Rules 4.2A.3

Appendix 4D

Half Yearly Report

Name of Entity	Inventis Limited
ABN	40 084 068 673
Half Year Ended	31 December 2012
Previous Corresponding Reporting Period	31 December 2011

Results for Announcement to the Market

	$'000	**Percentage increase /(decrease) over previous corresponding period**
Revenue from continuing operations	11,746	20.3%
Loss from continuing operations after tax attributable to members	(308)	N/A
Profit from discontinued operations after tax attributable to members	5,040	N/A
Net Profit for the period attributable to members	4,732	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:

Refer to the Directors report.

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	0.4 cents	(3.7 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 5 of the half-year financial report, the Les Bleus (formerly Alpha Aviation) Group of companies ("Les Bleus"), being wholly-owned subsidiaries of the Company, were wound up during the period after having been in voluntary liquidation and receivership. The Receiver did not provide to the Company adequate accounting records to permit the application of appropriate review procedures. Accordingly, it was not possible to obtain all the information necessary to complete our review procedures in relation to Les Bleus relating to its performance and cash flows for the half-year ended 31 December 2012 or the comparative period.

Had we been able to complete our review procedures in relation to Les Bleus, matters might have come to our attention indicating that adjustments might have been necessary to the 31 December 2012 consolidated half-year financial report including the comparatives.

Qualified conclusion

Except for the adjustments, if any, to the 31 December 2012 half-year financial report relating to Les Bleus that we might have become aware of had it not been for matter 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 2012 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 Consolidated Financial Report

Signed By Tony Noun	**Charles Wright**
Executive Chairman	***Director***
Dated this 28th day of February 2013	

INVENTIS LIMITED

AND ITS CONTROLLED ENTITIES

ABN 40 084 068 673

31 DECEMBER 2012

INTERIM CONSOLIDATED FINANCIAL REPORT

CONTENTS

DIRECTORS' REPORT

The directors present their report together with the consolidated interim financial report for the six months ended 31 December 2012 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 (retired and appointed Alternate Director on 08 February 2013)
- Charles Michael Wright
- Peter Bobbin (appointed on 08 February 2013)
- Alfred Kobylanski (Alternate Director)

Review of Operations

During the period under review, the economic climate continued to be challenging although there appeared to be a patchy recovery which continued to impact the Group even though an improved trading position has been achieved in relation to the same period last year. The financial results of the Group for the period under review may be summarised as follows:

Review of Financial Operations for 4D

(in thousands of AUD)		31-Dec 2012	31-Dec 2011	% Change
Sales	Continuing Operations			
	Technology	4,761	2,378	100.2%
	Furniture	6,988	7,545	(7.4%)
	Eliminations	(3)	(157)	
	Total Continuing Operations	11,746	9,766	20.3%
EBITDA	Continuing Operations			
	Technology	971	(958)	
	Furniture	(200)	(315)	
	Corporate / Eliminations	(741)	(583)	
	Sub-total	30	(1,856)	
	Discontinued Operations			
	Net profit / (loss)	0	151	
	Sub-total	0	151	
Total EBITDA		30	(1,705)	
NPAT	Continuing Operations	(308)	(3,836)	`
	Discontinued Operations	5,040	36	
Total NPAT		4,732	(3,800)	

Technology Division

The Technology Division's revenue for the first six month period to 31 December 2012, was $4.8 million. This is a 100% improvement over the same period last year. Anticipated revenue for the full year to 30 June 2013 is $11.6 million.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) for this reporting period was a profit of $1.0 million as compared to a loss of $1.0 million for the same period last year. This $2.0 million turnaround in profitability is attributed to higher revenue, reduced costs as well as the benefits of the restructure which occurred during the last financial year. EBITDA for the full year to 30 June 2013 is expected to be to be in excess of $1.5 million, which is in line with forecasts.

The Technology Division has almost completed all of its restructuring program and by the end of this financial year both purchasing and manufacturing processes will be streamlined. However, it should be noted that this Division is continuing to experience project related revenue pressures, particularly due to cuts in Government spending in the areas such as defence and education. Nevertheless, increasing acceptance of our technology in overseas markets, particularly for our SafeZone Low Cost Railway Solutions and Emergency Alert Systems, is expected to compensate for the pressure being placed on revenue streams locally.

