Rules 4.2A.3

Appendix 4D

Half yearly report

Name of Entity	Inventis Limited
ABN	40 084 068 673
Half Year Ended	31 December 2009
Previous Corresponding Reporting Period	31 December 2008

Results for Announcement to the Market

	$'000	**Percentage increase /(decrease) over previous corresponding period**
Revenue from continuing operations	13,424	(14%)
Loss from continuing operations after tax attributable to members	(882)	N/A
Net Loss for the period attributable to members	(1,191)	N/A

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil

Record date for determining entitlements to the dividends (if any)	Not Applicable.

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

The depressed economic climate continues to impact the Group's results. This is seen in the Furniture Division which continues to be plagued by delayed commercial property developments and office refurbishments. However, the Technology Division has been able to increase its revenue due to the impact of the introduction of new technologies such as Safezone. In addition, because of tight cost control, the Corporate costs have been reduced by $0.3 million in the first half of this financial year thus helping to mitigate the Group's Losses.

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Directors have not recommended payment of an interim dividend.

NTA Backing

	Current Period	**Previous corresponding period**
Net tangible asset backing per ordinary security	1 cent	3 cents

Control Gained Over Entities Having Material Effect

Name of entity	None
Date control gained	N/A
Profit / (loss) from continuing operations since the date in the current period on which control was acquired	N/A
Profit / (loss) from continuing operations of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	X
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:

Not Applicable

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

Extract from the independent auditor's review report:

Basis of qualified conclusion

As noted in Note 4 of the interim financial report, the Les Bleus (formerly Alpha Aviation) Group of companies ("Les Bleus"), being wholly-owned subsidiaries of the Company, were placed into voluntary liquidation and receivership. As a result, the accounting records were not adequate to permit the application of appropriate review procedures. Accordingly, it was not possible to obtain all the information necessary to complete our review of Les Bleus relating to its performance and cash flows for the half year ended 31 December 2009 and its financial position at 31 December 2009 including the comparative periods.

Had we been able to complete our review of Les Bleus, matters might have come to our attention indicating that adjustments might be necessary to the 31 December 2009 consolidated interim financial report including the comparatives.

Qualified conclusion

Except for the adjustments, if any, to the 31 December 2009 half year financial report relating to Les Bleus that we might have become aware of had it not been for the matters described above, 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 Inventis Limited is not in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Attachments Forming Part of Appendix 4D

Attachment #	**Details**
1	Interim Financial Report

Signed By (Director)	**(Company Secretary)**
Tony Noun ***Chairman and Managing Director***	Renuka Sharma **Renuka Sharma** ***Company Secretary***
Dated this 26th February 2010	

Inventis Limited

ABN 40 084 068 673

and its controlled entities

31 December 2009

Interim Financial Report

CONTENTS

DIRECTORS' REPORT

The directors present their report together with the consolidated interim financial report for the six months ended 31 December 2009 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period were:

- Tony Noun
- Denis Pidcock
- Charles Michael Wright
- Linda Barrett (3 August 2009 - 20 November 2009)

Review of Operations

During the period under review, the current economic climate continues to be quite a challenge for everyone including Inventis. However, we are rising to the challenge as we continue to refine the restructuring programme commenced last year to extract further operational efficiencies. The financial results of the Group for the period under review may be summarised as follows:

	31-Dec 2009 $'000	31-Dec 2008 $'000	% Change
Sales			
Continuing Operations			
Technology	6,319	5,867	8%
Furniture	7,538	10,186	(26%)
Eliminations	(433)	(388)	
Sub-total Continuing Operations	13,424	15,665	(14%)
Discontinued Operations			
Aviation	92	614	
Total	13,516	16,279	
EBITDA			
Continuing Operations			
Technology	1,006	716	
Furniture	(199)	665	
Corporate / Eliminations	(688)	(1,008)	
Sub-total	119	373	
Discontinued Operations			
Net loss	(158)	(78)	
Impairment Charges	0	0	
Other income	0	3,603	
Sub-total	(158)	3,525	
Total EBITDA	(39)	3,898	
NPAT			
Continuing Operations	(882)	76	
Discontinued Operations	(309)	3,481	
Total NPAT	(1,191)	3,557	

