



ABN 46 063 582 990

ANNUAL REPORT FOR THE
FINANCIAL YEAR ENDED
30 JUNE 2008

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CHAIRMAN'S STATEMENT

“...we have seen a strong improvement in gross margin which we expect to continue going into the new financial year.”

This has been a year of restructure and consolidation for engin.

In April of this year, the Board announced a pro-rata non-renounceable rights issue, fully underwritten by Network Investment Holdings Pty Ltd, which successfully raised \$8.43m. At the time, the Board outlined a plan for a full review of the structure and cost base of engin to bring it more in line with the current revenue base and position the business for profitable growth.

Since that time the focus in the company has been on achieving those objectives. Much has been done by the management team and much has been achieved. As a result of these actions, your company is financially sound with substantive cash assets.

In that period we have seen a strong improvement in gross margin which we expect to continue going into the new financial year. This improvement has been accompanied by a significant reduction in operating expenditure in several areas. This includes a 45% reduction in permanent full time staff and productivity improvements across the board. These activities have resulted in a large reduction in our EBITDA loss, bringing the company substantially closer to cash flow breakeven.

Your company has also been focused on creating a platform for future growth. After a period of change and consolidation, engin has entered a new phase of marketing, including planned upgrades to our website, a focus on targeted online promotion and a refinement of our product and service offerings. We have invested in developing an ADSL2+ package to bundle with our internet telephony service, which successfully launched on 1st October this year.

Our customer satisfaction has also improved as a result of changes to our call centre operations and rationalisation of product lines that were not delivering an appropriate service quality.

During a period of significant change it was of utmost importance that we maintained a focus on protecting our customer base. I am pleased to say

that we have been successful in protecting our base and in fact have seen some healthy reductions in customer churn as a result of the new focus in the business. We also believe that the introduction of our bundled ADSL2+ offering with quality of voice service will further reduce churn.

Our other key focus has been the preservation of capital. We have significantly reduced the operational cash requirements of the business and will continue to focus on this until we reach cash flow break even. Following the restructure we finished the year with \$6.3m of the \$8.4m raised earlier in the year.

With our new structure, the introduction of ADSL, a new marketing team and the resumption of marketing activities, your company is in a good position to grow its customer base, drive the business to cash flow positive while at the same time preserving adequate capital to ensure that we are in a position to take advantage of the many opportunities we believe will arise in the internet telephony and ISP space in Australia.

On behalf of the Board, and all engin shareholders, I thank our staff for all their hard work, commitment and understanding during a period of change, consolidation and building a platform for the future.



Ian Smith
Chairman

CORPORATE GOVERNANCE STATEMENT

This statement outlines the company's main corporate governance practices and its compliance with the ASX Corporate Governance Council Recommendations 2nd Edition ("ASX Recommendations"). The directors recognise the need to maintain the highest standards of behaviour, ethics and accountability. Corporate Governance best practice principles assist the board in its role to oversee the company's affairs.

Corporate governance and corporate practices are available on the company's website (www.engin.com.au).

PRINCIPLE 1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The board is empowered to manage the business of the company subject to the Corporations Act and the company's constitution. The board is responsible for the overall corporate governance of the company and the management of the company. The role and responsibilities of the board are set out in a Formal Board Charter (a copy of which can be found on the company's website). The responsibilities include:

- Oversight of the company, including internal control and accountability systems.
- Appointment and removal of the Chief Executive Officer.
- Annual review of the performance of the Chief Executive Officer and senior management.
- Ratification of appointment and, where appropriate, the removal of the Chief Financial Officer (or equivalent) and the Company Secretary.
- Provide input and final approval of management's developed corporate strategy and performance objectives.
- Confirm processes are in place to ensure adherence to appropriate risk management, internal control, Code of Conduct and statutory compliance requirements.
- Evaluate management performance, implementation of business strategy and ensure appropriate resources are available.
- Approve and monitor major capital expenditure.
- Approve and monitor relevant reporting.
- Appoint members of the Audit Committee and the Nomination and Remuneration Committee.
- Establish limits of authority for the Chief Executive Officer and senior management to conduct day-to-day management of the company's activities.

The board delegates to the Chief Executive Officer and senior managers responsible to him the authority to manage the company's day-to-day activities, and the implementation of corporate objectives.

It is the role of management to manage the company in accordance with the direction determined by the board and the board's delegations to management under the company's Delegated Authority Policy. Formal delegations from the board to management and functions reserved to the board are set out in the company's Delegated Authority Policy.

The Policy provides that the powers retained by the board include decisions about company strategy and policies, as well as matters involving amounts over specified limits, (which varies depending upon the nature of the transaction). The board, or the Remuneration Committee, also has authority for succession planning and remuneration of the Chief Executive Officer and his direct reports.

All matters not specifically reserved for the board and necessary for the day to day management of the company are delegated to management. For example, the Policy details procedures for the authorisation and signing of company contracts and authorisations to relevant executives in relation to expenditure. Executive management can sub-delegate where appropriate.

As part of the framework set up by the Delegated Authority Policy, management is required to report regularly to the board concerning the authority exercised and matters which come, or may come within, the scope of matters reserved for the board. The reports cover a range of matters, including sub-delegations, any litigation activity, financial performance and risk management.

The functions exercised by the board and those delegated to management are subject to ongoing review to ensure that the division of functions remains appropriate.

The performance of senior executives of the company is evaluated both formally and informally throughout the year. The performance of the Chief Executive Officer is formally reviewed annually by the Chairman and board. Through out the year, his performance is subject to ongoing board scrutiny.

The performance of senior executives is formally reviewed annually by the Chief Executive Officer, who may in turn seek board review. Senior management competencies and performance are reviewed. Through out the year, the performance of senior management is subject to ongoing scrutiny by the Chief Executive Officer.

Both the Chief Executive Officer and senior executives are appraised against set objectives, either chosen at the beginning of the year or added during the year. These objectives are selected to enhance company performance and increase value to shareholders. The objectives will in some instances be linked to the executive's particular remuneration arrangements.

Performance reviews of senior executives have taken place during the year in accordance with these evaluation processes.

CORPORATE GOVERNANCE STATEMENT

Induction procedures are in place to enable senior executives to participate fully and actively in the management of the company at the earliest opportunity. An induction program is available that enables senior executives to gain an understanding of the company's financial position, strategies and operations, risk management policies and the respective rights, duties, responsibilities and roles of the board and senior executives.

PRINCIPLE 2. STRUCTURE THE BOARD TO ADD VALUE

As at the date of this statement, the board currently comprises four (4) directors. The directors in office are:

- Mr Ian Smith, Non-executive director, Independent Chairman
- Mr Rohan Lund, Non-executive director
- Mr Bruce McWilliam, Non-executive director
- Mr Ryan Stokes, Non-executive director

Details of directors, including their time in office, qualifications, experience and special responsibilities are set out in the Directors' Report.

The following principles and guidelines are considered in assessing the composition of the board:

- The board determines the optimal number of board members ranging from a minimum of three to a maximum of 12 members as stipulated in the company constitution.
- The board should include directors with a broad range of industry, management and professional experience.
- Ideally the board should comprise a majority of independent directors.
- The board will appoint a Chairman who is a Non-executive director and independent, as defined by the Company's Criteria on Independence of Directors.

In determining whether a director is independent, the board conducts regular assessments and has regard to whether a director is considered to be one who:

- is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the board;
- has within the last three years been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;

- has a material contractual relationship with the company or another group member other than as a director.

The board has previously determined that a material relationship is to be determined on the basis of fees paid or moneys received or paid to either a director or a director-related entity, which may impact the EBITDA of the company in the previous financial year by more than 5%.

The board acknowledges the ASX Recommendation that a majority of the board should be independent directors; however the Chairman and directors believe they are able to objectively analyse the issues before them in the best interests of all shareholders and in accordance with their duties as directors.

With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the company's expense concerning any aspect of the company's operations or undertakings in order to fulfill their duties and responsibilities as directors. Directors are encouraged to access members of the senior management team regularly, and to request relevant information as required.

The directors meet regularly with the senior executives, discussing achievements and making suggestions and recommendations. Particular emphasis is placed on the need for compliance with legislation in areas such as trade practices, environmental, occupational health and safety and the Corporations Act.

The board has established a Nomination and Remuneration Committee, the membership of which comprises Mr Smith, (independent chair), and Mr Stokes. The selection and appointment of new directors is done with reference to the Nomination Committee Charter which is available on the company website. There was no separate meeting of the Nomination Committee during the year as there were no appointments to the board under active consideration.

Whilst acknowledging the ASX Recommendation that the Nomination Committee comprise a majority of independent directors and at least three members, the board is satisfied that its two member committee can sufficiently and objectively analyse the issues before them.

The board will review the performance of individual directors annually with the assistance of the Nomination and Remuneration Committee. The basis of the evaluation will include:

- Reviewing adherence to the Formal Board Charter.
- Defining professional development requirements of individual board members.
- Setting board objectives and Key Performance Indicators for the upcoming year.

A performance review of individual directors has not occurred in the 2008 financial year, due to the development of the performance review framework for the company during this time.

CORPORATE GOVERNANCE STATEMENT

Remuneration of executives and directors is reviewed by the committee in accordance with its Charter. For further detail, please refer to the Remuneration Report.

PRINCIPLE 3. PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

As part of the board's commitment to the highest standard of conduct, the company adopts a Code of Conduct which clarifies to directors, management and employees the standards of ethical behaviour required in carrying out their duties and responsibilities.

The Code of Conduct covers such matters as:

- Conflicts of interest;
- Fair dealing;
- Protection and proper use of company assets;
- Compliance with laws and regulations;
- Whistle blower protection;
- Relations with customers and suppliers;
- Ethical responsibilities;
- Employment practices; and
- Responsibilities to the environment and the community.

A copy of the Code of Conduct is available on the company's website.

The company has adopted a share trading policy allowing directors and nominated senior staff to trade in the company's securities generally only in the six-week period following the release of the company's half yearly results and yearly results to the ASX and after the Annual General Meeting. Senior staff also require the approval of the board prior to trading in the company's securities. A copy of the share trading policy is available on the company's website.

Directors' shareholdings in the company are shown in the Directors' Report.

PRINCIPLE 4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The board maintains an Audit Committee which comprises Mr McWilliam, as its Chairman, and Mr Smith. Mr McWilliam is a Non-executive director and Mr Smith is a Non-executive and independent director. Both Mr McWilliam and Mr Smith have wide financial and audit committee experience. Information about the qualifications of Messrs McWilliam and Smith and their attendance at Audit Committee meetings is contained within the Directors' Report. The board believes the ASX Recommendation is satisfied as regards the technical expertise of the Audit Committee members.

The Audit Committee has a formal Charter, a summary of which is available on the company's website. The committee's primary objective is to assist the board in fulfilling its responsibilities concerning the accounting and

reporting practices of the company and its subsidiaries, the consideration of matters relating to the financial affairs of the company and its subsidiaries and examination of any other matters referred to it by the board.

The Audit Committee is also responsible for assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period, the external auditor provides an independence declaration in relation to the audit.

The number of meetings attended by the Audit Committee members is disclosed in the Directors' Report.

PRINCIPLE 5. MAKE TIMELY AND BALANCED DISCLOSURE

The board is committed to ensuring price sensitive information is released to the ASX in accordance with continuous disclosure requirements per ASX Listing Rule 3.1. All reports made to the ASX are published on the company's website (www.engin.com.au).

The company complies with the continuous disclosure obligations of the ASX Listing Rules and, in doing so, immediately notifies the market of any material price sensitive information. The continuous disclosure policy is available on the company's website.

