



AUTODOM

AUTODOM LIMITED

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29 August 2011

AUTODOM LIMITED PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

The Company made a consolidated loss for the 12 months to 30 June 2011 of \$6.1m compared with the prior period loss of \$1.6m. This includes a decision taken to write off the net deferred tax asset, resulting in an income tax expense of \$4.2m. Furthermore, the result included \$1.2m in non recurring due diligence, legal and consulting expenses associated with the purchase of the DAIR businesses and the early expenditure associated with the integration of the aiAutomotive Bayswater facility into the DAIR Dandenong plant. The write off of net deferred tax assets does not preclude the Company from utilising carry forward income tax losses in subsequent periods.

Revenue for the period was up 24.7% at \$94m as a result of the acquisition of the DAIR Industry businesses on 31 August 2010. The DAIR businesses, situated in Victoria Australia at Dandenong and New Gisborne, contributed \$30.2m for the 10 months to 30 June 2011.

Australian passenger vehicle production continues to face volume difficulties due in part to Australia's widely reported and acknowledged "two speed" economy, the continued move in consumer preferences towards SUV's and smaller vehicles and the high Australian dollar. The Board recognises that these are longer term factors requiring structural change to the revenue base of the Company. While the DAIR businesses took the non passenger automotive annual revenue percentage from around 5% to over 20%, the Board and management acknowledge the need to further diversify revenue streams beyond the Australian passenger vehicle production market. This will remain the main area of growth for the Company, while still improving its operational performance across all sites to take advantage of future opportunities that may arise in the local automotive production sector.

The DAIR acquisition also provided opportunities to take advantage of the resulting scale of the group in the area of procurement management. The management team is actively pursuing improved input costs, via long term contract management through volume purchasing. This activity will continue to have high priority in the 2012 financial year (FY12).

Working capital management remained a major focus for the Company and continues to be so into FY12. Net cash increased by \$1.3m for the period while paying down \$2.6m of debt. Future cash flow management will centre on inventory reduction initiatives, given that management believe that levels remain relatively high through the Group.

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The latter half of the reporting period was spent planning the consolidation of the Bayswater plant into the Dandenong facility. Relocation of tools and equipment commenced in June 2011 and final completion is set for the end of February 2012. While savings will be enjoyed in the FY12 period, these will be offset by integration expenses. The integration will result in the rationalisation of overhead costs and productivity gains through the upgrade of plant and equipment. Annualised savings are expected to be in the order of \$2.5m with the full financial benefit being delivered in the FY13 period.

Further consolidation of excess overhead, working capital management, productivity and cost improvement, diversification and operational excellence remain a primary focus of the Board and management in FY12. We believe and trust that we are taking the right steps today for our future success tomorrow.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Calvin Stead', with a stylized flourish at the end.

Calvin Stead
Chief Executive Officer



AUTODOM

**AUTODOM LIMITED
AND CONTROLLED ENTITIES
A.B.N. 43 009 123 782**

APPENDIX 4E

PRELIMINARY FINAL REPORT

30 JUNE 2011

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AUTODOM LIMITED

A.B.N. 43 009 123 782

APPENDIX 4E

INDEX

Directors' Report and Commentary on Results	3
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the consolidated preliminary financial statements	9

**This preliminary final report is provided to the Australian Stock Exchange (ASX)
under ASX Listing Rule 4.3A**

Current Reporting Period: 30th June, 2011

Previous Corresponding Period: 30th June, 2010

For and on behalf of the directors:



A J DALE
Director

Dated: 29th August, 2011

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Loss

	Consolidated Entity	
	2011	2010
	\$	\$
Revenue	94,411,112	75,079,833
Profit/(loss) before income tax expense	(1,837,625)	(2,269,950)
Income tax (expense)/benefit	<u>(4,230,566)</u>	<u>651,121</u>
Profit/(loss) after income tax expense	<u>(6,068,191)</u>	<u>(1,618,829)</u>

Commentary

The consolidated loss for the 12 months to 30 June 2011 was \$6.1m compared to the prior period loss of \$1.6m. In accordance with Australian Accounting Standards, the Directors reviewed the carrying value of plant, equipment, goodwill and net deferred tax assets as at 30 June 2011. The primary reason for the increase in the loss was a decision taken to write off the net deferred tax asset. This resulted in a tax expense of \$4.2m for the year.

