

**ASX RELEASE**

25 August 2009

Revenue	:	\$146.8 million, up 21.8% from 2008 result
Profit Before Tax	:	\$20.2 million, up 14.8% from 2008 result
Profit After Tax	:	\$14.1 million, up 13.7% from 2008 result
Earnings Per Share	:	37.4 cents per share, up 13.3% from 2008
Total Dividend	:	25.0 cents per share, unchanged from 2008
Interim Dividend	:	5.0 cents per share, unchanged from 2008
Final Dividend	:	20.0 cents per share, unchanged from 2008

The Board of Lycopodium is pleased to announce that despite the difficult and challenging trading conditions the company has produced an after tax profit of \$14.1 million, up 13.7% from 2008. This result however includes an after tax capital profit of \$2.1 million arising from the sale of the company's previous office facilities. Revenue grew 21.8% to \$146.8 million.

The Board has declared a final dividend of 20.0 cents per share fully franked taking the total dividend for the year to 25.0 cents per share fully franked.

Lycopodium's core strategy to concentrate on the delivery of EPCM consulting services has served to insulate the company from the more immediate effects of the global financial crisis. However the tighter trading conditions experienced in the second half of the year are reflected in reduced revenue and profit margin. Personnel numbers grew from 650 at the beginning of the year to a peak of 740 in November 2008 and declined to 480 at 30 June 2009.

The market for Lycopodium's services in 2009/10 remains unsettled. Recent metal price increases have provided hope of a material increase in activity following the low activity in the second half of 2008/09 financial year. However there will be a time lag as companies will want to see a sustained increase in demand for their product before committing to new projects.

For the 2009/10 financial year Lycopodium is targeting revenue of \$110 million, 25% less than the result for the 2008/09 financial year with an after tax profit of \$8.0 million, 33% less than the comparable operating result for the 2008/09 financial year. This forecast is in line with the results for the second half of 2008/09 financial year.

Lycopodium is pleased to announce that subsequent to 30 June 2009, the company exercised existing options to acquire the 25% minority shareholding in Lycopodium Minerals QLD Pty Ltd and the remaining 60% shareholding in Sherwood Utilities Pty Ltd (SUPL).

Lycopodium Minerals QLD Pty Ltd has established itself as a valued provider of engineering services in Queensland, a market where Lycopodium has previously had little success, culminating in the award of the design for Lihir Gold's MOPU project.

SUPL provides reliability and maintenance engineering services across a wide range of industries including minerals, oil and gas, petrochemical, power and water utilities. Lycopodium acquired a 40% minority interest in SUPL in 2006 when the company had a staff of 7. SUPL now has a staff of 38 and has ongoing work with companies such as Woodside Energy, Newmont, Rio Tinto and Chevron.

**Dividend Entitlements**

The final dividend of 20.0 cents per share fully franked will be paid to shareholders on 16 October 2009 with a record date of 1 October 2009.

Further Information:

**LAURIE MARSHALL**  
**MANAGING DIRECTOR****T: +61 8 6210 5222**

# **Lycopodium Limited and Controlled Entities**

ABN 83 098 556 159

## **Appendix 4E - Preliminary final report for the year ended 30 June 2009**

# **Lycopodium Limited and Controlled Entities** ABN 83 098 556 159

## **Appendix 4E - Preliminary final report - 30 June 2009**

**Lodged with the ASX under listing Rule 4.3A**

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Lycopodium Limited and Controlled Entities  
Appendix 4E - Preliminary Final Report  
For the year ended 30 June 2009

Results for Announcement to the Market  
30 June 2009

				\$
<b>Revenue</b> from continuing operations <i>(Appendix 4E item 2.1)</i>	up	21.8 %	to	146,835,647
<b>Profit / (loss)</b> from continuing operations after tax attributable to members <i>(Appendix 4E item 2.2)</i>	up	13.6 %	to	14,170,418
<b>Profit / (loss)</b> for the period attributable to members <i>(Appendix 4E item 2.3)</i>	up	13.6 %	to	14,170,418

<b>Dividends / distributions</b> <i>(Appendix 4E item 2.4)</i>	Amount per security	Franked amount per security
Final dividend (cents)	20.0	20.0

<b>Key Ratios</b>	<b>2009</b>	2008
	<b>June</b>	June
Basic earnings per share (cents)	<b>37.4</b>	33.0
Net tangible assets per share (cents)	<b>91.6</b>	74.9