During the fourth quarter of this financial year, Inventis Technology is confident that SafeZone trials will begin with Railway authorities in both the United States of America and Europe. Additionally, negotiations are currently underway for our Emergency Alert Systems to also be trialled in the USA. Regrettably, domestic market reporting delays by State Rail Authorities have pushed back projects, however, it is envisaged that the reports will be completed in the very near future, which is likely to lead to a mass rollout of SafeZone in the later part of 2013. Finally, it is also worthy to note that through product development with existing and new customers, the traditional PNE business is starting to see a consistent increase in revenues.

Furniture Division

The Furniture Division’s revenue for the first six months of this year was $7.0 million which is $0.5 million below the same period last year. This is a pleasing outcome in the current economic climate, which has seen significant negative growth in the commercial furniture market across the board. Nonetheless, despite the market downturn, our Furniture Division expects to finish the year with sales of approximately $15.4 million, which would represent a $0.5 million increase over the previous year.

EBITDA for this reporting period was a loss of $0.2 million as compared to loss of $0.3 million for the same period last year. Although an improvement, the lower than expected profitability continues to be affected by the competitive business environment over the slower trading period, which is normally, experienced in the first half of financial year. A major contributor to the less than desirable outcome is the delayed implementation of the Division's procurement strategy, particularly in New Zealand, caused by cash-flow strain and capital funding delays.

The anticipated EBITDA forecast for the full year is $0.3 million as compared to the previous year’s loss of $1.1 million.

Our Gregory Commercial Furniture Division is continuing to perform well particularly due to the continuing improvements in our procurement strategy, product rationalisation and cost control measures, which have and will continue to improve bottom line results. This underlying growth and strengthening of the bottom line is underpinned by ergonomic product strengths. Capitalising on our major new European partnerships with the likes of Sedus, consolidate and strengthen our market position for a better brighter future.

Aviation Division (Discontinued Operation)

On 3 July 2012, the Receivers of the Les Bleus Group of Companies, a wholly owned group, filed a notice at the New Zealand Companies House informing of the end of their Receivership. Responsibility for the three companies which were in receivership and liquidation were transferred to the Liquidators while the rest of the companies have been transferred to the Directors who have authorised deregistration of these companies. These companies had been deregistered as a result the net impact is 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 2012 were $11.7 million. This is a $2.0 million improvement on the comparative period, largely due to improved revenues for the Technology Division. Overall, Revenue forecast for the full year from continuing operations is expected to be in the range of $26 million to $27 million.

This year to date Continuing operations EBITDA was breakeven, which is a $1.9 million improvement on last year's result for the same period. The projected EBITDA from continuing operations for the full year is expected to be in the order of $2.0 million.

The most pleasing result however, is that of the Group's Continuing Operations Net Profit after Tax (NPAT) being a loss of only $0.3 million for the period ended 31 December 2012. Projected NPAT for the full year from continuing operations is estimated to be a profit of around $1.3 million, which would lead to an approximate NPAT for the Group from both continuing and discontinued operations of $6.3 million.

Events Subsequent to Reporting Date

In the interval between the end of the half year ended 31 December 2012 and the date of this report the Company has undertaken a rights issue that raised $0.7 million.

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
Executive Chairman
SYDNEY on this 28th day of February 2013.

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 2012 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

Malcolm Kafer

Partner

Sydney

28 February 2013

Inventis Limited
Condensed Consolidated Interim Statement of Financial Position
As at 31 December 2012

	Note	31 Dec 2012 $'000	30 Jun 2012 $'000
Assets			
Cash and cash equivalents		175	609
Trade and other receivables		2,633	5,004
Inventories		3,743	3,672
Prepayments		186	83
Assets classified as held for sale	6	675	926
Total current assets		7,412	10,294
Non-current assets			
Property, plant and equipment	7	753	820
Other financial assets		37	35
Deferred tax assets		523	523
Intangible assets		4,223	4,296
Total non-current assets		5,536	5,674
Total Assets		12,948	15,968
Liabilities			
Trade and other payables		4,444	5,373
Interest-bearing liabilities	8	2,102	3,263
Employee benefits		1,526	1,843
Liabilities classified as held for sale	6	-	5,091
Total current liabilities		8,072	15,570
Non-current liabilities			
Employee benefits		101	83
Total non-current liabilities		101	83
Total liabilities		8,173	15,653
Net assets		4,775	315
Equity			
Share capital		28,309	28,320
Reserves		(1,084)	(823)
Accumulated losses		(22,450)	(27,182)
Total equity		4,775	315