On 31 August 2010, the Company acquired the business assets, including goodwill, and assumed certain employee liabilities of DAIR Industries Pty Ltd and DAIR Industries (Vic) Pty Ltd (collectively referred to as "the DAIR business") for consideration of \$12.8 million. The DAIR business comprises manufacturing plants in the state of Victoria in Australia, at Dandenong and New Gisborne. Revenue for the year ended 30 June 2011 increased by 24.7%, enhanced by the 10 months (\$30.2m) of contribution from the DAIR business.

The loss before income tax for the 12 months to 30 June 2011 was \$1.8m compared to the prior period where the loss was \$2.3m. It should be noted that approximately \$1.2m of expenses in the 2011 year related to non-recurring items predominantly incurred due to the acquisition and integration of the DAIR business.

The Company continues to focus on actively pursuing new business both in automotive and non automotive manufacturing, along with aggressively pursuing cost reductions, improvements in working capital and productivity.

Dividends

No dividends were declared or paid during the year.

NET TANGIBLE ASSET BACKING

	Consolidated Entity	
	<u>2011</u>	<u>2010</u>
	\$	\$
Net Assets	10,116,860	14,214,942
Add deferred grant income received	3,347,715	-
Less deferred tax assets	-	(3,701,633)
Less intangible assets	(6,822,126)	(5,358,289)
Less OEI net tangible assets	<u>-</u>	<u>(4,135,584)</u>
Net tangible assets of the Consolidated Entity	<u>6,642,449</u>	<u>1,019,435</u>
Fully paid ordinary shares on issue at balance date	<u>163,038,902</u>	<u>54,346,301</u>
Net tangible asset backing per issued ordinary share as at balance date (cents)	<u>4.1</u>	<u>1.9</u>

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS OF THE COMPANY

On 31 August 2010, the Company acquired the business assets, including goodwill, and assumed certain employee liabilities of DAIR Industries Pty Ltd and DAIR Industries (Vic) Pty Ltd (collectively referred to as "the DAIR business") for consideration of \$12.8 million. The DAIR business comprises of manufacturing plants in the state of Victoria in Australia, at Dandenong and New Gisborne.

STATUS OF AUDIT

This preliminary Final Report is based on the Financial Report which is in the process of being audited. The Directors expect that the group's auditors will include an emphasis of matter in their audit report with respect to material uncertainty regarding continuation of going concern.

Description of likely dispute or qualification if the accounts have not been audited, or subject to review or are in the process of being audited or subjected to review.

None noted.

AUTODOM LIMITED
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2011

	Note	Economic Entity	
		2011	2010
		\$	\$
Revenue	1	94,411,112	75,079,833
Other income	2	2,599,807	1,861,326
Changes in inventories of finished goods and work in progress		(1,888,875)	(1,615,667)
Raw materials and consumables used		(62,893,745)	(54,151,217)
Employee benefits expense		(24,772,834)	(16,502,661)
Depreciation and amortisation expense		(2,687,734)	(2,386,423)
Finance costs		(1,332,549)	(759,614)
Other expenses		<u>(5,272,808)</u>	<u>(3,795,527)</u>
Profit/(loss) before income tax expense		(1,837,625)	(2,269,950)
Income tax benefit/(expense)		<u>(4,230,566)</u>	<u>651,121</u>
Profit/(loss) after income tax expense		<u>(6,068,191)</u>	<u>(1,618,829)</u>
(Profit)/loss attributable to minority equity interest		-	-
Profit/(Loss) attributable to members of the parent entity		<u>(6,068,191)</u>	<u>(1,618,829)</u>
Other comprehensive income		-	-
Total Comprehensive Income for the Year		<u>(6,068,191)</u>	<u>(1,618,829)</u>
Basic and diluted earnings per share (Cents)		(5.95)	(2.98)

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

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AUTODOM LIMITED
Consolidated Statement of Financial Position
As At 30 June 2011

	Note	Economic Entity	
		2011	2010
		\$	\$
Current Assets			
Cash and cash equivalents		944,884	-
Trade and other receivables		15,644,405	12,404,826
Inventories		9,254,145	6,358,418
Other assets		2,264,954	1,887,986
Total Current Assets		28,108,387	20,651,230
Non-Current Assets			
Receivables		-	4,135,682
Property, plant and equipment		12,858,237	10,528,069
Deferred tax assets		-	4,717,845
Intangibles		6,822,126	5,358,289
Other assets		607,315	452,098
Total Non-Current Assets		20,287,678	25,191,984
Total Assets		48,396,066	45,843,214
Current Liabilities			
Trade and other payables		19,659,878	14,761,523
Financial liabilities		11,409,648	12,380,808
Provisions		6,143,040	2,450,458
Total Current Liabilities		37,212,566	29,592,789
Non-Current Liabilities			
Financial liabilities		778,260	-
Deferred tax liabilities		-	1,016,212
Provisions		288,379	1,019,271
Total Non-Current Liabilities		1,066,639	2,035,483
Total Liabilities		38,279,205	31,628,272
Net Assets		10,116,860	14,214,942
Equity			
Issued capital		24,021,894	17,916,201
Reserves		440,858	440,858
Accumulated losses		(14,345,892)	(8,277,701)
Parent Entity Interest		10,116,860	10,079,358
Non-controlling interests	3	-	4,135,584
Total Equity		10,116,860	14,214,942

