

SHAREHOLDER UPDATE

HALF YEAR 2009



INTRODUCTION

Despite these uncertain economic times, Inventis is well placed for growth, profitability and shareholder value. Innovation continues to be the key to success during this tough economic climate, which is why our goal is to continue capitalising on our "Innovation Ability" by providing cutting-edge-technology that moves our Company into a position of leadership in its respective market segments. Today, Inventis has many new product development programs underway – each designed to address unfulfilled customer and market needs.

DIRECTORS' REPORT

Since before June 2008, the economic crisis has been quite a challenge for everyone including Inventis; however, we are faring better than many. This is because of the prompt and decisive action of a strong and dedicated management team, which embarked on a comprehensive restructure program very early on. This is why despite the turmoil of the Alpha Aviation receivership and the current economic climate, Inventis has been able to successfully continue with its technology and furniture divisions.

We are continuing to focus on organic growth and shareholder value through the continuing implementation of our strategic initiatives and 5-year Business

Action Plan to 'boost the value of Inventis, over the medium to long term'.

We are strengthening our marketing activities for products in both the Technology and Furniture Divisions; with a particular emphasis on Inventis Technology's innovative range of products.

Our strategic focus continues to be on improving performance in Australia and New Zealand through organic growth whilst at the same time pursuing opportunities to further grow the business through partnerships, strategic alliances and other opportunities that provide potential to expand our business nationally and internationally.

FINANCIAL HIGHLIGHTS

Consolidated results for the period 1 July 2008 to 31 December 2008 together with the corresponding periods for 2007 and 2006 were as follows:

	2008 \$m	2007 \$m	2006 \$m
Sales Revenue	15.7	20.9	14.2
EBITDA (Earnings Before Interest, Tax, Depreciation & Amortisation)	3.9	(1.4)	(0.4)
EBIT (Earnings Before Interest and Tax)	3.6	(23.8)	(0.2)

(A more comprehensive financial report is available on our website)

HIGHLIGHTS

- > A reduction in the purchase price of Alpha Aviation
- > Corporate costs reduced by \$500,000 per annum
- > GECA accreditation of a number of Commercial Furniture Division's product ranges
- > Development of the 'X Cel' seating technology to complement proven ergonomic technologies
- > Technology Division products such as SafeZone go into production and other innovative products such as the Personal Ioniser and the iCan system, are developed to meet emerging demands
- > Opentec partnered solutions MAC2 and MS4 is now being taken to world markets
- > Taking up a 7% interest in DNA Webnet, a company specialising in food vending and digital advertising, in exchange for IP support

TECHNOLOGY HIGHLIGHTS



SafeZone® is suitable for a range of applications that will enhance vehicle and pedestrian safety, rail platform and rail crossing safety.



Impart Controller Area Network (iCAN) will revolutionise the vehicle control market.



The Bionic Industries Personal Ioniser has been developed by PNE and features a host of innovations.

OVERVIEW

The year to date result, as at 31 December 2008 is a Revenue of \$5.9m and an EBITDA of \$0.7m. Given these tough economic times, this is an outstanding achievement. Top line revenue is forecast to reach \$13.7m with an EBITDA of \$1.5m for the full year. The anticipated result is due to the introduction of a number of new products, initiatives and applications to service an expanded market. These include,

SafeZone®

A product that was initially developed for the road safety niche market has been reengineered and now has many alternate applications within road, rail and industry, further strengthening the system's value proposition for global markets.

Trial sites are currently being negotiated with a number of State Rail Authorities for implementation in April 2009, with major roll-outs expected to commence in the 2009-2010 financial year.

Opentec Solutions

Opentec continues to focus on partnerships and alliances with particular emphasis on Defence contractors. Based on its continuing efforts and strong relationships, it has been awarded the distributorship for the sophisticated mobile Biometric Scanner which is able to remotely process and access central databases of key biometric identifiers. This distributorship broadens the range of products being marketed under the Opentec brand particularly for security and border control. Furthermore, two experienced Business Development Managers have been appointed to ensure that this comprehensive range of products is put before decision makers in the appropriate markets.

