitable operation as soon as practicable. The Group is on course to achieve this target this financial year, assuming the harvest proves successful and commodities prices hold up.

Rapeseed forward sales contracts have been signed for 35,000 tonnes at \$337 per tonne CPT, which is in excess of internal budgeting and market expectations. The Board expects this level of sales price to deliver Landkom's first profitable crop in the absence of a material weather event prior to the end of harvest.

The harvest is now well under way in both southern and western regions. The Group plans to publish the harvest results for each of the key crops on a regular basis over the next months.

**Condensed consolidated statement of comprehensive income - unaudited  
For the 6 month period ended 30 April 2010**

	Unaudited 6 months ended 30 April 2010 \$000	Unaudited 6 months ended 30 June 2009 \$000	Audited 10 months ended 31 October 2009 \$000
<b><i>Continuing Operations</i></b>			
Revenue	1,930	1,864	14,553
Gains / (losses) arising from changes in value of biological assets	503	(5,950)	(8,509)
Direct costs	(2,774)	(3,134)	(21,891)
Depreciation on farming property plant & equipment	(3,357)	(3,837)	(6,213)
<b>Gross loss</b>	<b>(3,698)</b>	<b>(11,057)</b>	<b>(22,060)</b>
Distribution costs	-	-	(6)
Administrative expenses	(2,314)	(3,481)	(4,590)
Other operating income	-	-	1,237
Other operating expense	(97)	-	-
Net foreign exchange gain / (loss)	1,898	(647)	(2,026)
<b>Operating loss</b>	<b>(4,211)</b>	<b>(15,185)</b>	<b>(27,445)</b>
Exceptional items	-	(1,409)	(14,505)
Finance income	5	189	8
Finance costs	(109)	(158)	(66)
Share of loss from associate	(5)	(30)	(98)
Loss before income tax	(4,320)	(16,593)	(42,106)
Income tax expense	(109)	(19)	(20)
<b>Loss for period</b>	<b>(4,429)</b>	<b>(16,612)</b>	<b>(42,126)</b>
<b><i>Other comprehensive income, net of tax</i></b>			
Currency translation differences	(2,126)	1,645	1,718
<b>Total comprehensive loss for the period</b>	<b>(6,555)</b>	<b>(14,967)</b>	<b>(40,408)</b>
<b>Loss for the period attributable to:</b>			
Owners of the parent	(4,397)	(16,570)	(42,054)
Non-controlling interests	(32)	(42)	(72)
<b>Total comprehensive loss for the period attributable to:</b>			
Owners of the parent	(6,523)	(14,925)	(40,336)
Non-controlling interests	(32)	(42)	(72)
<b>Loss per share (expressed in cents per share)</b>			
Basic loss per ordinary share	(1.1)c	(7.4)c	(18.2)c
Restated in pence per share	(0.7)p	(4.5)p	(11.0)p
Fully diluted loss per ordinary share	(1.1)c	(7.4)c	(18.2)c
Restated in pence per share	(0.7)p	(4.5)p	(11.0)p

**Condensed consolidated statement of financial position - unaudited**  
**As at 30 April 2010**

	Note	Unaudited 30 April 2010 \$000	Unaudited 30 June 2009 \$000	Audited 31 October 2009 \$000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		37,828	44,856	40,519
Intangible assets		17	269	27
Available for sale investments		-	206	-
		<b>37,845</b>	<b>45,331</b>	<b>40,546</b>
<b>Current assets</b>				
Biological assets		9,840	16,957	4,098
Inventories	5	6,728	4,818	5,166
Trade and other receivables	4	2,380	12,797	685
Cash and cash equivalents		2,170	542	222
		<b>21,118</b>	<b>35,114</b>	<b>10,171</b>
<b>Total Assets</b>		<b>58,963</b>	<b>80,445</b>	<b>50,717</b>
<b>Capital &amp; reserves attributable to owners of the parent</b>				
Share capital	6	789	466	466
Share premium		159,349	144,349	144,349
Retained loss		(101,911)	(72,484)	(97,754)
Share-based payments reserve		1,833	2,693	1,776
Foreign exchange reserve		(8,302)	(6,249)	(6,176)
Total equity attributable to owners of the parent		51,758	68,775	42,661
Total equity attributable to non-controlling interests		137	35	169
<b>Total equity</b>		<b>51,895</b>	<b>68,810</b>	<b>42,830</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Non-current payables		291	284	284
Other financial liabilities	7	-	67	66
		<b>291</b>	<b>351</b>	<b>350</b>
<b>Current liabilities</b>				
Trade and other payables		6,707	10,114	6,665
Other financial liabilities	7	70	1,170	872
		<b>6,777</b>	<b>11,284</b>	<b>7,537</b>
<b>Total liabilities</b>		<b>7,068</b>	<b>11,635</b>	<b>7,887</b>
<b>Total liabilities and shareholders' equity</b>		<b>58,963</b>	<b>80,445</b>	<b>50,717</b>

