

Mobilesoft Limited

A.C.N. 082 901 362

Appendix 4D

Half Year Report for the 6 Months ending 31 December 2008

The information in this Report is provided in accordance with ASX Listing Rule 4.2A and should be read in conjunction with the 2008 Annual Report.

Results for Announcement to the Market

				\$A
Revenues from ordinary activities	down	100%	to	Nil
Profit from ordinary activities after tax attributable to members	down	110%	to	(209,000)
Net Profit for the period attributable to members	Down	110%	to	(209,000)
Dividends *		Amount per security		Franked amount per security
Final dividend		-¢		-¢
Interim dividend		-¢		-¢
Previous corresponding period		-¢		-¢

* No dividends have been paid or declared since the start of the financial year, and the directors do not recommend the payment of a dividend in respect of the financial year.

+Record date for determining entitlements to the dividend

-

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

Refer to Directors report for further commentary regarding half-year 2008 results

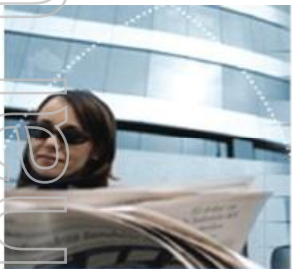
	Half-Year 31 Dec 2008 Cents	Full Year 30 Jun 2008 Cents
NET TANGIBLE ASSET BACKING		
Net tangible asset backing per ordinary security	(0.089)	(0.097)

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Mobilesoft Limited

ACN 082 901 362



INTERIM REPORT

31 DECEMBER 2008

Mobilesoft Limited

ABN 33 082 901 362 and Controlled Entities

Interim Financial Report for the Half-Year Ended 31 December 2008

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Mobilesoft Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office is:

C/- FJH Solutions Pty Ltd
Ground Floor
21 Teddington Road
Burswood WA 6100

Its principal place of business is:

C/- FJH Solutions Pty Ltd
Ground Floor
21 Teddington Road
Burswood WA 6100

A description of the nature of the Company's operations and its principal activities is included in the directors' report.

Mobilesoft Limited

ABN 33 082 901 362 and Controlled Entities

COMPANY PARTICULARS

Directors	Faldi Ismail Peter Wall Eric de Mori
Secretary	Sean Henbury
Registered office	C/- FJH Solutions Ground Floor, 21 Teddington Road Burswood WA 6100 Telephone: +61 08 9486 2333 Facsimile: +61 08 9355 4580
Principal place of business	C/- FJH Solutions Ground Floor, 21 Teddington Road Burswood WA 6100
Share register	Advanced Share Registry Services PO Box 1156 Nedlands WA 6909 Telephone: +61 8 9389 8033 Facsimile: +61 8 9389 7871
Auditor	McIntosh Bishop Level 4 83 Mount Street North Sydney NSW 2060
Bankers	National Australia Bank Level 1, 1238 Hay Street West Perth WA 6005
Stock Exchange listing	Mobilesoft Limited shares are listed on the Australian Stock Exchange (ASX: MSO). The shares were suspended from quotation on the 21st August 2007.

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Mobilesoft Limited
ABN 33 082 901 362 and Controlled Entities

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Mobilesoft Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2008.

Directors

The following persons were directors of Mobilesoft Limited during the whole of the half year and up to the date of this report.

Phillip Blundell	Director since 18 October 2007, resigned 28 May 2009
Roy Edwards	Director since 7 March 2008, resigned 28 May 2009
Peter Wall	Director since 28 May 2009
Faldi Ismail	Director since 28 May 2009
Eric de Mori	Director since 28 May 2009

Review of Operations

The economic entity's revenue from operating activities for the half year ended 31 December 2008 was \$nil (2007: \$2,906,000). The economic entity's net loss after providing for income tax for the half year ended 31 December 2008 was \$209,000 (2007: profit \$2,110,000).

In the financial reporting period, the economic entity operated in two market segments

- sale of IT hardware and
- software licensing, service and support.

During the previous financial reporting period there was a significant contribution to revenue and profit arising from the Deeds of Company Arrangement.