The Company Secretary has been nominated as the person with primary responsibility for communication and liaison with the ASX in relation to ASX Listing Rules and continuous disclosure issues. The Company Secretary also has responsibility for ensuring internal compliance with those ASX Listing Rules and the oversight of information released to the ASX and shareholders.

PRINCIPLE 6. RESPECT THE RIGHTS OF SHAREHOLDERS

The board is committed to providing effective lines of communication for shareholders and all other stakeholders to easily access company information. The following channels of communication have been adopted to facilitate the fair, timely and cost effective dissemination of information:

- Annual General Meetings and any other formally convened company meetings. Shareholders are encouraged to participate in general meetings and are invited to put questions to the Chairman of the board in that forum.
- Company website at www.engin.com.au which enables broader access to company information by investors and stakeholders. Copies of annual and half-year financial reports as well as all other announcements made to the ASX are posted after disclosure to the market.
- Annual report, which is available to all shareholders.
- Direct communication – the company may also communicate with shareholders, on matters of significance, directly via mail, or e-mail.

CORPORATE GOVERNANCE STATEMENT

The directors ensure that the company's external auditor attends all Annual General Meetings and is available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report thereon.

The company's formal Communication Policy is available on its website.

PRINCIPLE 7. RECOGNISE AND MANAGE RISK

The board has established a formal charter, which provides an appropriate framework to monitor risks and threats faced by the company. The board and the Audit Committee are responsible for adherence to the charter. The operational and financial aspects of the company's activities, including risk management, are monitored by the board and the Audit Committee. Through the Audit Committee the board considers the recommendations and advice of external auditors and other external advisers on the operational and financial risks that face the company.

The board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the company has an appropriate internal control environment in place to manage the key risks identified.

Having regard to the size of the company, the board has required management to design and implement the risk management and internal control system outlined above to manage the company's material business risks and report to it on whether those risks are being managed effectively. Management has reported to the board as to the effectiveness of the company's management of material business risks.

Senior management is responsible for the implementation of appropriate controls and risk mitigation strategies as directed.

The board receives monthly reporting relating to the financial position and performance of the consolidated entity.

Pursuant to section 295A of the Corporations Act, the Chief Executive Officer and the Chief Financial Officer confirm in writing to the board, who subsequently state in writing to the external auditors, that the financial records of the company have been properly maintained, the financial statements are prepared in accordance with relevant accounting standards, present a true and fair view, and that the integrity of the financial reports is founded on a sound system of risk management and internal compliance and control systems which, in all material respects, implement the policies prescribed by the board.

PRINCIPLE 8. REMUNERATE FAIRLY AND RESPONSIBLY

The total maximum remuneration of Non-executive directors was approved by shareholders at \$500,000 per annum on 20 November 2006.

The approved limit provides adequate flexibility for the appointment of additional directors.

For the year ended 30 June 2008, the remuneration of the Chairman was \$100,000 per annum plus superannuation. Messrs Lund, McWilliam and Stokes received no remuneration from the company during the financial year. No director was granted options or received a bonus payment during the financial year. No director received a retirement benefit, other than the payment of superannuation on behalf of the Chairman.

The board has established a Nomination and Remuneration Committee, the membership of which comprises Mr Smith, (independent chair), and Mr Stokes. The functions of the committee include review and recommendation to the Board in relation to the remuneration framework for the board, executive remuneration and incentive policies and succession planning. A copy of the Committee's Charter is available on the company's website. The number of meetings attended by the committee members is disclosed in the Directors' Report.

Whilst acknowledging the ASX Recommendation that the Remuneration Committee comprise a majority of independent directors and at least three members, the board is satisfied that its two member committee can sufficiently and objectively analyse the issues before them.

The objective of the remuneration process is to ensure that remuneration packages properly reflect the duties and responsibilities of the employee and that the remuneration is at an appropriate but competitive market rate which enables the company to attract, retain and motivate people of the highest quality.

Because there are no unvested entitlements on issue, the company did not consider it necessary or desirable to develop a policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

Further details relating to remuneration are contained within the Remuneration Report.

DIRECTORS' REPORT

The directors of engin Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2008. In order to comply with the provisions of the Corporations Act 2001, the directors' report follows:

The names and particulars of the directors of the company during or since the end of the financial year unless otherwise stated are:

DIRECTORS

NAME	PARTICULARS
Ian Smith Non-executive director Independent Chairman	A director of the company since September 2007. Chairman since January 2008. Mr Smith brings a wealth of experience in the media and communications industry to the company, with over 20 years in the advertising business. Mr Smith's previous roles include CEO of Yahoo!7, CEO of The Communications Group Holdings Pty Limited, President International for Bates Worldwide and a board director of Cordiant Communications plc. Mr Smith is a member of the Audit and Risk Management committee and a member and chairman of the Nomination and Remuneration committee.
Rohan Lund Non-executive director	A director of the company since October 2006. Mr Lund is currently the CEO of Yahoo!7. He was previously the Director Digital Media for Seven Network Limited overseeing all digital interests for Seven Network Limited, including Yahoo!7, m.Net and digital television. He was previously Director Corporate Development and Strategy for Singtel Optus. Mr Lund is also a Director of Yahoo!7 and m.Net Corporation.
Bruce McWilliam Non-executive director	A director of the company since October 2006. Mr McWilliam has been a director of Seven Network Limited since September 2003. He was appointed Commercial Director for Seven Network Limited in May 2003. Prior to joining Seven Network Limited, he was a former partner of law firms Gilbert & Tobin, Turnbull McWilliam and Allen Allen & Hemsley specialising in media and commercial law. He is a former director of BSkyB and General Counsel of News International plc. Mr McWilliam is a member and chairman of the Audit and Risk Management Committee.
Ryan Stokes Non-executive director	A director of the company since October 2006. Mr Stokes has been a director of Seven Network Limited since December 2005. He is the current President of Seven Network Asia and a director of Yahoo!7 and former Chairman of Pacific Magazines. He is also an executive and director of Australian Capital Equity Pty Limited and other companies including WesTrac Pty Limited. He is a member of the International Olympic Committee Radio and Television Commission and Chairman of Headspace, the Federal Government's National Youth Mental Health Foundation. Mr Stokes is a member of the Nomination and Remuneration committee.
William Jephcott	Resigned 31 August 2007
Ilkka Tales	Resigned 29 November 2007
Chris Shaw	Resigned 29 November 2007
Neil Gamble	Resigned 11 January 2008

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by directors in the three years immediately before the end of the financial year are as follows:

NAME	COMPANY	PERIOD OF DIRECTORSHIP
William Jephcott	ROC Oil Company Limited	Since February 1997
Bruce McWilliam	Seven Network Limited	Since September 2003
Bruce McWilliam	Unwired Group Limited	January 2008 (company de-listed May 2008)
Ryan Stokes	Seven Network Limited	Since December 2005
Ryan Stokes	Unwired Group Limited	January 2008 (company de-listed May 2008)

DIRECTORS' REPORT

COMPANY SECRETARY

John Kinninmont

Company Secretary since 17 April 2008. Bachelor of Economics (University of Sydney) and a Fellow of Chartered Secretaries Australia. Mr Kinninmont has been a Company Secretary at Seven Network Limited for the past nine years; he was recently appointed Company Secretary for the Seven Media Group.

Paul Jeronimo

Resigned 8 April 2008.

PRINCIPAL ACTIVITIES

The consolidated entity's principal activity is the rendering of Broadband telephony services and sale of related hardware to its customers, branded as "engin".

REVIEW OF OPERATIONS

The company incurred an EBITDA loss (earnings before interest tax depreciation and amortisation) of \$8.4 million for the year. This includes a \$3.7 million profit from the sale of the investment in Unwired Group Limited. This compares to the prior year EBITDA loss of \$12.5 million.

	H1 FY08	H2 FY08	FY08	FY07
Gross Revenue	\$10.0m	\$10.1m	\$20.1m	\$17.4m
Revenue from delivery of VoIP services	\$9.4m	\$9.7m	\$19.1m	\$14.9m
EBITDA loss	(\$4.7m)	(\$3.7m)	(\$8.4m)	(\$12.5m)
Loss before income tax expense	(\$6.8m)	(\$5.4m)	(\$12.2m)	(\$13.8m)
Loss after income tax expense	(\$6.8m)	(\$5.4m)	(\$12.2m)	(\$17.3m)
Cash at end of period	\$3.5m	\$6.6m	\$6.6m	\$12.3m

Highlights include:

- 28% increase in Broadband telephony (VoIP) revenue from \$14.9 million in 2007 to \$19.1 million for the current financial year.
- 8.6% increase in active services in operation (SIOs).
- \$8.4 million funds raised by way of a rights issue in April 2008.
- Significant restructure commenced.
- Commenced development of the ADSL2+ product – targeted launch in Q2 FY09.
- Following the rights issue the company joined the Seven Network Limited Group as a subsidiary in April 2008.

Restructure

During the year, the company underwent a period of major operational restructure that included the following:

- A 45% reduction in staff numbers to 88 (2007: 160).
- Review and rationalisation of network infrastructure.
- Review of marketing plans and strategies that saw the marketing spend scaled down from November 2007 to April 2008 resulting in a \$2.1 million decrease in marketing expenditure as compared with the prior year. Marketing recommenced in May and June 2008 in a more targeted way.
- Process review resulting in increased productivity.

	FY08 Q1	FY08 Q2	FY08 Q3	FY08 Q4	FY08
Gross margin (\$m)	2.2	2.6	2.5	2.8	10.1
Operating expenditure (\$m)	(6.4)	(6.8)	(5.2)	(3.8)	(22.2)
EBITDA loss (\$m) before the profit on sale of the investment in Unwired Group Limited	(4.2)	(4.2)	(2.7)	(1.0)	(12.1)

During the year the company underwent a period of restructure so as to maintain its underlying operation, align overheads and staffing more closely with the revenue base and position it to grow. The management team, under the leadership of CEO Mark Zworestine, has delivered a successful outcome in regard to this restructure, as demonstrated by FY08 Q4 results, showing increased margin and a reduction in operating expenditure, which has led not only to a significant decrease in the EBITDA loss in Q4, but has also strengthened the operational position in preparation for engin's next stage of development.

Despite the significant reduction in staffing levels, productivity remains high and our customers experience outstanding service. We will continue to introduce new products and services that will include a revamped website and a new ADSL2+ service. In October 2008, engin will launch its ADSL2+ service enabling our customers to experience a very high quality voice and Broadband service. This is expected to be margin accretive prior to the end of the 2009 financial year.

Subscribers

June 2008 closed with 88,000 subscriber lines (representing 63,000 active SIOs) versus 77,000 subscriber lines at June 2007 (representing 58,000 active SIOs) – an increase of 8.6% in active SIOs.

DIRECTORS' REPORT

Rights issue

On 3 April 2008, the company raised \$8.4 million (\$8.2 million net of costs) by issuing 281 million shares through a non-renounceable rights issue that was underwritten by Network Investment Holdings Pty Limited (a wholly owned subsidiary of Seven Network Limited).

Following the rights issue Seven Network Limited's share in the company increased from 34% to 58%.

Unwired investment

During the year the company acquired a total of 19.8% of the ordinary shares of Unwired Group Limited ("Unwired"). This transaction was funded partly by a debt facility provided by a Seven Network Group company on standard commercial terms. In September 2007 Network Investment Holdings Pty Limited (NIH) launched a formal takeover bid for Unwired and engin sold its shareholding to NIH and recognised a profit on sale of \$3.7 million.

TiVo

engin had previously embarked on an aggressive "triple play" growth strategy. During the year the Board and management considered both the company's ability to execute this strategy as well as the associated risks. In particular, it was determined that to proceed with the TiVo strategy was not in the shareholders' best interests and as such the company successfully negotiated a termination of this agreement. The investment in TiVo had not been significant, however the likely future commitment would have seen the company having to commit to significant expenditure had it proceeded.