**Condensed consolidated statement of changes in equity - unaudited**  
**For the 6 month period ended 30 April 2010**

	Share capital \$000	Share premium \$000	Foreign exchange reserve \$000	Share based payment reserve \$000	Retained earnings \$000	Total equity attributable to shareholders of the parent \$000	Non- controlling interest \$000	Total equity \$000
<b>Balance at 1 January 2009 (audited)</b>	<b>411</b>	<b>137,814</b>	<b>(7,894)</b>	<b>2,754</b>	<b>(57,072)</b>	<b>76,013</b>	<b>77</b>	<b>76,090</b>
Loss for period	-	-	-	-	(16,570)	(16,570)	(42)	(16,612)
Currency translation differences	-	-	1,645	-	-	1,645	-	1,645
Total comprehensive income	-	-	1,645	-	(16,570)	(14,925)	(42)	(14,967)
Proceeds from shares issued	55	-	-	-	-	55	-	55
Premium from shares issued	-	6,575	-	-	-	6,575	-	6,575
Share based payments charge	-	-	-	1,097	-	1,097	-	1,097
Share issue costs	-	(40)	-	-	-	(40)	-	(40)
Cancellation of share options	-	-	-	(1,158)	1,158	-	-	-
<b>Balance at 30 June 2009 (unaudited)</b>	<b>466</b>	<b>144,349</b>	<b>(6,249)</b>	<b>2,693</b>	<b>(72,484)</b>	<b>68,775</b>	<b>35</b>	<b>68,810</b>
Loss for period	-	-	-	-	(25,484)	(25,484)	(30)	(25,514)
Currency translation differences	-	-	73	-	-	73	-	73
Total comprehensive income	-	-	73	-	(25,484)	(25,411)	(30)	(25,441)
Non-controlling interest on business acquisition	-	-	-	-	-	-	(143)	(143)
Non-controlling interest share of shares issued in subsidiary	-	-	-	-	-	-	307	307
Share-based payments charge	-	-	-	(703)	-	(703)	-	(703)
Cancellation of share options	-	-	-	(214)	214	-	-	-
<b>Balance at 31 October 2009 (audited)</b>	<b>466</b>	<b>144,349</b>	<b>(6,176)</b>	<b>1,776</b>	<b>(97,754)</b>	<b>42,661</b>	<b>169</b>	<b>42,830</b>
Loss for period	-	-	-	-	(4,397)	(4,397)	(32)	(4,429)
Currency translation differences	-	-	(2,126)	-	-	(2,126)	-	(2,126)
Total comprehensive income	-	-	(2,126)	-	(4,397)	(6,523)	(32)	(6,555)
Proceeds from shares issued	323	-	-	-	-	323	-	323
Premium from shares issued	-	15,833	-	-	-	15,833	-	15,833
Share-based payments charge	-	-	-	297	-	297	-	297
Share issue costs	-	(833)	-	-	-	(833)	-	(833)
Cancellation of share options	-	-	-	(240)	240	-	-	-
<b>Balance at 30 April 2010 (unaudited)</b>	<b>789</b>	<b>159,349</b>	<b>(8,302)</b>	<b>1,833</b>	<b>(101,911)</b>	<b>51,758</b>	<b>137</b>	<b>51,895</b>