Comments on the operations and the results of those operations are as follows:

On 21 August 2007, Mobilesoft Limited and its wholly owned subsidiary, Mobilesoft (Aust) Pty Ltd (Mobilesoft (Aust)), were placed into voluntary administration and the securities of Mobilesoft were suspended from trading on ASX.

On 19 October 2007, following a creditors' meeting held on 16 October 2007, the Company and Mobilesoft (Aust) entered into deeds of company arrangement (DOCAs) that provided for the payment of funds into the Company, the sale of some of the Company's assets and settlement of creditors' claims.

In June 2008, the Company entered into deeds of release with the majority of parties who claimed to be part of the "MSO Loan Group". These parties claimed to have loaned moneys to the Company to funds it operations. However, the position taken by the Company (and confirmed the administrators) was that most (if not all) of these funds were compromised under the DOCAs. Notwithstanding this, the Company formed the view that it was prudent to enter into deeds of release so that the business could move forward with a "clean slate".

In addition, in June 2008, the Company entered into a heads of agreement whereby it agreed to licence its Adapt software and related intellectual property (on a non-exclusive basis), transfer the Company's interest in the Hogben patent and make a cash payment of \$70,837 to a third party in return for various releases.

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ABN 33 082 901 362 and Controlled Entities

DIRECTORS' REPORT

On 17th October 2008, shareholders were advised that the directors had concluded that the economic entity would be unable to continue to operate in its present form but that an offer had been received from a Perth based consortium to reconstruct it with a capital injection. Subsequently, due to the deteriorating financial outlook for the Australian economy this offer was withdrawn and replaced with a revised one less favourable to post Deed of Company Arrangement creditors and to current shareholders.

The former board accepted the revised offer because they formed a view that it was the only course of action identified that will provide a better outcome for creditors and shareholders than the alternative of liquidation of the entities.

The DOCAs were terminated on 8 December 2008 following distribution of the administrators' funds to the Company's creditors.

The former Directors of the Company accepted a proposal from Cygnet Capital Pty Ltd (Cygnet) to reconstruct and recapitalise the Company in order that Mobilesoft could continue to operate as a going concern and also seek reinstatement to trading on ASX (Proposal).

The shareholders of the Company approved the resolutions to recapitalise Mobilesoft on 15 May 2009.

In July 2009, the Proposal was substantially completed and can be summarised as follows:

- (a) the Company completed a consolidation of its issued capital on a one (1) for sixteen (16) basis;
- (b) after the consolidation, the Company completed the following capital raisings:
 - (i) an issue to Cygnet and/or its nominees of 60,000,000 Shares at an issue price of 0.1 cents each to raise \$60,000;
 - (ii) an issue to Cygnet and/or its nominees of 240,000,000 Options exercisable at 1 cent each on or before 30 April 2013; and
 - (iii) an issue of up to 500,000,000 Shares at an issue price of not less than 0.5 cents each to raise up to \$2,500,000; and
- (c) the current board of directors of the Company were removed and replaced by nominees of Cygnet.

The Company is now in a position to seek the consent of the Australian Securities Exchange to reinstatement to trading of its shares.

The activity of the economic entity during the financial period to which this Report relates was prospecting for opportunities for the sale or licensing of the company's ADAPT™ TV software and intellectual property developed during the development of the Home Media Centre.

Matters subsequent to the end of the half year ended 31 December 2008

The shareholders of the Company approved the resolutions to recapitalise Mobilesoft on 15 May 2009.

In July 2009, the Proposal was substantially completed and can be summarised as follows:

- (a) the Company completed a consolidation of its issued capital on a one (1) for sixteen (16) basis;

Mobilesoft Limited

ABN 33 082 901 362 and Controlled Entities

(b) after the consolidation, the Company completed the following capital raisings:

- (i) an issue to Cygnet and/or its nominees of 60,000,000 Shares at an issue price of 0.1 cents each to raise \$60,000;
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- (iii) an issue of up to 500,000,000 Shares at an issue price of not less than 0.5 cents each to raise up to \$2,500,000; and

(c) the current board of directors of the Company were removed and replaced by nominees of Cygnet.

Other than the matters referred to in the financial statements or notes thereto, no matters or circumstances have arisen since the end of the respective financial reporting periods which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the Class Order.