CHANGE IN STATE OF AFFAIRS

During the financial year there were no significant changes in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

There are no subsequent events to report.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

DIVIDENDS

There have been no dividends paid or declared since the beginning of the financial year, and the directors do not recommend the payment of a dividend in respect of the financial year.

SHARE OPTIONS

Share options granted to directors and executives

During the financial year, on 14 November 2007, 1,100,000 share options were granted to employees of which 100,000 were forfeited and 1,000,000 were allocated to the following company executive:

DIRECTORS AND EXECUTIVES	NUMBER OF OPTIONS GRANTED	ISSUING ENTITY	NUMBER OF ORDINARY SHARES UNDER OPTION
M Zworestine	1,000,000	engin Limited	1,000,000

These share options vested following the rights issue of April 2008 and the subsequent change of control of engin Limited.

Shares under option or issued on exercise of options

There were no unissued shares or interests under option for directors, executives and employees as at the date of this report.

Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

ISSUING ENTITY	NUMBER OF SHARES ISSUED	CLASS OF SHARES	AMOUNT PAID FOR SHARES	AMOUNT UNPAID ON SHARES
engin Limited	3,367,000	Ordinary	\$nil	\$nil

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary and all executive officers of the company against a liability incurred as a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate of the company against a liability incurred as such an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year sixteen Board meetings and two Audit and Risk Management Committee meetings were held.

DIRECTORS' REPORT

DIRECTORS	BOARD OF DIRECTORS		REMUNERATION AND NOMINATION COMMITTEE		AUDIT AND RISK MANAGEMENT COMMITTEE	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
William Jephcott	2	1	–	–	–	–
Neil Gamble	8	7	–	–	1	1
Chris Shaw	6	5	–	–	1	1
Rohan Lund	15	13	–	–	1	1
Bruce McWilliam	15	11	–	–	1	1
Ryan Stokes	15	14	–	–	1	1
Ilkka Tales	6	3	–	–	–	–
Ian Smith	14	13	–	–	1	1

DIRECTORS' SHAREHOLDINGS

Mr Stokes and Mr McWilliam are both directors of Seven Network Limited, which holds 369,018,234 shares in the company. No director or director related entities hold shares in the company other than the Seven Network Limited shareholding disclosed.

REMUNERATION REPORT

Remuneration policy for directors and senior management

Remuneration of directors and senior management is reviewed by the Remuneration Committee in accordance with its Charter. The Remuneration Committee makes recommendations to the Board on the following:

- Executive remuneration and incentive policies;
- Ensuring policy allows the company to recruit and retain suitably qualified executives;
- Remuneration framework for directors;
- Aligning the interests of key employees to the long-term interests of shareholders; and
- Demonstrate a clear relationship between key executive performance and remuneration.

No meetings of the Remuneration and Nomination Committee were held during the year as the decisions with respect to remuneration and nomination were made at full board meetings.

Director and senior management details

The following persons acted as directors of the company during or since the end of the financial year:

- I Smith (Independent Chairman, Non-executive), appointed 24 September 2007, Non-executive chairman effective 11 January 2008.
- R Lund (Non-executive).

- B McWilliam (Non-executive).
- R Stokes (Non-executive).
- W Jephcott (Chairman, Non-executive), resigned 31 August 2007.
- N Gamble (Executive chairman effective 31 August 2007), resigned 11 January 2008.
- C Shaw (Non-executive), resigned 29 November 2007.
- I Tales (Chief Executive Officer), resigned 29 November 2007.

The term "senior management" is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- M Zworestine (appointed Chief Executive Officer 1 January 2008), employed since 15 October 2007.
- J Kinninmont (Company Secretary), appointed 17 April 2008.
- M Gepp (Head of Finance), appointed 13 February 2008.
- G Dollar (Appointed Head of Operations 1 March 2008), employed since 30 July 2007.
- C Solomon (General Manager Marketing, Sales & Business Development), appointed 11 August 2008.
- M Farmer (Head of Sales).
- P Dobbie (Chief Marketing Officer), resigned 8 November 2007.
- A Dixon (HR & Compliance Manager), resigned 31 December 2007.
- J Sadler (Chief Information Officer), resigned 29 February 2008.
- P Jeronimo (Financial Controller & Company Secretary), resigned 8 April 2008.
- S Ikeda (Chief Technology Officer), resigned 15 September 2007.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Relationship between the remuneration policy and company performance

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2008:

	30 JUNE 2008	30 JUNE 2007	30 JUNE 2006	30 JUNE 2005	30 JUNE 2004
Net profit/(loss) after tax (\$)	(12,168,391)	(17,337,392)	(7,319,252)	4,037,554	2,845,565
Basic earnings/(loss) per share (cents)	(2.90)	(5.59)	(3.67)	3.59	2.53
Share price (cents)	2.1	18.0	22.5	9.6	12.0
Dividend (cents per share)	–	–	–	9.0	–

Given the small proportion of bonuses linked to company financial performance there is no direct link between company financial performance and bonuses, however remuneration is set on the basis as described on page 12.

Director and senior management remuneration

The directors and senior management received the following amounts as compensation for their services to the company during the year:

2008	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT	OTHER LONG-TERM BENEFITS	TERMINATION BENEFITS	SHARE BASED PAYMENTS & OPTIONS	TOTAL
	SALARY & FEES	BONUS ^(*)	NON-MONETARY	SUPER-ANNUATION				
Non-executive directors								
I Smith	124,493	–	–	11,204	–	–	–	135,697
R Lund ^(d)	–	–	–	–	–	–	(21,800) ^(b)	(21,800)
B McWilliam ^(d)	–	–	–	–	–	–	(21,800) ^(b)	(21,800)
R Stokes ^(d)	–	–	–	–	–	–	(21,800) ^(b)	(21,800)
N Gamble	92,999	–	–	6,747	–	–	(29,837) ^(a)	69,909
C Shaw	12,500	–	–	1,125	–	–	–	13,625
W Jephcott	8,333	–	–	750	–	–	(43,804) ^(a)	(34,721)
Senior management								
M Zwoestine	184,938	–	–	17,048	–	–	140,000 ^(f)	341,986
J Kinninmont ^(d)	–	–	–	–	–	–	–	–
M Gepp	57,500	–	–	5,175	–	–	–	62,675
G Dollar	60,000	–	–	3,849	–	–	–	63,849
M Farmer	153,978	–	15,894	15,347	–	–	42,935 ^(g)	228,154
P Jeronimo	146,768	–	–	10,631	2,578	78,750 ^(c)	42,935 ^(h)	281,662
J Sadler	133,646	9,250 ^(e)	–	12,163	–	65,384 ^(c)	(7,842) ^(a)	212,601
I Tales	171,370	–	–	22,500	3,207	400,000 ^(c)	(373,459) ^(a)	223,618
P Dobbie	83,800	–	–	6,415	–	65,384 ^(c)	–	155,599
S Ikeda	63,355	–	14,910	8,077	3,625	53,846 ^(c)	(13,430) ^(a)	130,383
A Dixon	73,443	–	–	6,300	–	30,673	(13,430) ^(a)	96,986
								1,916,623

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

- (*) This is the only part of the remuneration which is performance related.
- (a) Reversal of share based payment expense from prior years on forfeit of 100% of share options upon termination of employment.
- (b) Reversal of prior period accrual of fees earned. Fees no longer required to be paid at request of specified directors.
- (c) In line with terms of individual employment contracts.
- (d) No remuneration is received from the company for services performed.
- (e) \$9,250 of a maximum \$9,250 was paid in respect of meeting quarterly personal KPI targets.
- (f) Representing 40.9% of total remuneration.
- (g) Representing 18.8% of total remuneration.
- (h) Representing 15.2% of total remuneration.

Because there are no unvested entitlements on issue, the company did not consider it necessary or desirable to develop a policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

2007	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT	OTHER LONG-TERM BENEFITS	TERMINATION BENEFITS	SHARE BASED PAYMENTS & OPTIONS	TOTAL
	SALARY & FEES	BONUS	NON-MONETARY	SUPER-ANNUATION				
	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive directors								
W Jephcott	50,000	—	—	4,500	—	—	39,037	93,537
N Gamble	15,000	—	—	17,700	—	—	39,037	71,737
C Shaw	30,000	—	—	2,700	—	—	—	32,700
R Lund	—	—	—	—	—	—	21,800 ^(e)	21,800
B McWilliam	—	—	—	—	—	—	21,800 ^(e)	21,800
R Stokes	—	—	—	—	—	—	21,800 ^(e)	21,800
Senior management								
I Tales	305,855	75,000 ^(a)	16,916	35,799	4,051	—	275,588	713,209
J Sadler	136,584	38,038 ^(b)	—	15,716	—	—	22,408	212,746
P Jeronimo	156,257	22,500 ^(c)	—	16,088	2,069	—	13,445	210,359
S Ikeda	147,601	11,250 ^(d)	16,909	13,464	2,173	—	13,445	204,842
M Farmer	149,402	—	9,431	13,446	—	—	13,445	185,724
								1,790,254

- (a) \$75,000 of a maximum \$100,000 bonus paid in September 2006 for the year ended 30 June 2006 re subscriber base and EBITDA targets.
- (b) \$18,038 of a maximum \$27,750 bonus paid in January 2007 and April 2007 for the quarters ended 31 December 2006 and 31 March 2007. A \$20,000 sign-on bonus was paid to Mr Sadler after his appointment in September 2006.
- (c) \$22,500 of a maximum \$30,000 bonus paid in September 2006 for the year ended 30 June 2006 re subscriber base and EBITDA targets.
- (d) \$11,250 of a maximum \$15,000 bonus paid in September 2006 for the year ended 30 June 2006 re subscriber base and EBITDA targets.
- (e) Accrual of fees earned, to be approved as share based payments by shareholders at the 2007 Annual General Meeting.

1. Remuneration packages

Remuneration packages contain the following key elements:

- i. Primary benefits – salary/fees, bonuses and non-monetary benefits including the provision of motor vehicles and health benefits
- ii. Post employment benefits – including superannuation and prescribed retirement benefits
- iii. Equity – Executive share ownership plan – performance rights as disclosed in note 5 to the financial statements
- iv. Other benefits

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Executive remuneration includes both fixed and variable components determined by the board on an individual basis taking into account relevant market conditions. The variable components are linked to performance as follows:

2. Elements of remuneration related to performance

Performance related bonuses:

The criteria selected for performance related cash bonuses are deemed to be the most appropriate measures of the performance of the business and are equally weighted.

The criteria set for the financial year to 30 June 2008 are summarised as follows:

- Subscriber base growth
- EBITDA target
- Infrastructure reliability
- Customer service measures
- Employee satisfaction

The criteria set for the upcoming financial year to 30 June 2009 are summarised as follows:

- SIO target
- EBITDA and other financial KPI targets
- Personal KPIs
- Infrastructure reliability
- Customer service measures
- Employee satisfaction

The company has an ownership-based compensation scheme for executives, senior employees and non-executive directors of the company. In accordance with the provisions of the plans, as approved by shareholders at previous annual general meetings, executives, senior employees and non-executive directors may be granted options to acquire ordinary shares at no consideration where specified key performance targets are achieved.

Each share option converts into one ordinary share of engin Limited on exercise. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The scheme was not operational at 30 June 2008.

3. Executive share ownership plan – performance rights

Due to the change in control of the issued shares in engin Limited on 3 April 2008, all outstanding options vested under the Plan Rules of the "Executive Share Ownership Plan". Subsequently all these options were exercised on 16 May 2008.