The notes on pages 9 to 16 are an integral part of this interim financial report

Inventis Limited
Condensed Consolidated Interim Statement of Comprehensive Income
For the Half Year Ended 31 December 2012

	Note	31 Dec 2012 $'000	31 Dec 2011 $'000
Continuing Operations			
Revenue		11,746	9,766
Cost of Sales		(6,423)	(6,012)
Gross Profit		5,323	3,754
Other income		35	18
Expenses			
Manufacturing and operations		(1,680)	(1,412)
Engineering and quality assurance		(724)	(855)
Administration		(1,883)	(1,993)
Sales and marketing		(1,212)	(1,766)
Results from operating activities		(141)	(2,254)
Finance Income		81	1
Finance expense		(248)	(175)
Net Finance expense		(167)	(174)
Loss before income tax		(308)	(2,428)
Income tax benefit	12	-	(1,408)
Loss from continuing operations		(308)	(3,836)
Discontinued operation			
Profit from discontinued operation, net of income tax	5	5,040	36
Profit / (loss) for the period		4,732	(3,800)
Other Comprehensive income			
Foreign currency translation differences for foreign operations – (loss) / gain		(61)	91
Net decrease to Revaluation reserve		(200)	-
Other comprehensive (expense) / income for the period, net of income tax		(261)	91
Total comprehensive profit / (loss) for the period		4,471	(3,709)
Loss per share		**Cents**	**Cents**
Profit / (loss) per share		3.0	(3.7)
Diluted profit / (loss) per share		3.0	(3.7)
Continuing operations			
Loss per share		(0.2)	(3.7)
Diluted loss per share		(0.2)	(3.7)

The notes on pages 9 to 16 are an integral part of this interim financial report

Inventis Limited
Condensed Consolidated Interim Statement of Changes in Equity
For the Half Year Ended 31 December 2012

	Issued Capital $’000	Revaluation Reserve $’000	Translation Reserve $’000	Accumulated Losses $’000	Total Equity $’000
Balance As at 1 July 2011	27,673	404	(1,125)	(22,657)	4,295
Total comprehensive income for the period					
Loss for the period	-	-		(3,800)	(3,800)
Other comprehensive income					
Foreign currency translation differences for foreign operations – gain	-	-	91	-	91
Total other comprehensive income for the period	-	-	91	-	91
Total comprehensive income/ (loss) for the period	-	-	91	(3,800)	(3,709)
Total Transactions with owners recorded directly in equity	16	-	-	1	17
Balance as at 31 December 2011	27,689	404	(1,034)	(26,456)	603
Balance As at 1 July 2012	28,320	404	(1,227)	(27,182)	315
Total comprehensive income for the period					
Profit for the period	-	-		4,732	4,732
Other comprehensive income					
Write down in revalued asset	-	(200)	-	-	(200)
Foreign currency translation differences for foreign operations – gain	-	-	(61)	-	(61)
Total other comprehensive (loss) / income for the period	-	(200)	(61)	-	(261)
Total comprehensive (loss) / income for the period	-	(200)	(61)	4,732	4,471
Total Transactions with owners recorded directly in equity					
- Share issue costs	(11)	-	-	-	(11)
Balance as at 31 December 2012	28,309	204	(1,288)	(22,450)	4,775

The notes on pages 9 to 16 are an integral part of this interim financial report

Inventis Limited
Condensed Consolidated Interim Statement of Cash Flows
For the Half Year Ended 31 December 2012

	Note	31 Dec 2012 $'000	31 Dec 2011 $'000
Cash flows from operating activities			
Receipts from customers		16,092	13,512
Payments to suppliers and employees		(15,120)	(13,286)
Cash generated from operations		972	226
Interest received		3	4
Interest paid		(248)	(113)
Net cash from operating activities		727	117
Cash flows from investing activities			
Purchase of fixed assets		-	(119)
Net cash from / (used in) investing activities		-	(119)
Cash flows from financing activities			
Proceeds from rights offer		-	16
Proceeds from borrowings		-	647
Repayment of borrowings		(1,161)	(650)
Net cash used in financing activities		(1,161)	13
Net (decrease) / increase in cash and cash equivalents		(434)	11
Cash and cash equivalents at 1 July		609	223
Cash and cash equivalents at 31 December		175	234

The notes on pages 9 to 16 are an integral part of this interim financial report

Note 1: Reporting Entity

Inventis Limited (the "Company") is a company domiciled in Australia and incorporated in Australia. The address of the Company's registered office is Suite 12, 1 Box Road, Caringbah, NSW, 2229. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2012 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report for the Group, as at and for the year ended 30 June 2012 is available upon request from the Company's registered office or at www.inventis.com.au

Note 2: Basis of Preparation

a. 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 2012 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.