This report is made in accordance with a resolution of directors.



Peter Wall

Chairman

Perth

15 July 2009

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ABN 33 082 901 362 and Controlled Entities

CONSOLIDATED INCOME STATEMENT
FOR HALF-YEAR ENDED 31 DECEMBER 2008

	Note	Half year	
		2008	2007
		\$000	\$000
Revenue		-	245
Other income		-	2,661
Employee benefits expense		-	(454)
Depreciation and amortisation expense		-	(7)
Impairment expense		(175)	-
Other expenses		(35)	(334)
Finance costs		1	(1)
Profit before income tax		(209)	2,110
Income tax expense		-	-
Profit from continuing operations		(209)	2,110
Profit for the year	3	(209)	2,110
Profit attributable to minority equity interest		-	-
Profit attributable to members of the parent entity		(209)	2,110
Overall Operations			
Basic earnings per share (cents per share)		(0.046)	(0.39)
Diluted earnings per share (cents per share)		(0.046)	(0.39)
Continuing Operations			
Basic earnings per share (cents per share)		(0.046)	(0.39)
Diluted earnings per share (cents per share)		(0.046)	(0.39)

The above consolidated income statement should be read in conjunction with the accompanying notes.

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Moblesoft Limited
ABN 33 082 901 362 and Controlled Entities

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	31 December 2008	30 June 2008
	\$000	\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	-	41
TOTAL CURRENT ASSETS	-	41
NON-CURRENT ASSETS		
Intangible assets	325	500
TOTAL NON-CURRENT ASSETS	325	500
TOTAL ASSETS	325	541
CURRENT LIABILITIES		
Trade and other payables	42	44
Financial liabilities	227	239
Current tax liabilities	51	54
Short-term provisions	36	26
Unearned Revenue	-	-
TOTAL CURRENT LIABILITIES	356	363
TOTAL LIABILITIES	356	363
NET ASSETS	31	178
EQUITY		
Issued capital	14,629	14,629
Reserves	3	3
Retained earnings	(14,663)	(14,454)
TOTAL EQUITY	31	178

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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ABN 33 082 901 362 and Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Ordinary \$000	Share Based Payments Reserve \$000	Accumulated Losses \$000
Balance at 1 July 2007	14,216	298	(12,700)
Profit attributable to members of parent entity			(1,754)
Options expired		(299)	
Share based payments		3	
Issue of shares	413		
Sub-total	413	(296)	
Balance at 30 June 2008	14,629	3	(14,454)
Balance at 1 July 2008	14,629	3	(14,454)
Profit attributable to members of parent entity			(209)
Balance at 31 December 2008	14,629	3	(14,663)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Mobilesoft Limited
ABN 33 082 901 362 and Controlled Entities

CONSOLIDATED CASHFLOW STATEMENT
FOR HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	Half-year	
		2008	2007
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	3,057
Payments to suppliers and employees		(11)	(2,984)
Interest received		-	5
Net cash provided by (used in) operating activities		(11)	78
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	52
Net cash provided by (used in) investing activities		-	52
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	413
Repayment of borrowings		(30)	(353)
Net cash provided by (used in) financing activities		(30)	60
Net increase in cash held		(41)	190
Cash at beginning of financial year / half-year		41	17
Cash at end of financial year		-	207

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

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Moblesoft Limited
ABN 33 082 901 362 and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporation Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Moblesoft Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

NOTE 2: GOING CONCERN

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred an operating loss after tax of \$209,000 for the period and at 31 December 2008 had positive net assets of \$31,000.

Following the completion of various capital raising in July 2009, the Company has approximately \$2,000,000 in cash (net of all liabilities).

The ability of the Company to continue paying its debts as and when they fall due is dependent upon the Company limiting its cash burn rate moving forward, raising additional equity funding (as and when required), collecting its receivables or establishing profitable operations. Based upon the Company's intended continued expenditure on the review of the Adapt intellectual property portfolio, the Directors are of the opinion that there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

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Mobilesoft Limited
ABN 33 082 901 362 and Controlled Entities

NOTE 3: PROFIT FOR THE HALF-YEAR

	Half-year	
	2008	2007
	\$000	\$000

Profit for the half year includes the following items that are unusual because of their nature, size or incidence:

Gains

Other (including DOCA gains)	-	2,655
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Expenses

Impairment of non-current investments	175	-
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NOTE 4: DIVIDENDS

No dividends have been declared or paid since the start of the financial period, and none are recommended.