**Record date** for determining entitlements to the final dividend

1 October 2009

**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**Consolidated Income Statement**  
**For the year ended 30 June 2009**

	Notes	Consolidated 2009 \$	2008 \$
<b>Revenue from operations</b>	3	<b>146,835,647</b>	120,578,416
Other income	4	<b>2,900,166</b>	72,124
Employee benefits expense		<b>(64,927,703)</b>	(49,099,820)
Depreciation and amortisation expense	5	<b>(1,841,544)</b>	(1,485,445)
Project expenses		<b>(6,904,017)</b>	(5,102,515)
Equipment and materials used		<b>(626,000)</b>	(423,101)
Contractors		<b>(44,206,915)</b>	(35,813,701)
Administration and management costs		<b>(10,745,710)</b>	(10,880,248)
Loss on disposal of asset		-	(6,665)
Finance costs	5	<b>(374,678)</b>	(225,376)
Share of net profits of associates and joint venture partnership accounted for using the equity method		<u><b>93,496</b></u>	<u>50,883</u>
<b>Profit before income tax</b>		<u><b>20,202,742</b></u>	<u>17,664,552</u>
Income tax expense	6	<u><b>(5,425,487)</b></u>	<u>(5,187,734)</u>
<b>Profit for the year</b>		<u><b>14,777,255</b></u>	<u>12,476,818</u>
Profit is attributable to:			
Equity holders of Lycopodium Limited		<u><b>14,170,418</b></u>	12,477,268
Profit (loss) attributable to minority interest		<u><b>606,837</b></u>	<u>(450)</u>
		<u><b>14,777,255</b></u>	<u>12,476,818</u>
		<b>Cents</b>	Cents
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share	12	<b>37.4</b>	33.0
Diluted earnings per share	12	<b>37.3</b>	32.9

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

**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**Consolidated Balance Sheet**  
**As at 30 June 2009**

	Notes	Consolidated 2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		26,362,861	9,987,106
Trade and other receivables		24,100,564	31,342,277
Other current assets		1,415,308	1,314,998
Non-current assets classified as held for sale		<u>-</u>	<u>2,078,180</u>
<b>Total current assets</b>		<b><u>51,878,733</u></b>	<b><u>44,722,561</u></b>
<b>Non-current assets</b>			
Investments accounted for using the equity method		440,344	346,848
Available-for-sale financial assets		50,000	99,000
Property, plant and equipment		3,548,705	3,788,669
Deferred tax assets		2,921,830	2,514,477
Intangible assets		<u>5,063,182</u>	<u>5,484,053</u>
<b>Total non-current assets</b>		<b><u>12,024,061</u></b>	<b><u>12,233,047</u></b>
<b>Total assets</b>		<b><u>63,902,794</u></b>	<b><u>56,955,608</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		16,344,344	14,561,054
Borrowings		837,249	2,113,375
Current tax liabilities		2,849,913	3,196,357
Provisions		<u>1,757,267</u>	<u>396,000</u>
<b>Total current liabilities</b>		<b><u>21,788,773</u></b>	<b><u>20,266,786</u></b>
<b>Non-current liabilities</b>			
Borrowings		1,931,273	2,500,372
Provisions		<u>455,448</u>	<u>338,750</u>
<b>Total non-current liabilities</b>		<b><u>2,386,721</u></b>	<b><u>2,839,122</u></b>
<b>Total liabilities</b>		<b><u>24,175,494</u></b>	<b><u>23,105,908</u></b>
<b>Net assets</b>		<b><u>39,727,300</u></b>	<b><u>33,849,700</u></b>
<b>EQUITY</b>			
Contributed equity		17,656,497	17,656,497
Reserves	7(a)	(158,143)	(718,488)
Retained profits	7(b)	<u>21,622,524</u>	<u>16,912,106</u>
Parent entity interest		<u>39,120,878</u>	<u>33,850,115</u>
Minority interest	8	<u>606,422</u>	<u>(415)</u>
<b>Total equity</b>		<b><u>39,727,300</u></b>	<b><u>33,849,700</u></b>