Technology Division

Inventis Technology revenue for the first six months was $6.3 million. This is an 8% increase over the same period last year. During the second half of this financial year, the Division expects a number of project orders, which would see it finish the year with total sales for the year of $14 million. This would represent a $1.0 million increase in sales over the previous year. The sales growth achieved thus far and projected for the full year is quite an accomplishment when one considers the general economic environment of recent times.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for this reporting period was $1.0 million as compared to $0.7 million for the same period last year. This improvement was achieved through a combination of pricing strategies with both customers and suppliers; improved production efficiencies; reduced staff and costs; as well as the introduction of new products into new and growing market segments. The anticipated EBITDA for the full year is $1.9 million.

Some of the initiatives in place to ensure this ongoing positive result include,

- **SafeZone:** Originally developed for a niche road safety application where infrastructure funding was subsequently not made available, SafeZone has been re-engineered and adapted to suit an ever growing range of applications, where government and private sector spending continues to be available. Innovations include a variant called the SafeZone Advance Warning System, which has received significant interest from rail groups for use for railway crossings on public roads; OH&S groups for safety applications on private premises; City councils for use on pedestrian crossings in high pedestrian traffic areas such as CBDs. A trial site is currently being assessed by Rio Tinto in Western Australia.. In addition, negotiations are being finalised with various State Government bodies for trials in pedestrian and railway crossing applications.

  These developments arise solely as a result of Technology division's ability to identify new markets, quickly re-engineer products to suit, engage with decision makers and secure commitments to deploy this versatile and robust design;

- **Opentec Solutions:** continues to focus on partnerships that leverage sales into profitable accounts. There has been a particular emphasis on Defence contractors which traditionally take time to finalise. Consequently, more focus is being turned to commercial partners, targeting high-growth field service and productivity improvement projects. As a result of the Technology division's ability to effectively manage these relationships, they have been successful in negotiating a number of strategic alliances that have resulted in an expanded product range. These new semi-rugged commercial, rugged industrial and rugged biometrics solutions provide access to a broader range of markets where strong growth continues to be seen, which we now have the capability to deliver to; and

- **Impart Special Products:** With the development of the iCAN (and miniCAN) CAN-Bus systems complete, direct sales and marketing activities are under way to secure business with a wider mix of body builders and vehicle, caravan, trailer and boat fit-out specialists. The product offers significant potential for these channel partners to cut costs and improve the quality of the solution they deliver to their customers. It's already receiving significant interest from prospective new customers, as well as existing partners.

  The newly released iLAS 'Impart Lockdown Alert System' addresses a growth market in premises warnings for schools, TAFEs, Universities, private colleges, factories and warehouses. Strong sales are already resulting from schools, with the focus now shifting to TAFEs and universities to expand this niche market segment. This is another area where a new product is giving us an entrée to new growth markets to ensure strong, sustainable sales increases.

Furniture Division

The Global Financial Crisis continues to impact the commercial furniture market quite heavily with year to date sales of $7.5 million as compared to $10.2 million for the same period last year. Despite the challenges of a shrinking market, Gregory Commercial Furniture has continued to work extremely hard at increasing its market share as well as identifying and securing new opportunities that will bolster revenues for the second half of the current financial year. It is expected that sales for the full year will improve to $16.5 million, which is about the same as what was achieved last year ($16.7 million). Attaining this result would be quite an achievement for our Furniture Division.

Regardless, gross margins have been maintained as a result of improved procurement and production efficiencies; as well as reduced staff and costs. EBITDA for the Division is negative $0.2 million for the period, compared to a positive $0.7 million for the same period last year. However, with further cost-cutting measures and improved sales, the EBITDA for the full year is expected to improve to 0.8 million, as compared to 0.5 million last year.