4. Key terms of employment contracts

The remuneration and other terms of employment for senior management above are set out in written agreements. Each of these employment agreements are unlimited in term but may be terminated by written notice by either party and by the company making payment in lieu of notice.

Each of the agreements sets out the arrangement for total fixed remuneration, performance-related cash bonus opportunities, superannuation and termination rights and obligations. Executive salaries are reviewed annually. The executive employment agreements do not require the company to increase base salary, incentive bonuses or to continue the participants' participation in equity-based incentive programs.

The company may terminate the employment of a member of senior management without notice and without payment in lieu of notice in some circumstances. This includes if the executive:

1. Commits an act of serious misconduct;
2. Commits a material breach of the executive employment agreement;
3. Denigrates or engages in any behaviour that may materially damage the reputation of, or otherwise bring the company into disrepute; or
4. Is convicted of any criminal offence, which would in the reasonable opinion of the board of directors adversely affect the carrying out of the executive's duties.

The company may terminate the employment of a member of senior management at any time by giving notice of termination or payment in lieu of such notice. The amount of notice required from the company in these circumstances is set out in the following table:

NAME OF SENIOR MANAGEMENT	COMPANY NOTICE PERIOD	EMPLOYEE NOTICE PERIOD	TERMINATION PROVISION
Mark Zwoestine	3 months	3 months	3 months base salary
Matt Farmer	3 months	3 months	3 months base salary
Graeme Dollar	3 months	3 months	3 months base salary
Matthew Gepp	3 months	3 months	3 months base salary
Charles Solomon	6 months	3 months	6 months base salary

Value of options issued to directors and executives

Due to the change in control of the issued shares in engin Limited on 3 April 2008, all outstanding options vested under the Plan Rules of the "Executive Share Ownership Plan". Subsequently all these options were exercised on 16 May 2008. The following table summarises the value of options granted, exercised or lapsed during the annual reporting period to directors and senior management:

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

	NUMBER OF OPTIONS GRANTED	VALUE OF OPTIONS GRANTED AT THE GRANT DATE \$	NUMBER OF OPTIONS EXERCISED	VALUE OF OPTIONS EXERCISED AT THE EXERCISE DATE \$	VALUE OF OPTIONS LAPSED AT THE LAPSE DATE \$
Directors					
N Gamble	–	–	150,000	26,752 ⁽¹⁾	–
Senior management					
M Zworestine	1,000,000	140,000	1,000,000	140,000 ⁽⁴⁾	–
P Jeronimo	–	–	200,000	10,915 ⁽²⁾	–
	–	–	150,000	45,450 ⁽³⁾	–
M Farmer	–	–	200,000	10,915 ⁽²⁾	–
	–	–	150,000	45,450 ⁽³⁾	–

Value of options – basis of calculation

All options are exercisable for zero consideration:

- (1) Options exercised during the year were granted on 27 January 2005
- (2) Options exercised during the year were granted on 27 June 2005
- (3) Options exercised during the year were granted on 13 September 2006
- (4) Options exercised during the year were granted on 14 November 2007

The total value of options granted, exercised and lapsed is calculated based on the following:

- Fair value of the option at the time granted multiplied by the number of options granted during the year, plus
- Fair value of the option at the time exercised multiplied by the number of options exercised during the year, plus
- Fair value of the option at the time lapsed multiplied by the number of options lapsed during the year.

NON-AUDIT SERVICES

Non-auditing services were performed during the financial year by the auditors. These were in respect of a review performed on internal financial forecasts.

The directors are satisfied that the provision of non-audit services by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to the auditor for non-audit services performed during the year are \$20,000 (2007: Nil). All amounts paid or payable to the auditor are outlined in note 6 to the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 15 of the financial report.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors



Ian Smith
Chairman
Sydney, 29 September 2008

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

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The Board of Directors
Engin Limited
431 Warringah Road
FRENCHS FOREST NSW 2086

29 September 2008

Dear Board Members

Engin Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Engin Limited.

As lead audit partner for the audit of the financial statements of Engin Limited for the financial year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



J M Stanley
Partner
Chartered Accountants
Sydney, 29 September 2008

Member of
Deloitte Touche Tohmatsu

Liability limited by a scheme approved under Professional Standards Legislation.

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Engin Limited

Report on the Financial Report

We have audited the accompanying financial report of Engin Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company (Engin Limited) and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 18 to 50.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Member of
Deloitte Touche Tohmatsu

Liability limited by a scheme approved under Professional Standards Legislation.

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Engin Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 14 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Engin Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



J M Stanley
Partner
Chartered Accountants
Sydney, 29 September 2008

DIRECTORS' DECLARATION

The directors declare that:

- a. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- b. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- c. the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Ian Smith', written over a horizontal line.

Ian Smith

Chairman

Sydney, 29 September 2008

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	NOTE	CONSOLIDATED		COMPANY	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue	2	20,087,213	17,422,398	14,245	–
Other income (Profit on sale of investment in Unwired Group Limited)		3,711,589	–	3,711,589	–
Consumables used and network costs		(11,690,003)	(10,893,031)	–	–
Changes in inventories of finished goods		(60,339)	513,660	–	–
Employee costs		(12,340,429)	(9,691,475)	–	–
Marketing expense		(3,577,911)	(5,713,562)	–	–
Communications expense		(496,598)	(927,988)	–	–
Depreciation expense		(3,384,939)	(1,872,252)	–	–
Financial institution costs		(350,246)	(293,531)	–	–
Occupancy costs		(510,002)	(327,853)	–	–
Bad debt expense and debt collection costs		(186,672)	(163,792)	–	–
Finance costs		(726,325)	(192,685)	(533,760)	–
Legal expenses		(331,233)	(155,216)	–	–
Computer licence fees		(704,174)	(294,533)	–	–
Other expenses from ordinary activities		(1,608,322)	(1,214,185)	–	–
Write down of wholly owned subsidiary receivable		–	–	(36,559,991)	(6,000,000)
Profit/(loss) before income tax	2	(12,168,391)	(13,804,045)	(33,367,917)	(6,000,000)
Income tax (expense)	3	–	(3,533,347)	–	–
Profit/(loss) attributable to members of the parent entity		(12,168,391)	(17,337,392)	(33,367,917)	(6,000,000)
Loss per share					
From continuing operations:					
Basic (cents per share)	21	(2.90)	(5.59)		
Diluted (cents per share)	21	(2.90)	(5.59)		

Notes to the financial statements are included on pages 23 to 50.

BALANCE SHEET

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	NOTE	CONSOLIDATED		COMPANY	
		2008 \$	2007 \$	2008 \$	2007 \$
Current assets					
Cash and cash equivalents	28	6,583,252	12,290,656	–	–
Trade and other receivables	7	1,426,293	2,064,565	–	–
Inventories	8	721,173	781,512	–	–
Other	9	296,519	240,363	–	–
Total current assets		9,027,237	15,377,096	–	–
Non-current assets					
Receivable from controlled entities	7	–	–	12,000,000	37,072,109
Investments accounted for using the equity method	10	1	15,207	–	–
Property, plant and equipment	11	5,141,364	6,284,447	–	–
Customer management & billing system	11	3,951,530	3,844,694	–	–
Total non-current assets		9,092,895	10,144,348	12,000,000	37,072,109
Total assets		18,120,132	25,521,444	12,000,000	37,072,109
Current liabilities					
Trade and other payables	13	4,096,018	6,120,570	–	23,016
Borrowings – Finance lease liability	14	1,202,802	1,261,761	–	–
Provisions	15	314,374	549,663	–	–
Total current liabilities		5,613,194	7,931,994	–	23,016
Non-current liabilities					
Borrowings – Finance lease liability	16	416,894	1,593,106	–	–
Provisions	17	81,651	138,384	–	–
Total non-current liabilities		498,545	1,731,490	–	–
Total liabilities		6,111,739	9,663,484	–	23,016
Net assets		12,008,393	15,857,960	12,000,000	37,049,093
Equity					
Issued capital	18	45,079,667	35,451,483	45,079,667	35,451,483
Reserves	19	–	1,309,360	–	1,309,360
Retained earnings/(accumulated losses)	20	(33,071,274)	(20,902,883)	(33,079,667)	288,250
Total equity		12,008,393	15,857,960	12,000,000	37,049,093

Notes to the financial statements are included on pages 23 to 50.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	NOTE	CONSOLIDATED		COMPANY	
		2008 \$	2007 \$	2008 \$	2007 \$
Cash flows from operating activities					
Receipts from customers		22,269,397	17,241,111	14,243	–
Payments to suppliers and employees		(36,226,398)	(28,350,454)	76,498	–
Interest and other costs of finance paid		(726,325)	(192,685)	(533,760)	–
Net cash (used in)/provided by operating activities	28(c)	(14,683,326)	(11,302,028)	(443,019)	–
Cash flows from investing activities					
Amounts advanced to subsidiary		–	–	(11,487,880)	(25,774,049)
Payment for property, plant and equipment		(2,037,194)	(5,380,454)	–	–
Interest received		317,388	732,768	–	–
Payment for purchase of Unwired Limited shareholding		(21,463,784)	–	(21,463,784)	–
Proceeds for sale of Unwired Limited shareholding		25,175,373	–	25,175,373	–
Net cash provided by/(used in) investing activities		1,991,783	(4,647,686)	(7,776,291)	(25,774,049)
Cash flows from financing activities					
Proceeds from convertible loan note		20,816,524	–	20,816,524	–
Repayment of convertible loan note		(20,816,524)	–	(20,816,524)	–
Repayment of borrowings – Finance lease		(1,235,171)	(509,679)	–	–
Proceeds from issues of equity securities		8,430,666	26,282,323	8,430,666	26,282,323
Share issue costs		(211,356)	(508,274)	(211,356)	(508,274)
Net cash provided by financing activities		6,984,139	25,264,370	8,219,310	25,774,049
Net increase/(decrease) in cash and cash equivalents		(5,707,404)	9,314,656	–	–
Cash and cash equivalents at the beginning of the financial year		12,290,656	2,976,000	–	–
Cash and cash equivalents at the end of the financial year	28(a)	6,583,252	12,290,656	–	–

Notes to the financial statements are included on pages 23 to 50.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	ORDINARY SHARES \$	EMPLOYEE EQUITY SETTLED BENEFITS RESERVE \$	RETAINED EARNINGS/ (ACCUMULATED LOSSES) \$	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY \$
Consolidated				
Balance as at 1 July 2006	9,677,434	750,454	(3,565,491)	6,862,397
Loss for period	–	–	(17,337,392)	(17,337,392)
Total recognised income and expense for the period	–	–	(17,337,392)	(17,337,392)
Recognition of share-based payments	–	558,906	–	558,906
Issue of shares	26,282,323	–	–	26,282,323
Share issue cost	(508,274)	–	–	(508,274)
Balance as at 30 June/1 July 2007	35,451,483	1,309,360	(20,902,883)	15,857,960
Loss for period	–	–	(12,168,391)	(12,168,391)
Total recognised income and expense for the period	–	–	(12,168,391)	(12,168,391)
Recognition of share-based payments	1,408,874	(1,309,360)	–	99,514
Issue of shares	8,430,666	–	–	8,430,666
Share issue cost	(211,356)	–	–	(211,356)
Balance as at 30 June 2008	45,079,667	–	(33,071,274)	12,008,393
Company				
Balance as at 1 July 2006	9,677,434	750,454	6,288,250	16,716,138
Loss for period	–	–	(6,000,000)	(6,000,000)
Total recognised income and expense for the period	–	–	(6,000,000)	(6,000,000)
Recognition of share-based payments	–	558,906	–	558,906
Issue of shares	26,282,323	–	–	26,282,323
Share issue cost	(508,274)	–	–	(508,274)
Balance as at 30 June/1 July 2007	35,451,483	1,309,360	288,250	37,049,093
Loss for period	–	–	(33,367,917)	(33,367,917)
Total recognised income and expense for the period	–	–	(33,367,917)	(33,367,917)
Recognition of share-based payments	1,408,874	(1,309,360)	–	99,514
Issue of shares	8,430,666	–	–	8,430,666
Share issue cost	(211,356)	–	–	(211,356)
Balance as at 30 June 2008	45,079,667	–	(33,079,667)	12,000,000

Notes to the financial statements are included on pages 23 to 50.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

1. SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS"). Compliance with the A-IFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the directors on 29 September 2008.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements relate to going concern and recovery of intercompany receivables.