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

**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2009**

		<b>Consolidated</b>	
	Notes	<b>2009</b>	2008
		\$	\$
<b>Total equity at the beginning of the financial year</b>		<b>33,849,700</b>	28,306,868
Changes in the fair value of available-for-sale financial assets, net of tax	7	(34,300)	(14,700)
Exchange differences on translation of foreign operations	7	349,963	(414,821)
<b>Net income recognised directly in equity</b>		<b>315,663</b>	(429,521)
Profit for the year		14,777,255	12,476,818
<b>Total recognised income and expense for the year</b>		<b>15,092,918</b>	12,047,297
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs		-	110,000
Dividends provided for or paid	9	(9,460,000)	(6,614,500)
Director performance share reserve	7	244,682	-
Total changes in minority interests		-	35
		<b>(9,215,318)</b>	(6,504,465)
<b>Total equity at the end of the financial year</b>		<b>39,727,300</b>	33,849,700
Total recognised income and expense for the year is attributable to:			
Equity holders of Lycopodium Limited		14,486,496	12,047,747
Minority interest		606,422	(450)
		<b>15,092,918</b>	12,047,297

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

**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**Consolidated Cash Flow Statement**  
**For the year ended 30 June 2009**

	Notes	Consolidated 2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		<b>163,250,285</b>	117,699,999
Payments to suppliers and employees (inclusive of goods and services tax)		<b><u>(133,845,811)</u></b>	<b><u>(108,254,982)</u></b>
		<b>29,404,474</b>	9,445,017
Interest received		<b>668,168</b>	752,620
Interest paid		<b>(104,495)</b>	(175,564)
Income taxes (paid)/received		<b><u>(6,170,948)</u></b>	<b><u>(4,628,524)</u></b>
<b>Net cash inflow from operating activities</b>	11	<b><u>23,797,199</u></b>	<b><u>5,393,549</u></b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		<b>(681,758)</b>	(383,683)
Proceeds from sale of property, plant and equipment		<b>5,100,000</b>	38,415
Payments for intangible assets		<b>(159,979)</b>	(252,320)
Proceeds from sale of intangible assets		<b>-</b>	72
<b>Net cash inflow (outflow) from investing activities</b>		<b><u>4,258,263</u></b>	<b><u>(597,516)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares and other equity securities		<b>-</b>	110,035
Repayment of hire purchase and lease liabilities		<b>(1,072,098)</b>	(585,190)
Repayment of borrowings		<b>(1,400,000)</b>	(782,092)
Dividends paid to company's shareholders	9	<b><u>(9,460,000)</u></b>	<b><u>(6,614,500)</u></b>
<b>Net cash (outflow) from financing activities</b>		<b><u>(11,932,098)</u></b>	<b><u>(7,871,747)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>16,123,364</b>	(3,075,714)
Cash and cash equivalents at the beginning of the financial year		<b>9,987,106</b>	13,405,517
Effects of exchange rate changes on cash and cash equivalents		<b><u>252,391</u></b>	<b><u>(342,697)</u></b>
<b>Cash and cash equivalents at end of year</b>		<b><u>26,362,861</u></b>	<b><u>9,987,106</u></b>

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



## 1 Summary of significant accounting policies

### (a) Basis of preparation

This preliminary financial report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2008 and with any public announcements made by Lycopodium Limited during the period in accordance with the disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

## 2 Segment information

### (a) Description of segments

#### Business segments

The consolidated entity is organised into the following divisions by product and service type.

#### *Engineering, Procurement and Construction Management (EPCM)*

This industry segment comprises assignments for delivery of the full suite of project delivery services comprising project management, all disciplines of engineering, drafting, procurement, construction management and commissioning. EPCM services are provided on either an hourly rates or fixed fee basis.

#### *Design and Construct (Lump Sum)*

This industry segment comprises the delivery of turn key projects comprising EPCM services together with supply and installation of the plant and equipment. Turn key projects are provided on a fixed lump sum basis.

#### *Study Services*

This industry segment comprises the delivery of the services required to prepare project studies. These project studies range from concept studies through to definitive feasibility studies and require delivery of a wide range of services comprising study management, all disciplines of engineering, drafting, procurement, estimating, financial modelling and secretarial. Study services are provided on either an hourly rate or fixed fee basis.

#### *Project Services*

This industry segment comprises the delivery of selected project services required to assist others with the delivery of a project. These project services range from providing superintendent services through to preparation of complete design packages and therefore comprise selected EPCM services. Project services are provided on either an hourly rate or fixed fee basis.