As part of its consolidation and efficiency processes highlighted last year, Gregory Commercial Furniture has relocated to a new and larger facility, which would also, enable the integration of the Bayswater plant into the Sydney operations in March 2010. Profit has therefore being impacted by the costs of relocating the Wetherill Park operations to Pemulwuy in Western Sydney. The costs of integrating the Bayswater plant into the premises at Pemulwuy will impact the second half but will result in considerable overall operating cost reductions that will positively impact on margins for the future.

Primary initiatives in place to maximise second half opportunities and improve the operation's performance include:

- A more direct method of engagement with the market in all segments but with a higher than previous emphasis on the A&D commercial market;
- A restructure of the sales force to enable better access to the private sector without jeopardizing government business;
- Marketing campaigns and website upgrade to increase brand awareness and facilitate better penetration into the private sector;
- The ongoing product improvement and product range development to support the push into mainstream healthcare markets;
- Development of new seating technologies to maintain the brand reputation of Gregory as an innovative seating technology company; and
- Strong focus on cost containment and cost reduction in both operating and product costs.

Aviation Division (Discontinued Operation)

Les Bleus (formerly Alpha Aviation) continues to operate in receivership and the results are recorded under the discontinued operations portions of the accompanying financial statements and notes.

Financial Review

The Group's sales for the period ended 31 December 2009 were $13.5 million (including discontinued operations of $0.1 million). This is $2.8 million below last year results for the same period (including discontinued operations of $0.6 million). Overall Revenue forecast for the full year from continuing operations is expected to be similar to last year with total sales being in the range of $30 million to $31 million.

The Continuing operations EBITDA for the Period was $0.1 million which is $0.3 million below last year's result for the same period; and the Group's EBITDA loss of $0.04 million was $3.9million below last year which was favourably impacted by the warranty claim settlement of $3.6 million. Projected EBITDA from continuing operations is expected to be in the order of $1 million, which compares favourably to last year's result of $0.9 million when the effects of the warranty claim are excluded.

The Group's Net Loss after Tax (NPAT) for the Period was $1.2 million which is $4.7 million below last year's result for the same period. This variation is mainly due to the warranty claim settlement in 2008 for $3.6 million and the writing off of the deferred tax asset for the New Zealand operations of $0.6 million in 2009 half year due to the accounting rules under IFRS. Projected NPAT for the full year from continuing operations is expected to be a loss of $0.6 million, which equates to the New Zealand deferred tax write-off and thus represents an improvement over last year's results.

Dividends

The Directors do not recommend the payment of a dividend.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included following the director's report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Tony Noun
Chairman and Managing Director.

SYDNEY, This 26th day of February 2010.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Inventis Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Carlo Pasqualini
Partner

Sydney

26 February 2010

Inventis Limited
Consolidated Interim Statement of Financial Position
As at 31 December 2009

	Note	31 Dec 2009 $'000	30 June 2009 $'000
Assets			
Cash and cash equivalents		163	234
Trade and other receivables		5,010	5,757
Inventories		4,517	4,706
Prepayments		418	193
Assets classified as held for sale	**5**	2,514	2,157
Total current assets		**12,622**	**13,047**
Non-current assets			
Property, plant and equipment	**7**	1,486	2,359
Other financial assets		86	62
Deferred tax assets		1,396	1,999
Intangible assets		5,296	5,542
Total non-current assets		**8,264**	**9,962**
Total assets		**20,886**	**23,009**
Liabilities			
Trade and other payables		3,807	4,057
Interest-bearing liabilities	**8**	2,728	2,965
Employee benefits		1,359	1,353
Liabilities classified as held for sale	**6**	6,027	6,213
Total current liabilities		**13,921**	**14,588**
Non-current liabilities			
Interest-bearing liabilities	**8**	545	779
Employee benefits		155	134
Total non-current liabilities		**700**	**913**
Total liabilities		**14,621**	**15,501**
Net assets		**6,265**	**7,508**
Equity			
Share capital		27,707	27,721
Reserves		(601)	(563)
Accumulated losses		(20,841)	(19,650)
Total equity		**6,265**	**7,508**

The condensed notes on pages 11 to 19 are an integral part of these consolidated interim financial statements.