Going concern

The financial report has been prepared on the basis that engin is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. As discussed elsewhere in the financial report, the consolidated entity incurred a loss of \$12,168,391 for the year ended 30 June 2008, and operating cash flow losses of \$14,683,326.

During the year the company underwent a period of restructure, which included rationalising the cost base and aligning this more closely with

the revenue base. The costs associated with this restructure, including redundancy payments, are reflected in the loss and cash flows for the year. This restructure has significantly reduced the month-to-month cash burn. The company is committed to further reducing the cash burn in the coming year and is focused on the implementation of business, strategic and operational improvements.

For this reason, the directors have prepared the financial statements on a going concern basis. The directors expect the outcome of the strategic restructure will be sufficient to fund engin's activities and meet its commitments and to continue as a going concern.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a Accounts payable

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

b Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

c Borrowing costs

Borrowing costs directly attributable to assets under construction are capitalised as part of the cost of those assets.

d Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash in banks and investments in money market instruments.

e Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave, sick leave, and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of other employee benefits, including long service leave which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

f Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

Other financial assets are classified into the following specified categories: Financial assets “at fair value through profit or loss”, “held-to-maturity” investments, “available-for-sale” financial assets, and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

g Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

h Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date.

Exchange differences are recognised in the statement of financial performance in the period in which they arise.

Financial statements of integrated foreign controlled entities are translated at reporting date using the temporal method and exchange differences are taken directly to the statement of financial performance.

i Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

j Impairment of non-current assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

k Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes recoverable in respect of the tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as an asset to the extent that it is refundable.

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination), which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation

The company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. engin Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach. Current tax assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding arrangement is detailed in note 3 to the financial statements.

l Inventories

Inventories are valued at the lower of cost and net realisable value.

m Investments

Investments in controlled entities are recorded at cost. Investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements. Dividend and interest revenues are recognised on a receivable basis.

n Joint ventures

Interests in jointly controlled entities are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

o Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Consolidated entity as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the consolidated entity's general policy on borrowing costs. Refer to note 1(b).

Finance leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

p Plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Billing system: 5 years
- Other plant and equipment: 3-8 years
- Equipment under finance lease: 3-5 years

q Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 "Consolidated and Separate Financial Statements". A list of subsidiaries appears in note 24 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity, are eliminated in full.

r Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

Dividends

A provision is recognised for dividends when they have been declared, determined or publicly recommended by the directors on or before the reporting date.

s Revenue recognition

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the company and consolidated entity has passed control of the goods or other assets to the buyer.

Rendering of Services – Broadband Telephony Provider

Revenue from the rendering of Broadband telephony services is recognised by Engin Limited as customers utilise the service (make telephone calls) and service fees accrue over the monthly billing period.

t Share-based payments

Equity-settled share-based payments granted after 7 November 2002 that were invested as of 1 January 2005, are measured at fair value at the date of grant. Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

u Adoption of new and revised accounting policies

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Group's accounting policies or had any financial impact on the Group.

At the date of authorisation of the financial report, the Standards and Interpretations outlined below were in issue but not yet effective. Initial application of these Standards and Interpretations will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the consolidated entity's and the company's financial report.

STANDARD/INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	APPLIED IN THE FINANCIAL YEAR ENDING
AASB 8 "Operating Segments"	1 January 2009	30 June 2010

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the consolidated entity and the company:

STANDARD/INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB Interpretation 12 "Service Concession Arrangements"	1 January 2008	30 June 2009
AASB 2007-2 "Amendments to Australian Accounting Standards arising from AASB Interpretation 12"	1 January 2008	30 June 2009
AASB Interpretation 13 "Customer Loyalty Programmes"	1 July 2008	30 June 2009
AASB 123 "Borrowing Costs" – revised standard	1 January 2009	30 June 2010
AASB 2007-6 "Amendments to Australian Accounting Standards arising from AASB 123"	1 January 2009	30 June 2010

The potential effect of the initial application of the expected issue of an Australian equivalent accounting standard to the following standards has not yet been determined

IFRS 3 "Business combinations"	1 July 2009	30 June 2010
IAS 27 "Separate and consolidated financial statements"	1 July 2009	30 June 2010

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

2. PROFIT/LOSS FROM OPERATIONS

Profit/(loss) from operations includes the following items of revenue and expense:

(a) Operating revenue

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Revenue from the sale of goods	636,807	1,780,119	–	–
Revenue from the rendering of services	19,118,773	14,909,511	–	–
Interest received	317,388	732,768	–	–
Other	14,245	–	14,245	–
Attributable to continuing operations	20,087,213	17,422,398	14,245	–

(b) Expenses

Borrowing costs:				
Interest				
Finance lease finance charge	190,632	192,685	–	–
Convertible note interest – related party	533,760	–	533,760	–
Other	1,933	–	–	–
	726,325	192,685	533,760	–
Net bad and doubtful debts arising from:				
Other entities	176,714	106,171	–	–
Equity settled share based payments	99,514	558,906	–	–
Contributions to defined contribution plans	780,281	705,730	–	–
Loss on disposal of property, plant and equipment	85,842	–	–	–
Write off of inventory	430,000	–	–	–
Depreciation and amortisation of non-current assets:				
Billing System	1,099,759	–	–	–
Other plant and equipment	1,556,522	1,354,258	–	–
Equipment under finance lease	728,658	517,994	–	–
	3,384,939	1,872,252	–	–
Operating lease rental expenses:				
Minimum lease payments	322,899	149,551	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

3. INCOME TAXES

(a) Income tax recognised in profit or loss

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Tax benefit comprises:				
Deferred tax expense/(benefit) relating to origination and reversal of temporary differences	67,486	105,237	–	–
Reversal of current year tax benefit	(67,486)	(105,237)	–	–
Total tax expense/(benefit)	–	–	–	–
The prima facie income tax on pre-tax accounting loss from operations reconciles to the income tax in the financial statements as follows:				
Profit/(loss) from operations	(12,168,391)	(17,337,392)	(33,367,917)	(6,000,000)
Income tax expense/(benefit) calculated at 30%	(3,650,517)	(5,201,218)	(10,010,375)	(1,800,000)
Non-deductible expenses	2,111	8,350	–	–
Equity share of joint venture entity's profit	–	(3,680)	–	–
Non-deductible loan write-off	–	–	10,967,997	1,800,000
Non-recognition of current year tax benefit/(expense)	3,648,406	5,196,548	(957,622)	–
Write-down of deferred tax asset	–	3,533,347	–	–
	–	3,533,347	–	–

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Income tax recognised directly in equity

There was no income tax recognised directly in equity in either the current or prior year.

(c) Deferred tax balances

There was no deferred tax balance recognised on the balance sheet in either the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

3. INCOME TAXES (CONTINUED)

Taxable and deductible temporary differences arise from the following:

	CONSOLIDATED						CLOSING BALANCE \$
	OPENING BALANCE \$	CHARGED TO INCOME \$	CHARGED TO EQUITY \$	ACQUISITIONS/ DISPOSALS \$	EXCHANGE DIFFERENCES \$	CHANGES IN TAX RATE \$	
2008							
Gross deferred tax assets:							
Provisions	—	—	—	—	—	—	—
Doubtful debts	—	—	—	—	—	—	—
Property, plant and equipment	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
	—	—	—	—	—	—	—

2007							
Gross deferred tax assets:							
Provisions	146,024	(146,024)	—	—	—	—	—
Doubtful debts	7,348	(7,348)	—	—	—	—	—
Property, plant and equipment	79,083	(79,083)	—	—	—	—	—
Other	328,862	(328,862)	—	—	—	—	—
	561,317	(561,317)	—	—	—	—	—

	COMPANY						CLOSING BALANCE \$
	OPENING BALANCE \$	CHARGED TO INCOME \$	CHARGED TO EQUITY \$	ACQUISITIONS/ DISPOSALS \$	EXCHANGE DIFFERENCES \$	CHANGES IN TAX RATE \$	
2008							
Gross deferred tax assets:							
Provisions	—	—	—	—	—	—	—
Doubtful debts	—	—	—	—	—	—	—
Property, plant and equipment	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
	—	—	—	—	—	—	—

2007							
Gross deferred tax assets:							
Provisions	—	—	—	—	—	—	—
Doubtful debts	—	—	—	—	—	—	—
Property, plant and equipment	79,083	(79,083)	—	—	—	—	—
Other	211,222	(211,222)	—	—	—	—	—
	290,305	(290,305)	—	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

3. INCOME TAXES (CONTINUED)

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Unrecognised deferred tax balances				
The following deferred tax assets have not been brought to account as assets:				
Tax losses – revenue	12,527,102	8,878,696	–	–
Tax losses – capital	257,000	257,000	257,000	257,000
	12,784,102	9,135,696	257,000	257,000

The taxation benefits of tax losses not brought to account will only be obtained if:

- i. assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- ii. conditions for deductibility imposed by the law are complied with; and
- iii. no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

Tax consolidation

Relevance of tax consolidation to the consolidated entity

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is engin Limited. The members of the tax-consolidated group are identified at note 24.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, engin Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement, as payment of any amounts under the tax sharing agreement is considered remote.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

4. KEY MANAGEMENT PERSONNEL COMPENSATION

The directors and other members of key management personnel of the Group during the year were:

- I Smith (Independent Chairman, Non-executive), appointed 24 September 2007, non-executive chairman effective 11 January 2008.
- R Lund (Non-executive director).
- B McWilliam (Non-executive director).
- R Stokes (Non-executive director).
- M Zworestine (appointed Chief Executive Officer 1 January 2008), appointed 15 October 2007.
- J Kinninmont (Company Secretary), appointed 17 April 2008.
- M Gepp (Head of Finance), appointed 13 February 2008.
- G Dollar (appointed Head of Operations 1 March 2008), employed since 30 July 2007.
- C Solomon (General Manager Marketing, Sales & Business Development), appointed 11 August 2008.
- M Farmer (Head of Sales).
- W Jephcott (Chairman, non-executive), resigned 31 August 2007.
- N Gamble (Executive chairman effective 31 August 2007), resigned 11 January 2008.
- C Shaw (Non-executive), resigned 29 November 2007.
- I Tales (Chief Executive Officer), resigned 29 November 2007.
- P Dobbie (Chief Marketing Officer), resigned 8 November 2007.
- A Dixon (HR & Compliance Manager), resigned 31 December 2007.
- J Sadler (Chief Information Officer), resigned 29 February 2008.
- P Jeronimo (Financial Controller and Company Secretary), resigned 8 April 2008.
- S Ikeda (Chief Technology Officer), resigned 15 September 2007.

The aggregate compensation made to directors and other member of key management personnel of the company and the Group is set out below:

	CONSOLIDATED	
	2008 \$	2007 \$
Short term employee benefits	1,407,177	1,209,844
Post-employment benefits	127,331	119,350
Other long term-benefits	9,410	8,293
Termination benefits	694,037	—
Share-based payments	(321,332)	445,952
Total	1,916,623	1,783,439

The following key management personnel held shares at 30 June 2008:

	NUMBER OF SHARES HELD	
	2008	2007
M Zworestine	1,230,000 ^(a)	—
M Farmer	571,429 ^(b)	221,429 (b)

(a) 1,000,000 acquired through vesting of options and 230,000 purchased on market.