**Condensed consolidated cash flow statement - unaudited**  
**For the 6 month period ended 30 April 2010**

	Unaudited 6 month period ended 30 April 2010 \$000	Unaudited 6 month period ended 30 June 2009 \$000	Audited 10 month period ended 31 October 2009 \$000
<b><i>Cash flows from operating activities</i></b>			
Loss for period before tax	(4,320)	(16,593)	(42,106)
<b>Adjustments for:</b>			
- depreciation and amortisation	3,485	4,023	6,428
- impairment of property, plant and equipment	-	-	2,117
- impairment of intangible assets	-	-	202
- loss on disposal of property plant and equipment	3	53	126
- share based payments charge	297	1,097	394
- impairment of VAT receivable	-	-	10,179
- provision on receivable	-	-	309
- impairment of goodwill and investments	-	-	647
- impairment of associate loan	-	-	649
- impairment of biological asset	-	-	519
- share of loss in associate	6	30	98
- effect of foreign exchange variances	-	645	-
<b>Fair value adjustment recognised in the statement of comprehensive income:</b>			
- biological asset	(503)	5,950	8,509
<b>Non-operating activity income/expense in the statement of comprehensive income:</b>			
- finance income	(6)	(7)	(8)
- finance costs	109	158	921
<b>Movements in working capital:</b>			
- (increase) / decrease in inventories	(1,562)	2,449	2,101
- (increase) / decrease in receivables	(3,734)	(1,081)	357
- (decrease) / increase in trade and other payables	(1,378)	2,916	(797)
- income tax expense	(109)	(19)	(20)
- net additions to biological assets	(5,238)	(9,548)	233
<b>Net cash used in operations</b>	<b>(12,950)</b>	<b>(9,927)</b>	<b>(9,142)</b>
<b><i>Cash flows from investing activities</i></b>			
- purchase of property plant and equipment	(299)	(624)	(967)
- proceeds from disposal of PP&E	-	127	527
- interest received	6	7	8
- loans to associated companies	(477)	(593)	(261)
- investment in associated companies	-	(17)	-
- effect of foreign exchange variances	-	(94)	-
<b>Net cash used in investing activities</b>	<b>(770)</b>	<b>(1,194)</b>	<b>(693)</b>
<b><i>Cash flows from financing activities</i></b>			
- proceeds from issue of ordinary shares	16,156	6,631	6,630
- payment of transaction costs	(833)	(40)	(40)
- finance costs	(109)	(158)	(921)

- non-controlling interest investment into group	-	-	308
<b>Net cash received from financing activities</b>	<b>15,214</b>	<b>6,433</b>	<b>5,977</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,494</b>	<b>(4,688)</b>	<b>(3,858)</b>
Cash and cash equivalents at beginning of period	222	4,230	4,230
Effect of foreign exchange variances	454	1,000	(150)
<b>Cash and cash equivalents at end of period</b>	<b>2,170</b>	<b>542</b>	<b>222</b>

## **Notes to the consolidated interim financial information - unaudited**

### **1. Basis of preparation of financial information**

This report was approved by the Directors on 19 July 2010.

The figures for the period ended 31 October 2009 have been extracted from the audited financial information. The auditors' report for the 2009 financial information was unqualified but included an emphasis of matter on the Group's ability to continue as a Going Concern.

The condensed consolidated financial information has been prepared on the Going Concern basis. At the date of publication of this financial information revenues are being received from the sale of the 2010 harvest. The Directors consider that the unharvested crop is in a good condition and therefore the Group will have sufficient cash to continue as a Going Concern for the foreseeable future.

The condensed consolidated interim financial information has been prepared on the same basis and using the same accounting policies as were applied in drawing up the Group's statutory financial information for the period ended 31 October 2009 and using those which will be applied for the period ending 31 October 2010. They have not been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial information, and should be read in conjunction with the consolidated financial information for the period ended 31 October 2009. The financial information is presented in United States Dollars.

The financial information for the six months ended 30 April 2010 and 30 June 2009 is unaudited. In the opinion of the Directors the financial information for this period presents fairly the financial position, results of operations and cash flows for the period in accordance with the recognition and measurement principles of the International Financial Reporting Standards ('IFRS') as adopted by the EU.