Inventis Limited
Consolidated Interim Statement of Comprehensive Income
For the half year ended 31 December 2009

	Note	31 Dec 2009 $'000	31 Dec 2008 $'000
Continuing Operations			
Revenue		**13,424**	**15,665**
Cost of sales		(7,255)	(8,689)
Gross profit		**6,169**	**6,976**
Other income/(expenses)		88	(126)
Manufacturing and operations		(1,735)	(1,594)
Engineering and quality assurance		(793)	(593)
Administration		(2,143)	(2,369)
Sales and marketing		(1,901)	(2,289)
Results from operating activities		**(315)**	**5**
Financial income		122	11
Financial expenses		(131)	(178)
Net financing costs		**(9)**	**(167)**
Loss before income tax		**(324)**	**(162)**
Income tax (expense) / benefit		(558)	238
(Loss) / Profit for the period from continuing operations		**(882)**	**76**
Discontinued operations			
Loss from discontinued operations, net of income tax		(309)	(122)
Warranty claim settlement		-	3,603
(Loss) / Profit from discontinued operations	**4**	(309)	3,481
(Loss) / Profit for the period		**(1,191)**	**3,557**
Other Comprehensive Income			
Foreign currency translation differences for foreign operations		(38)	192
Income tax effect of share issue costs		(14)	(17)
Total other comprehensive income for the period		(52)	175
Total comprehensive income attributable to Owners of the Company		(1,243)	3,557
		Cents	**Cents**
(Loss) / Earnings per share			
Basic earnings per share / (loss)		(1.1)	3.2
Diluted earnings per share / (loss)		(1.1)	3.2
Continuing operations			
Basic earnings per share / (loss)		(0.8)	0.07
Diluted earnings per share / (loss)		(0.8)	0.07

The condensed notes on pages 11 to 19 are an integral part of these consolidated interim financial statements.

Inventis Limited
Consolidated Interim Statements of changes in Equity
For the half year ended 31 December 2009

(In thousands of AUD)	**Issued Capital**	**Revaluation Reserve**	**Translation Reserve**	**Accumulated Losses**	**Total Equity**
Balance As at 1 July 2009	27,721	404	(967)	(19,650)	7,508
Total comprehensive income for the period					
Statutory Loss for the period	-	-	-	(1,191)	(1,191)
Other comprehensive income					
Foreign currency translation differences for foreign operations	-	-	(38)	-	(38)
Income tax effect of share issue costs	(14)	-	-	-	(14)
Sub-total other comprehensive income for the period	(14)	-	(38)	-	(52)
Total Transactions with owners recorded directly in equity	-	-	-	-	-
Balance as at 31 December 2009	27,707	404	(1,005)	(20,841)	6,265
Balance As at 1 July 2008	31,357	404	(612)	(22,655)	8,494
Total comprehensive income for the period					
Statutory Profit for the period	-	-	-	3,557	3,557
Other comprehensive income					
Foreign currency translation differences for foreign operations	-	-	192	-	192
Income tax effect of share issue costs	(17)	-	-	-	(17)
Sub-total other comprehensive income for the period	(17)	-	192	-	175
Transactions with owners recorded directly in equity					
Cancellation of ordinary shares	(3,603)	-	-	-	(3,603)
Total Transactions with owners recorded directly in equity	(3,603)	-	-	-	(3,603)
Balance as at 31 December 2008	27,737	404	(420)	(19,098)	8,623

The condensed notes on pages 11 to 19 are an integral part of these consolidated interim financial statements.