(b) Acquired through vesting of options.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

4. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

The compensation of each member of the key management personnel of the Company for the current year is set out below:

	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT	OTHER LONG-TERM BENEFITS	TERMINATION BENEFITS	SHARE-BASED PAYMENT	TOTAL
	SALARY & FEES	BONUS	NON-MONETARY	SUPER-ANNUATION			OPTIONS	
	\$	\$	\$	\$	\$	\$	\$	\$
2008								
I Smith	124,493	—	—	11,204	—	—	—	135,697
B McWilliam	—	—	—	—	—	—	(21,800) ^(b)	(21,800)
R Lund	—	—	—	—	—	—	(21,800) ^(b)	(21,800)
R Stokes	—	—	—	—	—	—	(21,800) ^(b)	(21,800)
M Zworestine	184,938	—	—	17,048	—	—	140,000	341,986
M Gepp	57,500	—	—	5,175	—	—	—	62,675
G Dollar	60,000	—	—	3,849	—	—	—	63,849
M Farmer	153,978	—	15,894	15,347	—	—	42,935	228,154
C Shaw	12,500	—	—	1,125	—	—	—	13,625
I Tales	171,370	—	—	22,500	3,207	400,000	(373,459) ^(a)	223,618
J Sadler	133,646	9,250	—	12,163	—	65,384	(7,842) ^(a)	212,601
A Dixon	73,443	—	—	6,300	—	30,673	(13,430) ^(a)	96,986
N Gamble	92,999	—	—	6,747	—	—	(29,837) ^(a)	69,909
P Dobbie	83,800	—	—	6,415	—	65,384	—	155,599
P Jeronimo	146,768	—	—	10,631	2,578	78,750	42,935	281,662
S Ikeda	63,355	—	14,910	8,077	3,625	53,846	(13,430) ^(a)	130,383
W Jephcott	8,333	—	—	750	—	—	(43,804) ^(a)	(34,721)
Total	1,367,123	9,250	30,804	127,331	9,410	694,037	(321,332)	1,916,623

(a) Reversal of share based payment expense from prior years on forfeit of share options upon termination of employment.

(b) Reversal of prior period accrual of fees earned. Fees no longer required to be paid at request of specified directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

4. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

The number of options granted, forfeited and exercised during 2007 and 2008 by key management personnel is set out below:

	01/07/06				30/06/07				30/06/08	
	OB	GRANTED	FORFEITED	EXERCISED	CB	GRANTED	FORFEITED	EXERCISED	CB	
I Smith	–	–	–	–	–	–	–	–	–	
B McWilliam	–	–	–	–	–	–	–	–	–	
R Lund	–	–	–	–	–	–	–	–	–	
R Stokes	–	–	–	–	–	–	–	–	–	
M Zworestine	–	–	–	–	–	1,000,000	–	(1,000,000)	–	
M Gepp	–	–	–	–	–	–	–	–	–	
G Dollar	–	–	–	–	–	–	–	–	–	
M Farmer	350,000	150,000	–	(150,000)	350,000	–	–	(350,000)	–	
C Shaw	–	–	–	–	–	–	–	–	–	
I Tales	3,500,000	3,000,000	–	(1,500,000)	5,000,000	–	(5,000,000)	–	–	
J Sadler	–	250,000	–	–	250,000	–	(250,000)	–	–	
A Dixon	350,000	150,000	–	(150,000)	350,000	–	(350,000)	–	–	
N Gamble	250,000	250,000	–	–	500,000	–	(350,000)	(150,000)	–	
P Dobbie	–	–	–	–	–	–	–	–	–	
P Jeronimo	350,000	150,000	–	(150,000)	350,000	–	–	(350,000)	–	
S Ikeda	350,000	150,000	–	(150,000)	350,000	–	(350,000)	–	–	
W Jephcott	175,000	250,000	–	(75,000)	350,000	–	(350,000)	–	–	
	5,325,000	4,350,000	–	(2,175,000)	7,500,000	1,000,000	(6,650,000)	(1,850,000)	–	

The cost of options accrued for Mr Stokes, Mr McWilliam and Mr Lund in 2007, and reversed in 2008, are not included in the above table, as these were never issued.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

4. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

The compensation of each member of the key management personnel of the company for the prior year is set out below:

	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT	OTHER LONG-TERM BENEFITS	SHARE-BASED PAYMENT	TOTAL
	SALARY & FEES	BONUS	NON-MONETARY	SUPER-ANNUATION		OPTIONS	
	\$	\$	\$	\$	\$	\$	\$
2007							
W Jephcott	50,000	—	—	4,500	—	39,037	93,537
C Shaw	30,000	—	—	2,700	—	—	32,700
N Gamble	15,000	—	—	17,700	—	39,037	71,737
R Lund	—	—	—	—	—	21,800 ^(e)	21,800
B McWilliam	—	—	—	—	—	21,800 ^(e)	21,800
R Stokes	—	—	—	—	—	21,800 ^(e)	21,800
I Tales	305,855	75,000 ^(a)	16,916	35,799	4,051	275,588	713,209
P Jeronimo	156,257	22,500 ^(b)	—	16,088	2,069	13,445	210,359
M Farmer	149,402	—	9,431	13,446	—	13,445	185,724
S Ikeda	147,601	11,250 ^(c)	16,909	13,464	2,173	13,445	204,842
B Evans	139,068	15,333 ^(d)	—	13,869	—	—	168,297
A Dixon	131,891	—	—	11,870	—	12,124	155,885
K Kirk	114,822	—	—	6,803	—	—	121,625
P Dobbie	93,333	—	—	8,400	—	—	101,733
Total	1,051,936	124,083	33,825	119,350	8,293	445,952	1,783,439

(a) \$75,000 of a maximum \$100,000 bonus paid in September 2006 for the year ended 30 June 2006 re subscriber base and EBITDA targets.

(b) \$22,500 of a maximum \$30,000 bonus paid in September 2006 for the year ended 30 June 2006 re subscriber base and EBITDA targets.

(c) \$11,250 of a maximum \$15,000 bonus paid in September 2006 for the year ended 30 June 2006 re subscriber base and EBITDA targets.

(d) \$15,333 of a maximum \$15,333 bonus paid in September 2006 for the period to 30 June 2006 re the expansion of network and internal systems.

(e) Accrual of fees earned, to be approved as share based payments by shareholders at the 2007 Annual General Meeting.

Performance related bonuses

The criteria selected for performance related bonuses are deemed to be the most appropriate measures of the performance of the business.

The criteria set for the financial year to 30 June 2008 are summarised as follows:

- Subscriber base growth.
- EBITDA target.
- Reliability of network – measured on network uptime.
- Customer service measures – measured on customer surveys and call centre statistics.
- Employee satisfaction – measured by staff turnover rates and staff feedback.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

4. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

The criteria set for the upcoming financial year to 30 June 2009 are summarised as follows:

- SIO target.
- EBITDA and other financial KPIs.
- Personal KPIs.
- Infrastructure reliability.
- Customer service measures.
- Employee satisfaction.

5. SHARE-BASED PAYMENTS

As at year end there were no options on issue.

The Group has an ownership-based compensation scheme for executives, senior employees and non-executive directors of the Group. In accordance with the provisions of the plans, as approved by shareholders at previous annual general meetings, executives, senior employees and non-executive directors may be granted options to acquire ordinary shares at no consideration where specified key performance targets are achieved.

Each executive share option converts into one ordinary share of engin Limited on exercise. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence during the period:

OPTIONS SERIES	NUMBER	GRANT DATE	EXPIRY DATE	EXERCISE PRICE \$	FAIR VALUE AT GRANT DATE \$
(1) Executive Share Ownership Plan	75,000	27 Jun 2005	30 Nov 2009	0.00	0.17
(2) Executive Share Ownership Plan	75,000	27 Jun 2005	30 Nov 2009	0.00	0.17
(3) Executive Share Ownership Plan	2,200,000	27 Jun 2005	30 Nov 2009	0.00	0.17
(6) Executive Share Ownership Plan	1,090,000	27 Jun 2005	30 Nov 2009	0.00	0.05
(7) Executive Share Ownership Plan	2,047,500	13 Sep 2006	13 Sep 2011	0.00	0.30
(8) Executive Share Ownership Plan	2,047,500	13 Sep 2006	13 Sep 2011	0.00	0.30
(9) Executive Share Ownership Plan	2,730,000	13 Sep 2006	13 Sep 2011	0.00	0.30
(10) Executive Share Ownership Plan	150,000	21 Dec 2006	30 Nov 2011	0.00	0.30
(11) Executive Share Ownership Plan	150,000	21 Dec 2006	30 Nov 2011	0.00	0.30
(12) Executive Share Ownership Plan	200,000	21 Dec 2006	30 Nov 2011	0.00	0.30
(13) Executive Share Ownership Plan	330,000	14 Nov 2007	14 Nov 2012	0.00	0.14
(14) Executive Share Ownership Plan	330,000	14 Nov 2007	14 Nov 2012	0.00	0.14
(15) Executive Share Ownership Plan	440,000	14 Nov 2007	14 Nov 2012	0.00	0.14

The weighted average fair value of the share options granted during the financial year is \$0.14 (2007: \$0.30). Options were priced using a binomial model. Expected volatility has been estimated with regards to the average historical volatility of a basket of companies in the Australian information technology sector and second tier telecommunications companies with a market capitalisation of less than \$US100 million. It is noted that the estimate derived through this calculation is in line with the volatility of comparable companies observed over the two year period to June 2008.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

5. SHARE-BASED PAYMENTS (CONTINUED)

INPUTS INTO THE MODEL	OPTION SERIES				
	SERIES 1-3	SERIES 4-6	SERIES 7-9	SERIES 10-12	SERIES 13-15
Grant date share price	\$0.19	\$0.09	\$0.305	\$0.30	\$0.14
Exercise price	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expected volatility	60%	60%	60%	60%	60%
Option life	4 years, 10 months	4 years, 5 months	5 years	5 years	5 years
Dividend yield	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	5.198%	5.084%	6.080%	6.250%	6.250%

The following reconciles the outstanding share options granted under the Executive Share Option Plan at the beginning and end of the financial year:

	2008		2007	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE \$	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE \$
Balance at beginning of the financial year	9,515,000	–	6,575,000	–
Granted during the financial year	1,100,000	–	7,325,000	–
Forfeited during the financial year	(7,248,000)	–	(1,835,000)	–
Exercised during the financial year (i)	(3,367,000)	–	(2,550,000)	–
Balance at end of the financial year	–	–	9,515,000	–
Exercisable at end of the financial year	–	–	150,000	–

(i) Exercised during the financial year

The following share options granted under the Executive Share Option Plan were exercised during the financial year as a result of the change in control following the rights issue completed in April 2008 (2007: 2,550,500):

OPTIONS SERIES	NUMBER EXERCISED	EXERCISE DATE	SHARE PRICE AT EXERCISE DATE \$
2008			
Executive Ownership Plan – Series 1-2	150,000	26 July 2007	0.18
Executive Ownership Plan – Series 6	572,000	16 May 2008	0.038
Executive Ownership Plan – Series 7-9	1,645,000	16 May 2008	0.038
Executive Ownership Plan – Series 13-15	1,000,000	16 May 2008	0.038
	3,367,000		
2007			
Executive Ownership Plan – Series 1-2	1,575,000	8 May 2007	0.19
Executive Ownership Plan – Series 4-5	975,500	8 May 2007	0.19
	2,550,500		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

6. REMUNERATION OF AUDITORS

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Auditor of the parent entity				
Audit or review of the financial report	117,500	132,187	–	–
Audit related services	6,300	6,000	–	–
Other services	20,000	–	–	–
	143,800	138,187	–	–

The auditor of engin Limited is Deloitte Touche Tohmatsu. The audit fees were paid in full by a wholly owned controlled entity. Audit related services were for the audit of the Eligible Revenue Return, a statutory requirement by the Australian Communications & Media Authority.