Impart Controller Area Network (iCAN)

The development of the iCAN CAN-Bus system is now complete and ready for production.

iCAN allows third-party, non-CAN-Bus devices such as lights and sirens, to be installed on a CAN-Bus fitted vehicle. iCAN is not only suited to emergency services, but to numerous other commercial vehicles. This is a product range with immense global sales potential in an emerging market that has been grossly underserved.

Personal Ioniser

The Bionic Industries Personal Ioniser, developed by PNE, is a wearable unit and the only one approved by the Australian Therapeutic Goods Association.

The personal ioniser market has been growing rapidly over the last few years and delivering a unique and innovative product for this market segment creates potential for new revenue streams. A detailed marketing plan is now complete for the launch of this product to local and international markets. We expect the Personal Ioniser to be a strong contributor to sales and bottom line results in the coming years.

HIGHLIGHTS

COMMERCIAL FURNITURE

OVERVIEW

The year to date result, as at 31 December 2008 is a Revenue of \$10.2m and an EBITDA of \$0.7m. The Forecast to 30 June 2009 is Revenue of \$20.5m and an EBITDA of close to \$1.1m. While the current economic conditions, reduced sales and massive devaluation of the Australian dollar, impacted heavily on the cost of components purchased from overseas and overall profitability, the division was able to maintain a positive EBITDA that is slightly better than for the same period last year. This is an excellent result, which has been achieved through extensive expenditure reduction measures across all areas of the division, improved manufacturing processes and staff reductions of approximately 20% as at the date of preparing this report.

Notwithstanding the challenges of the current economic climate, the Commercial Furniture Division has been actively developing products to meet the current market conditions and enter new market segments to broaden its customer base. Major initiatives include,

Management in Action

Development and implementation of new strategic alliances to better service our customers, increase our product range and instigate supply chain efficiencies.

Reinforcing the Green Story

A continuing commitment to eco-friendly products whereby three additional products have now been GECA (Good Environmental Choice Australia) certified. A further six products are currently being assessed.

Driving Sales & Marketing

The development and reinvestment in cohesive marketing collateral incorporating the tag line of 'Ergo-Ecological' for both the task and executive seating; as well as 'Green to the Core' as a tag line for the Company's commitment to environmentally friendly manufacturing processes and products;

and

The strengthening of sales and marketing activity in the Western Australian market with dedicated resources in Perth.

Nurturing Local Industry, Talent & Design

A review of components, which seeks to balance offshore procurement with a greater emphasis on supporting established local (Australian and New Zealand) suppliers.

Vibe Furniture continues with the Creative Vibe Design Competition, which focused on young Australian and New Zealand design talent who produced some exciting storage solutions.

This year's competition was a resounding success as illustrated by the high quality applicants. The winning 'San' design has recently been shortlisted for an Australian Design Award.



The 'San', this year's Creative Vibe winning entry will be commercialised over the coming months.



Clockwise from top left; The VClass, CO2, Emotion, Aztec, Inca and Boxta product ranges have achieved Good Environmental Choice Australia (GECA) certification, reinforcing Gregory's Green story.

HALF YEAR 2009 COMPANY SNAPSHOT

ABOUT INVENTIS

Inventis is a company dedicated to the discovery, development, and commercialisation of inspired solutions.

This targeted business strategy, when combined with the Company's multi-disciplinary approach to the application of technology and design, has resulted in the development of a series of innovative products with the market potential to change the way we think, work and perform.

The Inventis commitment began with a simple purpose that has been instilled throughout the Company: Provide 'inspired solutions' that exceed customers' expectations. The Company's approach, purpose and value system provide the foundation to solve today's business challenges that enable our Technology and Commercial Furniture Divisions to be successful.

BOARD OF DIRECTORS

Tony Noun

Chairman and Group Managing Director

Tony has more than 25 years professional and commercial experience with a proven track record of successfully managing start-up operations, as well as small, medium and large national and international companies.

Denis Pidcock

Non-Executive Director

Denis has extensive experience in both senior level executive management and non-executive directorship roles across a wide range of industry fields in private, public and government corporations as well as considerable international involvement in Europe, the United States and South East Asia.

Charles Wright

Non-Executive Director

Charles has over 30 years experience as a chairman and director of a number of private, public, not-for-profit and government organisations and has been instrumental in restructuring and re-establishing a positive platform for many organisations.

CONTACTS

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