Inventis Limited
Consolidated Interim Statement of Cash Flows
For the half year ended 31 December 2009

	31 Dec 2009 $'000	31 Dec 2008 $'000
Cash flows from operating activities		
Cash receipts from customers (including GST)	15,885	20,050
Cash paid to suppliers and employees (including GST)	(15,120)	(19,725)
Interest paid	(87)	(353)
Interest received	2	11
Income taxes received/(paid)	-	102
Net cash inflow / (outflow) from operating activities	680	85
Cash flows from investing activities		
Purchase of property, plant and equipment	(138)	(91)
Net cash (outflow) / inflow from investing activities	(138)	(91)
Cash flows from financing activities		
Transaction costs of share issue	-	16
Proceeds from borrowings	-	327
Repayment of borrowings	(462)	(208)
Lease liability payment	(9)	(5)
Net cash (outflow) / inflow from financing activities	(471)	130
Net increase / (decrease) in cash and cash equivalents	**234**	**124**
Cash and cash equivalents at beginning of the period	(71)	355
Cash and cash equivalents at end of the period	**163**	**479**

The condensed notes on pages 11 to 19 are an integral part of these consolidated interim financial statements.

NOTE 1: Basis of Preparation of Half Year Financial Statements

Reporting Entity

Inventis Limited (the "Company" or 'Inventis") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2009 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report of the Group as at and for the year ended 30 June 2009 is available upon request from the company's registered office at Suite 12, 1 Box Road, Caringbah, NSW, 2229 or at www.inventis.com.au.

Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2009 and any public announcements made by Inventis Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This consolidated interim financial report was approved by the Board of Directors on 26 February 2010.

Significant Accounting Policies

Except as described below, the accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2009.

(a) Change in accounting policy

(i) Presentation of financial statements

The Group applies revised AASB 1 *Presentation of Financial Statements* (2007), which became effective as of 1 July 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these consolidated interim financial statements as of and for the six month period ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings.

The Group has elected not to early adopt any accounting standards and amendments.

Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2009.

NOTE 2: Segment Reporting

The Group comprises the following main business segments:

> *Furniture Division.* The design, manufacture and sale of a range of commercial furniture, which includes office chairs, tables, lounges, and workstations.

> *Technology Division.* The design and manufacture of custom control and market ready electronic systems, mobile computing solutions and emergency vehicle control systems.

Other operations discontinued during the 2008 financial year include the design, manufacture and sale of two-seater aircraft.

A corporate head office function provides the Group with finance, human resources and IT services, however this corporate function does not satisfy the requirements for disclosures as a reportable segment.

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment profit before income tax. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Inter-segment pricing is determined on an arm’s length basis.

NOTE 2: Segment Reporting (continued)

	Furniture Division		Technology Division		Aviation (Discontinued)		Total	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Total revenue	7,538	10,186	6,319	5,867	92	614	13,949	16,667
Inter-segment revenue	(433)	(388)	-	-	-	-	(433)	(388)
Interest revenue	-	1	-	3	2	-	2	4
Interest expense	-	(2)	-	(1)	(153)	(175)	(153)	(178)
Depreciation and amortisation	154	170	177	178	-	-	331	348
Reportable segment profit before income tax	(353)	493	829	540	(309)	3,481	167	4,514
Other material non-cash items:								
Impairment on PPE and other assets	30	-	16	-	-	131	46	131
Warranty claim settlement	-	-	-	-	-	(3,603)	-	(3,603)
Reportable segment assets	7,149	9,119	18,056	15,052	1,639	2,953	26,844	27,124
Reportable segment liabilities	(5,170)	(5,949)	(5,072)	(3,517)	(6,027)	(5,723)	(16,269)	(15,189)

NOTE 2: Segment Reporting (continued)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

	31 Dec 2009 $'000	**31 Dec 2008** $'000
Revenues		
Total revenue for reportable segments	13,949	16,667
Elimination of inter-segment revenue	(433)	(388)
Elimination of discontinued operations	(92)	(614)
Consolidated revenue from continuing operations	13,424	15,665
Profit or loss		
Total profit/(loss) for reportable segments	167	4,514
Elimination of inter-segment profits/(losses)	111	42
Elimination of discontinued operations	309	(3,481)
Unallocated amounts: other corporate expenses	(911)	(1,237)
Consolidated profit/(loss) before income tax from continuing operations	(324)	(162)
Assets		
Total assets for reportable segments	26,844	27,124
Other unallocated amounts	(5,958)	(3,485)
Consolidated total assets	20,886	23,639
Liabilities		
Total liabilities for reportable segments	(16,269)	(15,189)
Other unallocated amounts	1,648	173
Consolidated total liabilities	(14,621)	(15,016)