7. CURRENT TRADE AND OTHER RECEIVABLES

Current:				
Trade receivables	1,505,163	1,988,880	–	–
Allowance for doubtful debts	(105,293)	(40,342)	–	–
	1,399,870	1,948,538	–	–
Goods and Service Tax (GST) receivable	–	105,055	–	–
Other sundry debtors	26,423	10,972	–	–
	1,426,293	2,064,565	–	–
Non-current:				
Receivable from controlled entities	–	–	12,000,000	37,072,109
Ageing of past due but not impaired				
Not past due	1,317,364	1,754,193	–	–
31-60 days	63,459	98,970	–	–
61-90 days	19,047	73,128	–	–
91-180 days	–	22,247	–	–
Total	1,399,870	1,948,538	–	–
Movement in the allowance for doubtful debts				
Balance at the beginning of the year	40,342	24,493	–	–
Amounts written off as uncollectible	(130,358)	(103,157)	–	–
Amounts recovered during the year	17,545	11,097	–	–
Impairment losses recognised on receivables	177,764	107,909	–	–
Balance at the end of the year	105,293	40,342	–	–

In determining the recoverability of a trade receivable, engin considers any debt over the age of 90 days to be impaired. This amount is fully provided for as a doubtful debt. Debts with an ageing of less than 90 days that become unrecoverable are fully provided for. Accordingly the directors believe that there is no further provision required for impairment than the allowance of doubtful debts. There were no individually significant impaired receivables, all impaired receivables were over 90 days past due.

With respect to the related party receivables, these balances are not interest bearing and have been assessed for impairment and written down to recoverable amount on the basis of the forecast operations of the relevant entities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

8. CURRENT INVENTORIES

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Finished goods:				
At cost	940,900	839,282	–	–
Provision for obsolescence	(219,727)	(57,770)	–	–
At net realisable value	721,173	781,512	–	–

9. OTHER CURRENT ASSETS

Prepayments	289,160	210,855	–	–
Other	7,359	29,508	–	–
	296,519	240,363	–	–

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

NAME OF ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST		CONSOLIDATED CARRYING AMOUNT	
			2008 %	2007 %	2008 \$	2007 \$
Joint Venture Entity						
Look Mobile Pty Limited	Mobile Phone Dealer Channel	Australia	50	50	1	15,207

	CONSOLIDATED	
	2008 \$	2007 \$
Summarised financial information of jointly controlled entities:		
Current assets	–	36,394
	–	36,394
Current liabilities	–	(5,980)
	–	(5,980)
Net assets	–	30,414
Expenses	30,412	29,688

Dividends received from associates and joint venture entities

During the year, dividends of \$14,245 were received by the consolidated entity (2007: \$0) from its jointly controlled entities.

Subsequent to year end the Joint Venture entity Look Mobile Pty Limited was wound up.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

11. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED			
	CUSTOMER MANAGEMENT & BILLING SYSTEM \$	OTHER PLANT AND EQUIPMENT \$	EQUIPMENT UNDER FINANCE LEASE AT COST \$	TOTAL \$
Gross carrying amount				
Balance at 1 July 2006	–	13,465,209	2,838,711	16,303,920
Additions	3,844,694	1,542,458	1,733,204	7,120,356
Disposals	–	(6,271,979)	(971,352)	(7,234,331)
Transfer	–	–	–	–
Balance at 1 July 2007	3,844,694	8,735,688	3,600,563	16,180,945
Additions	1,206,595	1,227,942	–	2,434,537
Disposals	–	(1,716,352)	(750)	(1,717,102)
Transfer	–	209,249	(209,249)	–
Balance at 30 June 2008	5,051,289	8,456,527	3,390,564	16,898,380
Accumulated depreciation/amortisation and impairment				
Balance at 1 July 2006	–	(10,217,635)	(1,198,552)	(11,416,187)
Depreciation expense	–	(1,354,258)	(517,994)	(1,872,252)
Disposals	–	6,265,283	971,352	(7,236,635)
Transfer	–	–	–	–
Balance at 1 July 2007	–	(5,306,610)	(745,194)	(6,051,804)
Depreciation expense	(1,099,759)	(1,556,521)	(728,659)	(3,384,939)
Disposals	–	1,630,507	750	1,631,260
Transfer	–	(209,249)	209,249	–
Balance at 30 June 2008	(1,099,759)	(5,441,873)	(1,263,854)	(7,805,486)
Net book value				
As at 30 June 2007	3,844,694	3,429,078	2,855,369	10,129,141
As at 30 June 2008	3,951,530	3,014,654	2,126,710	9,092,894

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Aggregate depreciation recognised as an expense during the year:				
Billing System	1,099,759	–	–	–
Plant and equipment	1,556,522	1,354,258	–	–
Equipment under finance lease	728,658	517,994	–	–
	3,384,939	1,872,252	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

12. ASSETS PLEDGED AS SECURITY

The consolidated entity does not hold title to the equipment under finance lease, which is pledged as security against the finance lease liability.

13. CURRENT TRADE AND OTHER PAYABLES

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Trade payables	1,825,994	4,070,040	–	–
Other payables and accruals	2,270,024	2,050,530	–	23,016
	4,096,018	6,120,570	–	23,016

14. CURRENT BORROWINGS

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Secured				
At amortised cost:				
Finance lease liabilities (notes 12 and 23)	1,202,802	1,261,761	–	–

15. CURRENT PROVISIONS

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Employee benefits	314,374	549,663	–	–

16. NON-CURRENT BORROWINGS

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Secured				
At amortised cost:				
Finance lease liabilities (notes 12 and 23)	416,894	1,593,106	–	–

17. NON-CURRENT PROVISIONS

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Employee benefits	81,651	138,384	–	–

18. ISSUED CAPITAL

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Fully paid ordinary shares (2008: 635,516,979)	45,079,667	35,451,483	45,079,667	35,451,483

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

18. ISSUED CAPITAL (CONTINUED)

	2008		2007	
	NO.	\$	NO.	\$
Fully paid ordinary shares				
Balance at beginning of financial year	351,127,766	35,451,483	229,125,104	9,677,434
Issue of shares under executive and employee share option plan (note 5)	3,367,000	1,408,874	2,550,000	–
Issue of shares	281,022,213	8,430,666	119,452,662	26,282,323
Share issue costs	–	(211,356)	–	(508,274)
Balance at end of financial year	635,516,979	45,079,667	351,127,766	35,451,483

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share options

Details of the executive and employee share ownership plan are contained in note 5 to the financial statements.

19. RESERVES

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Employee equity-settled benefits reserve				
Balance at beginning of financial year	1,309,360	750,454	1,309,360	750,454
Share-based payment	99,514	558,906	99,514	558,906
Transfer to share capital	(1,408,874)	–	(1,408,874)	–
Balance at end of financial year	–	1,309,360	–	1,309,360

The employee equity-settled benefits reserve arises on the grant of share options to executives and selected employees under the executive share ownership plan. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to executives is made in note 5 to the financial statements.

20. (ACCUMULATED LOSSES)/RETAINED EARNINGS

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Balance at beginning of financial year	(20,902,883)	(3,565,491)	288,250	6,288,250
Net loss attributable to members of the parent entity	(12,168,391)	(17,337,392)	(33,367,917)	(6,000,000)
Balance at end of financial year	(33,071,274)	(20,902,883)	(33,079,667)	288,250

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

21. EARNINGS/(LOSS) PER SHARE

	CONSOLIDATED	
	2008 CENTS PER SHARE	2007 CENTS PER SHARE
Basic earnings/(loss) per share:		
From continuing operations	(2.90)	(5.59)
Total basic earnings/(loss) per share	(2.90)	(5.59)
Diluted earnings/(loss) per share:		
From continuing operations	(2.90)	(5.59)
Total diluted earnings/(loss) per share	(2.90)	(5.59)

Basic earnings/(loss) per share

The earnings/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	CONSOLIDATED	
	2008 \$	2007 \$
(Loss)/Earnings from continuing operations (a)	(12,168,391)	(17,337,392)

	2008 NO.	2007 NO.
	Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	420,007,435

(a) Earnings used in the calculation of total basic earnings per share and basic earnings/(loss) per share from continuing operations reconciles to net profit in the income statement as follows:

	CONSOLIDATED	
	2008 \$	2007 \$
Net profit/(loss)	(12,168,391)	(17,337,392)

Diluted earnings/(loss) per share

The earnings/(loss) and weighted average number of ordinary shares used in the calculation of diluted earnings/(loss) per share are as follows:

Earnings from continuing operations (a)	(12,168,391)	(17,337,392)
---	--------------	--------------

	2008 NO.	2007 NO.
	Weighted average number of ordinary shares for the purposes of diluted earnings per share	420,007,435

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

21. EARNINGS/(LOSS) PER SHARE (CONTINUED)

(a) Earnings/(loss) used in the calculation of total diluted earnings/(loss) per share and diluted earnings/(loss) per share from continuing operations reconciles to net profit/(loss) in the income statement as follows:

	2008 \$	2007 \$
Net profit/(loss)	(12,168,391)	(17,337,392)

(b) The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	CONSOLIDATED	
	2008 NO.	2007 NO.
Weighted average number of ordinary shares used in the calculation of basic EPS	420,007,435	310,316,054
Shares deemed to be issued for no consideration in respect of:		
Employee options	—	—
Weighted average number of ordinary shares used in the calculation of diluted EPS	420,007,435	310,316,054

The effect of employee options is anti-dilutive in 2007 and has therefore been excluded from the calculation of the diluted weighted average number of shares.

There were no employee options on issue at 30 June 2008.

22. FRANKING ACCOUNT

	COMPANY	
	2008 \$	2007 \$
Adjusted franking account balance (tax paid basis)	3,985,319	3,985,319

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

23. LEASES

Finance leases

Leasing arrangements

Finance leases relate to network hardware and computer leases. The consolidated entity has the option to purchase the equipment for a nominal amount at the conclusion of the lease agreements.

Finance lease liabilities

	MINIMUM FUTURE LEASE PAYMENTS				PRESENT VALUE OF MINIMUM FUTURE LEASE PAYMENTS			
	CONSOLIDATED		COMPANY		CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Not later than 1 year	1,288,798	1,452,481	–	–	1,202,802	1,261,761	–	–
Later than 1 year and not later than 5 years	430,002	1,692,210	–	–	416,894	1,593,106	–	–
Later than 5 years	–	–	–	–	–	–	–	–
Minimum lease payments*	1,718,800	3,144,691	–	–	1,619,696	2,854,867	–	–
Less future finance charges	(99,104)	(289,824)	–	–	–	–	–	–
Present value of minimum lease payments	1,619,696	2,854,867	–	–	1,619,696	2,854,867	–	–
Included in the financial statements as:								
Current borrowings (note 14)					1,202,802	1,261,761	–	–
Non-current borrowings (note 16)					416,894	1,593,106	–	–
					1,619,696	2,854,867	–	–

*Minimum future lease payments includes the aggregate of all lease payments and any guaranteed residual value.

Operating leases

Leasing arrangements

Operating leases relate to office facilities with lease terms to 2009.