The consolidated interim financial report was authorised for issue by the Board of Directors on 28 February 2013.

The company is of the 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.

b. Basis of measurement

The interim financial report has been prepared on the historical cost basis except for the following:

- property is measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value

c. Functional and presentation currency

This interim financial report is presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group.

d. Les BLEUS – Liquidation basis of Accounting

As at 31 December 2011, the Les Bleus Group (refer not 5) was in liquidation and receivership. During the half year ended 31 December 2012, the Les Bleus Group of companies were deregistered by New Zealand Companies House. The financial position and results relating to those entities were accounted on a basis other than going concern in the financial statements for the half years ended 31 December 2011 and 31 December 2012.

On 3 July 2012, the Receivers of the Les Bleus Group of Companies, a wholly owned group, filed a notice at the New Zealand Companies House informing of the end of their Receivership. Responsibility for the three companies which were in receivership and liquidation were transferred to the Liquidators while the rest of the companies were transferred to the Directors.

These companies were deregistered during the period ended 31 December 2012. As a result, their carrying values have been de-recognised from the statement of financial position and recognised through profit from discontinued operations for the half year period. For the comparative period, all assets and liabilities relating to those companies were classified as current and all assets were written down to their estimated realisable values.

Note 3: Significant Accounting Policies

a. 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 2012.

b. 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 expenses. 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 2012.

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

Note 4: Operating Segments

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.

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 disclosure 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 4: Operating segments continued

	Furniture Division		Technology Division		Aviation (Discontinued)		Total	
(in thousands of AUD)	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Total revenue	6,988	7,545	4,761	2,378	-	-	11,749	9,923
Inter-segment revenue	(13)	(153)	-	-	-	-	(13)	(153)
Interest revenue	3	3	-	1	-	-	3	4
Interest expense	(128)	(64)	(109)	(49)	-	(115)	(237)	(228)
Depreciation and amortisation	47	130	93	254	-	-	140	384
Reportable segment profit / (loss) before income tax	(935)	(1,086)	384	(1,929)	5,040	36	4,489	(2,979)
Other material non-cash items								
Unrealised foreign exchange loss on related party loan (loss)/gain	(60)	(62)	-	-	-	-	(60)	(62)

	Furniture Division		Technology Division		Aviation (Discontinued)		Total	
(in thousands of AUD)	**31 Dec 2012**	**30 Jun 2012**	**31 Dec 2012**	**30 Jun 2012**	**31 Dec 2012**	**30 Jun 2012**	**31 Dec 2012**	**30 Jun 2012**
Reportable segment assets	7,670	10,130	7,127	7,926	-	51	14,797	18,107
Reportable segment liabilities	(6,773)	(8,231)	(1,766)	(2,749)	-	(5,091)	(8,539)	(16,071)

NOTE 4: Operating segments continued

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

(in thousands of AUD)	**31 Dec 2012**	**31 Dec 2011**
Revenues		
Total revenue for reportable segments	11,749	9,923
Elimination of inter-segment revenues	(13)	(153)
Corporate revenues	10	(4)
Consolidated revenue from continuing operations	11,746	9,766
Profit or Loss		
Total profit / (loss) for reportable segments	4,489	(2,979)
Elimination of inter-segment profit / (loss)	-	(5)
Elimination of Discontinued operations	(5,040)	(36)
Unallocated amounts: other corporate expenses	243	592
Consolidated loss before income tax from continuing operations	(308)	(2,428)

	31 Dec 2012	**30 Jun 2012**
Assets		
Total assets for reportable segments	14,797	18,107
Eliminations	(1,849)	(2,139)
Consolidated total assets	12,948	15,968
Liabilities		
Total liabilities for reportable segments	(8,539)	(16,071)
Eliminations	366	418
Consolidated total liabilities	(8,173)	(15,653)

Other material items 2012 (including discontinued operations)

(in thousands of AUD)	**Reportable Segment Totals**	**Adjustments**	**Consolidated Totals**
Interest revenue	3	-	3
Interest expense	237	11	248
Depreciation and amortisation	140	13	153
Unrealised foreign exchange loss on related party loan	60	-	60

Other material items 2011 (including discontinued operations)

Interest revenue	4	-	4
Interest expense	228	(1)	227
Depreciation and amortisation	384	16	400
Related party loan impairment	352	(352)	-
Unrealised foreign exchange loss on related party loan	62	-	62

NOTE 4: Operating segments 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 upon the geographical location of customers. Segment assets are based on the geographical location of the assets.