Other material items 2009	**Reportable segment totals $'000**	**Corporate / Eliminations $'000**	**Consolidated total $'000**
Interest income	2	2	4
Interest expense	153	87	240
Depreciation and amortisation	331	26	357
Impairment losses on PPE and other assets	46	-	46

Other material items 2008	**Reportable segment totals $'000**	**Corporate / Eliminations $'000**	**Consolidated total $'000**
Interest income	4	7	11
Interest expense	178	175	353
Depreciation and amortisation	348	20	368
Impairment losses on PPE and other assets	(131)	-	(131)

NOTE 2: Segment Reporting (continued)

Geographical segments

The Group operates in two geographical areas being Australia and New Zealand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers. Segment assets are based on the geographical location of the assets.

Geographical information	**2009**		**2008**	
	Revenues	**Non-current assets**	**Revenues**	**Non-current assets**
	$'000	**$'000**	**$'000**	**$'000**
Australia	11,980	8,042	13,554	9,186
New Zealand	1,536	222	2,725	776
Total	13,516	8,264	16,279	9,962

Major customer

Revenue from two customers of the Group's Technology segment represents approximately $3,423,464 (2008:$2,242,000) of the Segment's total revenues of $6,319,000 (2008: $5,867,000).

NOTE 3. Expenses

	31 Dec 2009	**31 Dec 2008**
	$'000	$'000
Included in administration expense are the following:		
- Impairment (reversals) / losses:	46	-
- Impairment of other assets – Alpha	-	(131)
	46	(131)

NOTE 4. Discontinued operations

Alpha Aviation

On 22 January 2008, the Board of Directors of Inventis Limited appointed a Liquidator to its New Zealand based wholly owned subsidiaries Alpha Aviation Limited, Alpha Aviation Manufacturing Limited and Alpha Aviation Marketing Limited. The action of placing these companies in Liquidation was taken by the Board as a result of the failure of Alpha Aviation to meet its projected output of aircraft and the consequential impact that this had on the funding requirements of the Alpha Aviation Group.

On the same day, the Bank of New Zealand Limited appointed a Receiver to the above three companies.

On 18 February 2008, the Bank of New Zealand appointed a Receiver to the remaining wholly owned subsidiaries in the Alpha Aviation Group, namely, Alpha Aviation Investments Limited, Alpha Aviation Design Limited, Alpha Aviation Leasing Limited, Alpha Aviation Property Limited and A&CL Properties (2005) Limited.

On 22 June 2009 certain assets of the Alpha Aviation Group were sold by the Receiver and the name of the companies were changed by the Receiver from Alpha Aviation to Les Bleus.

NOTE 4. Discontinued operations (continued)

The names of the Alpha companies that had changed are as follows:

- Les Bleus Limited (formerly Alpha Aviation Limited in receivership and liquidation),
- Les Bleus Manufacturing Limited (formerly Alpha Aviation Manufacturing Limited in receivership and liquidation),
- Les Bleus Marketing Limited (formerly Alpha Aviation Marketing Limited in receivership and liquidation),
- Les Bleus Design Limited (formerly Alpha Aviation Design Limited in receivership),
- Les Bleus Property Limited (formerly Alpha Aviation Property Limited in receivership),
- Les Bleus Leasing Limited (formerly Alpha Aviation Leasing Limited in receivership), and
- Les Bleus Investments Limited (formerly Alpha Aviation Investments Limited in receivership).

A consequence of the above events is that the net deficiency in assets relating to Les Bleus is currently recognised in the consolidated financial statements at 31 December 2009. This may be reversed (or part thereof) in future reporting periods when the receivership is finalised due to the Inventis Group not having any obligations to settle outstanding liabilities. The estimated timing of any of the above events is unknown at the date of this report.