#### Geographical segments

The consolidated entity operates in two main geographical areas:

#### *Australia*

The home country of the parent entity and four of its subsidiaries.

#### *Africa*

Comprises operations carried on in Africa.

Lycopodium Limited and Controlled Entities  
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**30 June 2009**  
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(b) Primary reporting format - business segments

2009	EPCM \$	Design and Construct (Lump Sum) \$	Study Services \$	Project Services \$	Consolidated \$
<b>Segment revenue</b>					
Sales to external customers	<u>72,849,440</u>	<u>1,654,157</u>	<u>35,181,000</u>	<u>34,431,369</u>	<u>144,115,966</u>
Intersegment elimination					-
Unallocated revenue					<u>2,719,681</u>
<b>Consolidated revenue</b>					<b><u>146,835,647</u></b>
<b>Segment result</b>					
<b>Segment result</b>	<b><u>11,666,321</u></b>	<b><u>343,367</u></b>	<b><u>4,176,787</u></b>	<b><u>5,478,699</u></b>	<b><u>21,665,174</u></b>
Intersegment elimination					-
Unallocated revenue less unallocated expenses					<u>(1,462,432)</u>
Profit before income tax					<u>20,202,742</u>
Income tax expense					<u>(5,425,487)</u>
<b>Profit for the year</b>					<b><u>14,777,255</u></b>
<b>Segment assets and liabilities</b>					
<b>Segment assets</b>	<b><u>15,547,867</u></b>	<b><u>368,314</u></b>	<b><u>3,070,358</u></b>	<b><u>8,403,537</u></b>	<b><u>27,390,076</u></b>
Intersegment elimination					-
Unallocated assets					<u>36,512,718</u>
<b>Total assets</b>					<b><u>63,902,794</u></b>
<b>Segment liabilities</b>	<b><u>6,011,435</u></b>	<b><u>173,822</u></b>	<b><u>2,737,704</u></b>	<b><u>2,598,874</u></b>	<b><u>11,521,835</u></b>
Intersegment elimination					-
Unallocated liabilities					<u>12,653,659</u>
<b>Total liabilities</b>					<b><u>24,175,494</u></b>
<b>Other segment information</b>					
Investments in associates and joint venture partnership	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,344</u>	<u>440,344</u>
Share of net profits of associates and joint venture partnership	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,496</u>	<u>93,496</u>
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	<u>477,011</u>	<u>14,422</u>	<u>123,673</u>	<u>364,079</u>	<u>979,185</u>
Unallocated					<u>98,235</u>
Total acquisitions					<u>1,077,420</u>
Depreciation and amortisation expense	<u>463,404</u>	<u>16,575</u>	<u>180,687</u>	<u>271,220</u>	<u>931,886</u>
Unallocated					<u>909,658</u>
Total depreciation and amortisation					<u>1,841,544</u>

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2008	EPCM \$	Design and Construct (Lump Sum) \$	Study Services \$	Project Services \$	Consolidated \$
<b>Segment revenue</b>					
Sales to external customers	74,817,031	11,704,849	26,278,720	5,854,979	118,655,579
Intersegment elimination					-
Unallocated revenue					1,922,837
<b>Consolidated revenue</b>					<b>120,578,416</b>
<b>Segment result</b>					
<b>Segment result</b>	<b>17,178,820</b>	<b>865,240</b>	<b>5,374,262</b>	<b>1,419,626</b>	<b>24,837,948</b>
Intersegment elimination					-
Unallocated revenue less unallocated expenses					(7,173,396)
Profit before income tax					17,664,552
Income tax expense					(5,187,734)
<b>Profit for the year</b>					<b>12,476,818</b>
<b>Segment assets and liabilities</b>					
<b>Segment assets</b>	<b>22,072,194</b>	<b>2,546,900</b>	<b>6,334,102</b>	<b>2,433,981</b>	<b>33,387,177</b>
Intersegment elimination					-
Unallocated assets					23,568,431
<b>Total assets</b>					<b>56,955,608</b>
<b>Segment liabilities</b>	<b>5,198,232</b>	<b>1,257,368</b>	<b>1,193,293</b>	<b>521,570</b>	<b>8,170,463</b>
Intersegment elimination					-
Unallocated liabilities					14,935,445
<b>Total liabilities</b>					<b>23,105,908</b>
<b>Other segment information</b>					
Investments in associates and joint venture partnership	-	-	-	346,848	346,848
Share of net profits of associates and joint venture partnership	-	-	-	50,883	50,883
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	1,088,184	72,970	306,002	49,637	1,516,793
Unallocated					2,118,566
<b>Total acquisitions</b>					<b>3,635,359</b>
Depreciation and amortisation expense	612,696	56,718	199,109	35,433	903,956
Unallocated					581,489
<b>Total depreciation and amortisation</b>					<b>1,485,445</b>