	2012		2011	
(in thousands of AUD)	**Revenues**	**Non-current assets**	**Revenues**	**Non-current assets**
Australia	10,071	5,394	7,861	5,421
New Zealand	1,675	142	1,905	166
Total	11,746	5,536	9,766	5,587

Major Customers

Revenue from three customers of the Group's Technology Division represents approximately $2.7 million (2011:$1.0 million) of the Segment's total revenues of $4.7 million (2011: $2.4 million). In addition revenue from four customers of the Group's Furniture Division represents approximately $1.3 million (2011:$1.0 million) of the Segment's total revenues of $7.0 million (2011:$7.5 million).

NOTE 5: Discontinued operations

Les Bleus (Formerly Alpha Aviation)

As at 31 December 2011, the Les Bleus Group (refer not 5) was in liquidation and receivership. During the half year ended 31 December 2012, the Les Bleus Group of companies was deregistered by New Zealand Companies House. The financial position and results relating to those entities were accounted on a basis other than going concern in the financial statements for the half years ended 31 December 2011 and 31 December 2012.

On 3 July 2012, the Receivers of the Les Bleus Group of Companies, a wholly owned group, filed a notice at the New Zealand Companies House informing of the end of their Receivership. Responsibility for the three companies which were in receivership and liquidation were transferred to the Liquidators while the rest of the companies were transferred to the Directors.

These companies were deregistered during the period ended 31 December 2012. As a result, their carrying values have been de-recognised from the statement of financial position and recognised through profit from discontinued operations for the half year period. For the comparative period, all assets and liabilities relating to those companies were classified as current and all assets were written down to their estimated realisable values.

	Consolidated Entity	
(in thousands of AUD)	**2012**	**2011**
Results of discontinued operations		
Revenue	-	-
Other income	-	52
Expenses	-	99
Profit on de-recognition	5,040	-
Results from operating activities	5,040	151
Finance income	-	-
Finance expense	-	(115)
Net finance costs	-	(115)
Income tax expense	-	-
Profit for the period	5,040	36

NOTE 5: Discontinued operations continued

	Consolidated Entity	
	2012	**2011**
	cents	**cents**
Basic earnings per share	3.2	0.04
Diluted earnings per share	3.2	0.04

(in thousands of AUD)	Consolidated Entity **2012**	**2011**
Cash flows from discontinued operations		
Net cash (used in)/ from operating activities	-	(50)
Net cash from investing activities	-	-
Net cash used in financing activities	-	50
Net cash used in discontinued operations	-	-

NOTE 6: Assets and liabilities held for sale

a. At 31 December 2011, Les Bleus is presented as a disposal group held for sale

b. Other assets held for sale by other Group entities at 31 December 2012 were $675,000 (2011: $875,000).

(in thousands of AUD)	Consolidated Entity **31 Dec 2012**	**30 Jun 2012**
Assets classified as held for sale		
Cash and cash equivalents	-	51
Property, plant and equipment	675	875
	675	926
Liabilities classified as held for sale		
Trade and other payables	-	2,801
Loans and borrowings	-	2,290
	-	5,091

NOTE 7: Property Plant and Equipment

Acquisitions and disposals – Continuing Operations

During the six months ended 31 December 2012 no Group assets were acquired (2011:$119,000)

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 2012:

(in thousands of AUD)	**Currency**	**Interest Rate %**	**Face Value**	**Carrying Amount**	**Year of maturity**
Balance as 30 June 2012				3,263	
Repayments					
Net Debtors invoice finance	AUD	7.72-15.0	(785)	(785)	2013
Net Debtors invoice finance	NZD	10.72–10.95	(376)	(376)	2013
Balance as 31 December 2012				2,102	

Note 9: Related Parties

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

Non-executive directors

Denis Pidcock (Retired 8 February 2013)
(Appointed Alternate Director on 8 February 2013)
Charles Michael Wright
Peter Bobbin (Appointed on 8 February 2013)

Executive Directors

Tony Noun
Alfred Kobylanski (Alternate Director)

Executives – Key Management Personnel

Alfred Kobylanski
Andrew Skaltsounis
Steven Gilming

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*

During the comparative period, the Company paid rent of $60,402 to an entity associated Mrs Robyn Himmelberg for land and buildings in relation to the Sydney operations of the Technology Division.