AUTODOM LIMITED
Consolidated Statement of Changes in Equity
for the year ended 30 June 2011

	Share Capital		Dividend Reserve	(Accumulated Losses)	Non-controlling interests	Total
	Ordinary	Option Reserve				
	\$	\$	\$	\$	\$	\$
Consolidated Group						
Balance at 1 July 2009	17,916,201	200,950	239,908	(6,658,872)	4,135,584	15,833,771
Total comprehensive income for the year	-	-	-	(1,618,829)	-	(1,618,829)
Balance at 30 June 2010	17,916,201	200,950	239,908	(8,277,701)	4,135,584	14,214,942
Proceeds of share issue	6,105,693	-	-	-	-	6,105,693
De-consolidation of Kai Limited	-	-	-	-	(4,135,584)	(4,135,584)
Total comprehensive income for the year	-	-	-	(6,068,191)	-	(6,068,191)
Balance at 30 June 2011	24,021,894	200,950	239,908	(14,345,892)	-	10,116,860

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AUTODOM LIMITED
Consolidated Statement of Cash Flow
for the year ended 30 June 2011

	Economic Entity	
	2011	2010
	\$	\$
Cash flows from operating activities		
Receipts from customers	90,762,269	72,854,399
Payments to suppliers and employees	(86,982,207)	(72,644,348)
Other revenue and government grants	2,203,758	2,406,579
Interest paid	(1,332,549)	(759,614)
Net cash (outflow)/inflow from operating activities	<u>4,651,271</u>	<u>1,857,016</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(489,857)	(592,214)
Payment for purchase of business	(10,386,569)	-
Proceeds from sale of property, plant and equipment	24,766	4,355
Government grants received under AISAP	3,970,000	-
Net cash (outflow)/inflow from investing activities	<u>(6,881,660)</u>	<u>(587,859)</u>
Cash flows from financing activities		
Proceeds on the issue of shares	6,105,693	-
Net (repayments)/proceeds from borrowings	(2,615,160)	(2,258,753)
Net cash inflow/(outflow) from financing activities	<u>3,490,533</u>	<u>(2,258,753)</u>
Net increase/(decrease) in cash and cash equivalents	1,260,144	(989,596)
Cash and cash equivalents at the beginning of the financial year	(315,260)	674,336
Cash and cash equivalents at the end of the financial year	<u>944,884</u>	<u>(315,260)</u>

AUTODOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

	Economic Entity	
	2011	2010
	\$	\$
1. REVENUE		
Sales revenue		
Sale of goods	93,093,729	74,644,458
Services	1,317,384	435,375
	<u>94,411,112</u>	<u>75,079,833</u>
2. OTHER INCOME		
Government grants	1,285,812	1,325,249
Other income	1,313,995	536,077
	<u>2,599,807</u>	<u>1,861,326</u>

Government grants relate to amounts received in relation to the Automotive Transformation Scheme (ATS) and the former Scheme (ACIS)

Other income relates primarily to an accounting adjustment for long outstanding credit balances from prior years.

3. NON CONTROLLING INTEREST

On 16 December 2010 the shareholders of KAI Limited resolved to commence a members voluntary liquidation of KAI Limited. The Company owns 50% of the issued share capital of KAI Limited and in previous reporting periods has had effective control of KAI Limited. Accordingly the results and assets of KAI Limited have been consolidated and a non-controlling interest reflecting the interest of the other 50% shareholder in the assets of KAI Limited has been recognised. Control of KAI Limited no longer resides with the Company on the appointment of the liquidator and accordingly the assets as at 30 June 2011 have been de-consolidated from the consolidated balance sheet as at 30 June 2011. Furthermore, as KAI Limited did not trade during the period and has not traded for several years, there was no profit or loss for the period from 1 July 2010 to 16 December 2010.