	Consolidated Entity	
	31 Dec 2009	**31 Dec 2008**
	$'000	$'000
Results of discontinued operation		
Revenue	92	614
Expenses	(250)	(692)
Impairment losses / (reversals)	-	131
Results from operating activities	(158)	53
Finance income	2	-
Finance expense	(153)	(175)
Net finance costs	(151)	(175)
Income tax expense	-	-
Results from operating activities, net of income tax	(309)	(122)
Warranty claim settlement	-	3,603
(Loss) / Profit for the period	(309)	3,481
	cents	**cents**
Basic (loss)/ profit earnings per share	(0.3)	3.13
Diluted (loss) / profit earnings per share	(0.3)	3.13

	Consolidated Entity	
	31 Dec 2009	**31 Dec 2008**
	$'000	$'000
Cash flows from discontinued operation		
Net cash used in operating activities	48	(179)
Net cash from investing activities	-	-
Net cash from financing activities	(222)	-
Net cash used in discontinued operation	(174)	(179)

NOTE 5. Assets held for sale

	Consolidated Entity	
	31 Dec 2009	**31 Dec 2008**
	$'000	$'000
Assets held for sale		
Discontinued operations (see Note 6)	1,639	2,157
Continuing operations – freehold property	875	-
	2,514	2,157

NOTE 6. Assets and liabilities held for sale – Discontinued Operations

Les Bleus Limited (formerly Alpha Aviation Limited) and its subsidiaries are presented as a disposal group held for sale following the appointment of the liquidator and receiver on 22 January 2008, to sell the facilities due to the failure of Alpha Aviation to meet its projected output. Efforts of the receiver to sell the disposal group have commenced and the expected settlement of the disposal group is 2011.

	Consolidated Entity	
	31 Dec 2009 $'000	30 Jun 2009 $'000
Assets classified as held for sale		
Cash and cash equivalents	132	306
Property, plant and equipment	1,304	1,295
Trade and other receivables	203	556
	1,639	2,157
Liabilities classified as held for sale		
Trade and other payables	2,471	2,612
Loans and borrowings	3,556	3,601
	6,027	6,213

NOTE 7: Property, plant and equipment

Acquisitions and disposals – Continuing Operations

During the six months ended 31 December 2009 the Group acquired assets with a cost of $138,265 (2008: $91,057), including assets acquired through business combinations of $nil (2008: $nil).

Assets with a carrying amount of $2,224 (2008: $1,648) were disposed of resulting in a loss on disposal of $2,224 (2008: $174) which is included in other income.

NOTE 8: Loans and Borrowings

The following loans and borrowings (non-current and current) were issued and repaid during the six months ended 31 December 2009:

	Currency	Interest Rate	Face Value $'000	Carrying Amount $'000	Year of maturity
Balance as at 1 July 2009				**3,744**	
Loans acquired					
Debtors financing facility	AUD	4.91%-10.71%	13,163	13,163	2011
Repayments					
Commercial bills	NZD		(53)	(53)	2012
Commercial bills	AUD		(180)	(180)	2012
Debtors financing facility	AUD		(13,392)	(13,392)	2011
Finance lease liabilities	AUD		(9)	(9)	2012
Balance as at 31 December 2009				**3,273**	

NOTE 9. Related parties

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors

Denis Pidcock
Charles Michael Wright
Linda Barrett (3 August 2009 – 20 November 2009)

Executive Directors

Tony Noun

Executives

Alfred Kobylanski
Robyn Himmelberg
Julian Measroch (appointed on 17th August 2009)
Renuka Sharma
Linda Barrett (resigned on 31 July 2009)

(i) Key management personnel compensation

Key management personnel receive compensation in the form of short term employee benefits and post employment benefits.

(ii) Other key management personnel transactions

The Company paid rent of $52,497 (2008: $59,216) to entities associated with Mr David Richards and Mrs Robyn Himmelberg for land and buildings in relation to the Sydney operations of the electronic products business.