The Company paid consultancy fees of nil (2011: $15,000) to an entity associated with Mr Charles Wright for the provision of senior executive services to the Technology Division.

From time to time, key management personnel of the Group, its subsidiaries or their related entities, may purchase from or sell to the Group goods and services. These sales and 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 2012	**Purchases/ (disposal)**	**Held at 15 February 2012**
Tony Noun	12,401,500	9,846,000	22,247,500
Alfred Kobylanski	6,400,000	6,300,000	12,700,000
Charles Michael Wright	-	133,598	133,598
Peter Bobbin (appointed on 8 February 2013)	-	-	85,700,000

NOTE 10: Going Concern

The half-year financial report has been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the half year ended 31 December 2012, the Group recorded a loss of $0.3 million from continuing operations, which included the relocation costs of the Technology Division of approximately $0.2 million and additional redundancy costs of $0.02 million. The Group's current liabilities exceed its current assets by $0.6 million.

NOTE 10: Going Concern continued

The ability of the Group to continue as a going concern is dependent on the Group successfully managing the business profitably and generating adequate cash from operations, and as and when required, being able to raise adequate finance from lenders and/or existing shareholders. There are no guarantees that these things will happen, consequently, there is a material uncertainty that may cast doubt on the Group's ability to continue as a going concern should they not occur, which will mean that in those circumstances, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In relation to the Directors' assessment of the ability of the Group to continue as a going concern, and therefore, the basis of preparation of the financial report, the directors have considered the following:

- The Directors are confident of raising sufficient new financing to enable the Group to pay its debts as and when they become due and payable. On 12 December 2012, the Group undertook a Capital Raising by means of a Rights Issue to existing shareholders. Subsequent to the reporting date, the Rights Issue raised approximately $0.7 million and closed on 31 January 2013. Further, at 31 December 2012 banking facilities of AUD 4.0 million and NZD 1.0 million were available to the Group. The Directors are currently in advanced discussions with various institutions to restructure the Group's debt and funding facilities before 31 March 2013;

- The Directors, having reviewed, the cash flow forecasts for the Group and assuming the new finance facility is arranged as noted above by 31 March 2013, believe that there will be sufficient cash inflows and facilities available to enable the Group to fund its operations for at least 12 months from the date these financial statements have been approved; and

- Management has forecast to generate a profit from continuing operations for the six months ended 30 June 2013 and for the year ended 30 June 2014.

The Directors have 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 from continuing operations, new equity funds from the Rights Issue and finance facilities. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

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

In the interval between the end of the half year ended 31 December 2012 and the date of this report the Company has undertaken a rights issue that raised $0.7 million.

Directors' Declaration

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

(1) the financial statements and notes set out on pages 5 to 16, 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 2012 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 28th day of February 2013

Signed in accordance with a resolution of the directors.

Tony Noun
Executive Chairman

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

Report on the financial report

We have reviewed the accompanying half-year financial report of Inventis Limited ("the Company"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2012, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2012 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 5 of the half-year financial report, the Les Bleus (formerly Alpha Aviation) Group of companies (“Les Bleus”), being wholly-owned subsidiaries of the Company, were wound-up during the period after having been in voluntary liquidation and receivership. The Receiver did not provide to the Company adequate accounting records to permit the application of appropriate review procedures. Accordingly, it was not possible to obtain all the information necessary to complete our review procedures in relation to Les Bleus relating to its performance and cash flows for the half-year ended 31 December 2012 or the comparative period.

Had we been able to complete our review procedures in relation to Les Bleus, matters might have come to our attention indicating that adjustments might have been necessary to the 31 December 2012 consolidated half-year financial report including the comparatives.

Qualified conclusion

Except for the adjustments, if any, to the 31 December 2012 half-year financial report relating to Les Bleus that we might have become aware of had it not been for matter 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 2012 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*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 10 in the financial report. These conditions as set forth in Note 10, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

KPMG

KPMG

Malcolm Kafer

Malcolm Kafer
Partner

Sydney

28 February 2013