### **2. Segment reporting**

As at 30 April 2010, 30 June 2009 and 31 October 2009 the Group produces arable crops in Ukraine with all customers based in Ukraine. Financial information is reported to the Board in IFRS accounting format with profit, assets and liabilities as one agricultural segment.

### **3. Loss per ordinary share**

Adjusted basic and fully diluted loss per share have been calculated on the loss after taxation for the period and the weighted average number of ordinary shares in issue during the period.

Adjusted loss per share before exceptional items, net foreign exchange gains and losses and share based payments charge has been presented in addition to the basic loss per share since, in the opinion of the Directors, this provides shareholders with more appropriate representation of the underlying loss derived from the Group's businesses.

	<b>30 April 2010</b>	<b>30 June 2009</b>	<b>31 October 2009</b>
	<b>Number of shares</b>		
<b>Weighted average number of shares in issue</b>	409,152,585	224,539,326	230,798,412
	<b>\$000</b>		
<b>Loss after tax on ordinary activities</b>	(4,397)	(16,570)	(42,054)
<b>Adjustments:</b>			
- Exceptional items	-	1,409	14,505
- Net foreign exchange (gain) / loss	(1,898)	647	2,026
- Share based payments charge	297	1,097	394
<b>Adjusted loss</b>	(5,998)	(13,417)	(25,129)
Basic and fully diluted loss per ordinary share (cents per share)	(1.1)	(7.4)	(18.2)
Adjusted basic loss per ordinary share (cents per share)	(1.5)	(6.0)	(10.9)
<b>Restated in pence per share:</b>			
Basic and fully diluted loss per ordinary share (pence per share)	(0.7)	(4.5)	(11.0)
Adjusted basic loss per ordinary share (pence per share)	(1.0)	(3.6)	(6.6)

#### 4. Trade and other receivables

	<b>30 April 2010 \$000</b>	<b>30 June 2009 \$000</b>	<b>31 October 2009 \$000</b>
Trade receivables	510	390	401
Prepayments & accrued income	161	278	191
VAT recoverable	1,173	10,574	19
Loans to associated companies	477	991	-
Other receivables	59	564	74
	2,380	12,797	685

The majority of the VAT receivable is due from Ukrainian authorities. The company expects to recover this VAT from the sale of crops during 2010.

#### 5. Inventories

	<b>30 April 2010 \$000</b>	<b>30 June 2009 \$000</b>	<b>31 October 2009 \$000</b>
Fuel	545	253	220
Chemicals	2,296	1,197	976
Seeds	470	339	2
Mechanical spare parts	2,068	2,207	1,938
Fertilisers	852	293	58
Building materials	109	73	109
Work in progress	-	-	130
Other materials	310	259	225
Finished goods	78	197	1,508
	6,728	4,818	5,166

## 6. Called up share capital

The total authorised share capital of the company as at the reporting date is as follows:

	<b>30 April 2010 Ordinary shares</b>	<b>30 June 2009 Ordinary shares</b>	<b>31 October 2009 Ordinary shares</b>
Authorised	600,000,000	500,000,000	500,000,000
Allotted and fully paid	435,008,935	240,008,935	240,008,935
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Allotted and fully paid ordinary shares of £0.001 each	789	466	466

The issued share capital has been increased as follows:

<b>Date</b>	<b>Class</b>	<b>Number of shares</b>	<b>Issue price</b>
<b>Total issued shares at 31 December 2008</b>		<b>200,008,935</b>	
12 March 2009		40,000,000	12.0p
<b>Total issued shares at 31 October 2009</b>		<b>240,008,935</b>	
25 November 2009		195,000,000	5.0p
<b>Total issued shares at 30 April 2010</b>		<b>435,008,935</b>	

## 7. Other financial liabilities

	<b>30 April 2010 \$000</b>	<b>30 June 2009 \$000</b>	<b>31 Oct 2009 \$000</b>
Present value of the finance lease liabilities:			
Within one year	70	1,170	872
Between two and five years	-	67	66
	70	1,237	938

## 8. Taxation

No deferred tax losses have been provided in the financial information as the management do not believe such an asset will be recoverable in the foreseeable future.