NOTE 5: EQUITY SECURITIES ISSUED

	2008 SHARES	2007 SHARES	2008 \$000	2007 \$000
Issues of ordinary shares during the half year				
Shares issued during the period	-	15,433,333	-	413

NOTE 6: CAPITAL AND LEASING COMMITMENTS

Subsequent to the appointment of administrators on 21st August 2007 the premises in Neutral Bay and Melbourne were abandoned. There are no Operating or Finance leases.

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Moblesoft Limited
ABN 33 082 901 362 and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 7: SEGMENT REPORTING

Primary Reporting — Business Segments

	Sales of IT Hardware			Software licensing, service and support			DOCA (Deed of Company Arrangement) & Other		
	Dec 08 \$000	2008 \$000	2007 \$000	Dec 08 \$000	2008 \$000	2007 \$000	Dec 08 \$000	2008 \$000	2007 \$000
REVENUE									
External sales	-	200	143	-	45	1,482	-	4,194	-
Other segments	-	-	-	-	-	294	-	-	43
Total sales revenue	-	200	143	-	45	1,776	-	4,194	43
Unallocated revenue	-	-	-	-	-	-	-	-	-
Total revenue	-	200	143	-	45	1,776	-	4,194	43
RESULT									
Segment result	-	-	45	-	(4,819)	(4,596)	-	3,048	-
Profit before income tax	-	-	45	-	(4,819)	(4,596)	-	3,048	-
Income tax expense	-	-	(13)	-	-	1406	-	-	-
Profit after income tax	-	-	32	-	(4,819)	(3,190)	-	3,048	-
ASSETS									
Segment assets	-	-	45	-	500	6,105	-	-	-
Total assets	-	-	45	-	500	6,105	-	-	-
LIABILITIES									
Segment liabilities	-	-	56	-	363	4,460	-	-	-
Total liabilities	-	-	56	-	363	4,460	-	-	-
OTHER									
Acquisitions of non-current segment assets	-	-	-	-	-	-	-	-	-
Depreciation and amortisation of segment assets	-	-	-	-	19	33	-	-	-
Other non-cash segment expenses	-	-	-	-	19	33	-	-	-

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Mobilesoft Limited
ABN 33 082 901 362 and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 8: EVENTS AFTER THE BALANCE SHEET DATE 31 DECEMBER 2008

As disclosed in the Directors' Report subsequent to 31 December 2008 offers to reconstruct and recapitalise the economic entity have been received from a Perth based consortium. This proposal has now been completed.

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Mobilesoft Limited
ABN 33 082 901 362 and Controlled Entities

DIRECTORS' DECLARATION
31 DECEMBER 2008

In the directors' opinion:

- a) the financial statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that Mobilesoft Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Chairman P Wall

Dated this 15th day of July 2009

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McIntosh Bishop

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO DIRECTORS OF
MOBILESOFT LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2008 there has been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

**McIntosh Bishop
Chartered Accountants**

**Robert David Macdonald
Partner**

Dated in Sydney on 15 July 2009

McIntosh Bishop
Chartered Accountants

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North Sydney 2060

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North Sydney 2059

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF MOBILESOFT LIMITED



McIntosh Bishop

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mobilesoft Limited, which comprises the balance sheet as at 31 December 2008, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, notes to the financial statements, other selected explanatory notes and the directors' declaration.

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 misstatements, 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 Australian Auditing Standard on Review Engagements *ASRE 2410 Review of and Other Interim Financial Reports 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 financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

As the auditor of Mobilesoft 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the company on 15 July 2009, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Conclusion

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 consolidated financial report of Mobilesoft Limited is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporation Regulations 2001.

McIntosh Bishop
Robert David Macdonald

Robert David Macdonald 15 July 2009

McIntosh Bishop
Chartered Accountants

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