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Non-cancellable operating lease payments				
Not longer than 1 year	289,506	278,639	–	–
Longer than 1 year and not longer than 5 years	72,377	348,298	–	–
	361,883	626,937	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

24. SUBSIDIARIES

NAME OF ENTITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2008 %	2007 %
Parent entity			
engin Limited	Australia		
Subsidiaries			
MIBroadband Pty Limited	Australia	100	100
Innocom Systems Pty Limited	Australia	100	100
Metrofi Investment Holdings Pty Limited ^(a)	Australia	100	100

All entities are members of the tax consolidated group.

(a) Approved for de-registration on 13 June 2008 and formally dissolved on 13 August 2008.

25. SEGMENT INFORMATION

engin Limited operates primarily as a provider of Broadband telephony services within Australia.

26. RELATED PARTY DISCLOSURES

(a) Equity interests in related parties

Equity interests in Controlled Entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 24 of the financial statements.

Equity interests in Joint Venture Entities

Details of interests in joint venture entities are disclosed in note 10 to the financial statements.

(b) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in note 4 to the financial statements.

(c) Other transactions with key management personnel

The profit/(loss) from operations includes the following items of revenue and expense that resulted from transactions, which were on normal commercial terms and conditions other than remuneration, loans or equity holdings, with key management personnel or their personally-related entities:

	CONSOLIDATED	
	2008 \$	2007 \$
Sales revenue – rendering of services	–	2,040
Sales revenue – supply of goods	(7,741)	58,427
Internet expenses – reimbursement	–	27,000
Total recognised as revenue	(7,741)	87,467
Administration expenses	–	36,354
Rental expenses	414,691	245,742
Telephone expenses	78,995	103,018
Marketing expenses	260,208	–
Total recognised as expenses	753,894	385,114

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

26. RELATED PARTY DISCLOSURES (CONTINUED)

(d) Transactions with other related parties

Other related parties include:

- the parent entity;
- entities with joint control or significant influence over the group;
- associates;
- joint ventures in which the entity is a venturer;
- subsidiaries; and
- other related parties.

(e) Transactions involving the parent entity

During the financial year, engin Limited received dividends of \$14,245 (2007: \$0) from Look Mobile Pty Limited.

Network Investment Holdings (a Seven Network Limited group company) provided a convertible note debt facility to engin to enable the acquisition of Unwired Group Limited shares in September 2007, on normal commercial terms. The loan amount drawn down by engin was \$20,816,523 and subsequent interest payments of \$533,760 were paid.

During the year engin sold its 19.81% share in Unwired Group Limited to a Seven Network Limited Group company and realised a profit on sale of \$3,711,589. The company paid back the convertible note facility following this sale. An underwriting fee of \$111,276 was paid to a Seven Network Limited group company in relation to the non-renounceable rights issue that took place on 3 April 2008.

(f) Transactions involving other related parties

engin Limited engaged the services of a Seven Network Limited group company for printing to the value of \$72,734. These transactions were on normal commercial terms and conditions.

During the financial year MIBroadband Pty Limited provided administrative and accounting services at cost to Look Mobile Pty Limited, totalling \$14,544 (2007: \$12,581).

(g) Parent entities

The parent entity and the ultimate parent entity in the consolidated entity is engin Limited.

27. SUBSEQUENT EVENTS

There are no subsequent events to report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

28. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Cash and cash equivalents	6,583,252	12,290,656	—	—
	6,583,252	12,290,656	—	—

(b) Non-cash financing and investing activities

During the financial year, the consolidated entity acquired plant, property and equipment with a value of Nil (2007: \$1,733,204) by way of finance lease. As this transaction is a non-cash financing activity this amount is not included in the payment for plant, property and equipment figure.

(c) Reconciliation of loss for the period to net cash flows from operating activities

	CONSOLIDATED		COMPANY	
	2008 \$	2007 \$	2008 \$	2007 \$
Loss for the period	(12,168,391)	(17,337,392)	(33,367,917)	(6,000,000)
Share of jointly controlled entities' loss (less dividends)	15,206	12,267	(1)	—
Depreciation and amortisation of non-current assets	3,384,939	1,872,252	—	—
Equity settled share-based payment	99,514	558,904	99,514	—
Interest revenue	(317,388)	(732,768)	—	—
Profit on sale of investment in Unwired Limited	(3,711,589)	—	(3,711,589)	—
Write-off of intercompany loan	—	—	36,559,990	6,000,000
Increase/(decrease) in deferred tax balances	—	3,533,346	—	—
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:				
(Increase)/decrease in assets:				
Current receivables	638,272	(1,014,333)	—	—
Current inventories	60,339	(513,660)	—	—
Other current assets	(56,156)	(28,649)	—	—
Increase/(decrease) in liabilities:				
Current payables	(2,336,050)	2,146,700	(23,016)	—
Other current liabilities	(235,289)	154,728	—	—
Other non-current liabilities	(56,733)	46,577	—	—
Net cash from/(used in) operating activities	(14,683,326)	(11,302,028)	(443,019)	—

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

29. FINANCIAL INSTRUMENTS

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Interest rate risk management

The consolidated entity is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by limiting the borrowings of the entity to necessary capital expenditure.

Maturity profile of financial instruments

The following table details the consolidated entity's exposure to interest rate risk as at 30 June 2008:

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	VARIABLE INTEREST RATE \$	FIXED MATURITY DATES						NON INTEREST BEARING \$	TOTAL \$
			LESS THAN 1 YEAR \$	1-2 YEARS \$	2-3 YEARS \$	3-4 YEARS \$	4-5 YEARS \$	5+ YEARS \$		
2008										
Financial assets:										
Cash and cash equivalents	7.51	6,583,252	—	—	—	—	—	—	—	6,583,252
Trade and other receivables (a)	—	—	—	—	—	—	—	—	1,426,293	1,426,293
Security deposit	—	—	—	—	—	—	—	—	—	—
		6,583,252	—	—	—	—	—	—	1,426,293	8,009,545
Financial liabilities:										
Trade and other payables (a)	—	—	—	—	—	—	—	—	4,096,018	4,096,018
Finance lease liabilities	8.46	—	1,288,798	430,002	—	—	—	—	—	1,718,800
Employee benefits (a)	—	—	—	—	—	—	—	—	396,025	396,025
		—	1,288,798	430,002	—	—	—	—	4,492,043	6,210,843
2007										
Financial assets:										
Cash and cash equivalents	6.06	12,290,656	—	—	—	—	—	—	—	12,290,656
Trade and other receivables (a)	—	—	—	—	—	—	—	—	2,064,565	2,064,565
Security deposit	6.05	15,636	—	—	—	—	—	—	—	15,636
		12,306,292	—	—	—	—	—	—	2,064,565	14,370,857
Financial liabilities:										
Trade and other payables (a)	—	—	—	—	—	—	—	—	6,120,570	6,120,570
Finance lease liabilities	8.57	—	1,261,761	1,176,212	416,894	—	—	—	—	2,854,867
Employee benefits (a)	—	—	—	—	—	—	—	—	688,047	688,047
		—	1,261,761	1,176,212	416,894	—	—	—	6,808,617	9,663,484

(a) Due in less than one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

29. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(d) Fair value of financial instruments

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective fair values, determined in accordance with the accounting policies disclosed in note 1 of the financial statements.

(e) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group and company's short, medium and long-term funding and liquidity management requirements. The Group and company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

(f) Capital risk management

The Group and company manages its capital to ensure that entities in the Group and company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group and company's overall strategy remains unchanged from 2007.

The capital structure of the Group and company consists of debt, which includes the borrowing disclosed in notes 14 and 16, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 18,19 and 20 respectively.

Operating cash flows are used to maintain and expand the group's VoIP business, as well as to make routine outflows for repayment of maturing debt.

30. ADDITIONAL COMPANY INFORMATION

engin Limited is a listed public company, incorporated and operating in Australia.

Registered office

Level 2, 38-42 Pirrama Road
Pyrmont NSW 2009

Tel: (02) 8777 7777

Principal place of business

431 Warringah Road
Frenchs Forest NSW 2086

Tel: (02) 9004 4444

ADDITIONAL STOCK EXCHANGE INFORMATION

AS AT 18 SEPTEMBER 2008

NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary share capital

- 635,516,979 fully paid ordinary shares are held by 2,899 individual shareholders.

All issued ordinary shares carry one vote per share.

Distribution of holders of equity securities

HOLDING RANGES	ORDINARY SHAREHOLDERS	OPTIONS
1–1,000	196	–
1,001–5,000	746	–
5,001–10,000	512	–
10,001–100,000	1,178	–
100,001 and over	267	–
	2,899	–
Holding less than a marketable parcel	1,975	–

Substantial shareholders

ORDINARY SHAREHOLDERS	FULLY PAID	
	NUMBER	PERCENTAGE
Network Investment Holdings Pty Limited	369,018,234	58.07
Direct Group Pty Limited	36,300,550	5.71
Haley B V	31,300,050	4.93
Interfine Investments Pty Limited	17,771,936	2.80
	454,390,770	71.51

ADDITIONAL STOCK EXCHANGE INFORMATION

NUMBER OF HOLDERS OF EQUITY SECURITIES (CONTINUED)

Top 20 Holdings as at 18 September 2008

ORDINARY FULLY PAID

HOLDER NAME	NUMBER	PERCENTAGE
Network Investment Holdings Pty Limited	369,018,234	58.07
Direct Group Pty Limited	36,300,550	5.71
Haley BV	31,300,050	4.93
Interfine Investments Pty Limited	17,771,936	2.80
Steven Appleby	10,742,400	1.69
Jean Susanna Gamble	7,160,351	1.13
Rotherleigh Properties Pty Limited	5,714,286	0.90
En-Dev Finance Consultants Pty Ltd	5,196,619	0.82
Henley Group Holdings Ltd	4,285,715	0.67
Michael Roth & Birgit Roth	3,808,800	0.60
likka Tales	3,000,000	0.47
Tresdam Pty Ltd	2,600,453	0.41
Citicorp Nominees Pty Limited	2,526,691	0.40
Stuart Francis Howes	2,500,080	0.39
Geoffrey Sinclair & Catherine Anne Sinclair	2,500,000	0.39
John E Gill Trading Pty Ltd	1,896,523	0.30
Theo Clark	1,850,000	0.29
Gary Hellyer	1,785,714	0.28
Paktuff Pty Ltd	1,700,000	0.27
Paul Jeronimo	1,394,950	0.22
Totals for Top 20	513,053,352	80.74
Security Totals	635,516,979	

ADDITIONAL STOCK EXCHANGE INFORMATION

AS AT 18 SEPTEMBER 2008

Company secretary

Mr J Kinninmont

Shareholder e-mail contact

investorrelations@engin.com.au

Registered office

Level 2,
38-42 Pirrama Road
Pyrmont NSW 2009
Tel: (02) 8777 7777
ACN: 063 582 990
ABN: 46 063 582 990

Principal administration office

431 Warringah Road
Frenchs Forest, NSW, 2086
Tel: (02) 9004 4444

Share registry

Registries Limited
Level 7, 207 Kent Street
Sydney NSW 2000
Tel: (02) 9290 9600

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CORPORATE DIRECTORY

Company secretary

Mr J Kinninmont

Shareholder e-mail contact

investorrelations@engin.com.au

Registered office

Level 2,
38-42 Pirrama Road
Pyrmont NSW 2009
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431 Warringah Road
Frenchs Forest NSW 2086
Tel: (02) 9004 4444

Share registry

Registries Limited
PO Box R67, Royal Exchange
Sydney NSW 1223

Auditors

Deloitte Touche Tohmatsu

Bankers

Commonwealth Bank of Australia

Solicitors

Freehills