The Company paid printing of $34,393 (2008: $15,441) to entities associated with Mrs Robyn Himmelberg for the Sydney operations of the electronic products business.

From time to time, key management personnel of the Group, its subsidiaries or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

(iii) Movements in shares

The movement during the reporting period in the number of ordinary shares in Inventis Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2009	Purchases	Held at 15 February 2010
Tony Noun	4,432,952	499,923	4,932,875
Linda Barrett	347,988	-	347,988
Robyn Himmelberg	12,920,887	-	12,920,887
Alfred Kobylanski	3,150,000	-	3,150,000
Renuka Sharma	25,000	-	25,000

NOTE 10. Going concern

The half-year financial report has been prepared on the going concern basis of accounting, which assumes, with the exception of Les Bleus (formerly Alpha Aviation), the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the period ended 31 December 2009, the Group recorded a loss of $1.2 million (continuing operations $0.9 million and discontinued operations $0.3 million) and had a deficiency in working capital of $1.3 million.

In relation to the directors' assessment of the going concern assumption, the directors have considered the following:

- The Group is in an overall net asset position at 31 December 2009 of $6.3 million which includes the negative impact of Les Bleus (formerly Alpha Aviation) of $4.4 million;
- Excluding Les Bleus (formerly Alpha Aviation), the Group would be in a net current asset position of $3.1 million; and
- Operating losses relating to Alpha will not recur in future periods given that these companies are now in the control of liquidators and receivers and Inventis has not provided any guarantees for the liabilities of Alpha.

Banking facilities of $5.0 million are available to the Group as at 31 December 2009. The Group does not expect to require funding beyond this facility in the foreseeable future. Of the available facilities, $3.2 million was drawn down at 31 December 2009, leaving $1.8 million in unutilised facilities.

The directors have reviewed the cash flow forecasts relating to the remaining furniture and technology operations and believe that there are sufficient net cash inflows and facilities available that will enable the company to fund its operations for at least the next 12 months.

The Directors have therefore concluded that it is appropriate to prepare the financial report on a going concern basis, as they are confident the Group will be able to pay its debts as and when they become due and payable through positive cash flows and available facilities.

NOTE 11: Contingent Liabilities

The directors are not aware of any contingent liabilities in existence at reporting date.

NOTE 12: Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the half year ended 31 December 2009 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' Declaration

In the opinion of the directors of Inventis Limited ("the Company"):

1. the financial statements and notes set out on pages 7 to 19, are in accordance with the Corporations Act 2001 including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the six month period ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 26th day of February 2010

Signed in accordance with a resolution of the directors.

Tony Noun
Chairman and Managing Director

Independent auditor's review report to the members of Inventis Limited

Report on the financial report

We have reviewed the accompanying consolidated interim financial report of Inventis Limited ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2009, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies and other explanatory notes 1 to 12 and the directors' declaration set out on pages 7 to 20 of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company 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 control 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 an Interim 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Inventis 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.*

Basis of qualified conclusion

As noted in Note 4 of the interim financial report, the Les Bleus (formerly Alpha Aviation) Group of companies ("Les Bleus"), being wholly-owned subsidiaries of the Company, were placed into voluntary liquidation and receivership in 2008. As a result, the accounting records were not adequate to permit the application of appropriate review procedures. Accordingly, it was not possible to obtain all the information necessary to complete our review of Les Bleus relating to its performance and cash flows for the half-year ended 31 December 2009 and its financial position at 31 December 2009 including the comparative periods.

Had we been able to complete our review of Les Bleus, matters might have come to our attention indicating that adjustments might be necessary to the 31 December 2009 consolidated interim financial report including the comparatives.

Qualified conclusion

Except for the adjustments, if any, to the 31 December 2009 half-year financial report relating to Les Bleus that we might have become aware of had it not been for the matters described above, 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 Inventis Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Carlo Pasqualini
Partner

Sydney

26 February 2010