### 3 Revenue

	Consolidated	
	2009	2008
	\$	\$
<b>From operations</b>		
Contract revenue	<u>145,929,840</u>	<u>119,515,997</u>
<i>Other revenue</i>		
Rents and sub-lease rentals	173,161	192,977
Bank interest	693,933	752,620
Other revenue	<u>38,713</u>	<u>116,822</u>
	<u>905,807</u>	<u>1,062,419</u>
	<u>146,835,647</u>	<u>120,578,416</u>

### 4 Other income

	Consolidated	
	2009	2008
	\$	\$
Net gain on disposal of property, plant and equipment	2,900,166	-
Foreign exchange gains (net)	<u>-</u>	<u>72,124</u>
	<u>2,900,166</u>	<u>72,124</u>

### 5 Expenses

	Consolidated	
	2009	2008
	\$	\$
<b>Profit before income tax includes the following specific expenses:</b>		
<i>Depreciation</i>		
Buildings	29,297	39,207
Plant and equipment	373,003	432,993
Motor Vehicles	<u>21,834</u>	<u>14,854</u>
Total depreciation	<u>424,134</u>	<u>487,054</u>
<i>Amortisation</i>		
Leasehold improvements	115,396	95,096
Leased plant and equipment	728,916	228,203
Computer software	<u>573,098</u>	<u>675,092</u>
Total amortisation	<u>1,417,410</u>	<u>998,391</u>
Total depreciation and amortisation	<u>1,841,544</u>	<u>1,485,445</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	374,678	225,376

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	Consolidated	
	2009	2008
	\$	\$
<i>Net loss on disposal of property, plant and equipment</i>	-	6,665
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	4,404,748	2,106,306

## 6 Income tax expense

	Consolidated	
	2009	2008
	\$	\$
<b>(a) Income tax expense</b>		
Current tax	6,434,408	6,133,173
Deferred tax	(449,334)	(679,218)
Adjustments for current tax of prior periods - research and development concessions	(559,587)	(266,221)
	5,425,487	5,187,734
Deferred income tax (revenue) included in income tax expense comprises:		
(Increase) in deferred tax assets	(272,776)	(573,288)
(Decrease) in deferred tax liabilities	(233,551)	(105,930)
	(506,327)	(679,218)

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax expense	20,202,742	17,664,552
Tax at the Australian tax rate of 30% (2008 - 30%)	6,060,823	5,299,366
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non deductible depreciation and amortisation	5,860	8,703
Share based payment	73,405	-
Sundry items	64,496	202,719
Research and development concessions	-	(91,566)
	6,204,584	5,419,222
Adjustments for current tax of prior periods - research and development concessions	(559,587)	(266,221)
Difference in overseas tax rates	4,358	-
Previously unrecognised tax losses now recouped to reduce current tax expense	(223,868)	-
Deferred tax asset not recognised arising from converted excess franking credits	-	34,733
Total income tax expense	5,425,487	5,187,734

### (c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity		
Net deferred tax - (credited) directly to equity	(14,700)	(6,300)

### (d) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	-	746,229
Potential tax benefit @ 30%	-	223,869

All unused tax losses were incurred by Australian entities.

## 7 Reserves and retained profits

	Consolidated	
	2009	2008
	\$	\$
<b>(a) Reserves</b>		
Director performance share reserve	244,682	-
Foreign currency translation reserve	(353,825)	(703,788)
Available-for-sale investments revaluation reserve	(49,000)	(14,700)
	<u>(158,143)</u>	<u>(718,488)</u>

	Consolidated	
	2009	2008
	\$	\$
<b>Movements:</b>		
<i>Available-for-sale investments revaluation reserve</i>		
Balance 1 July	(14,700)	-
Revaluation - gross	(49,000)	(21,000)
Deferred tax	14,700	6,300
Balance 30 June	<u>(49,000)</u>	<u>(14,700)</u>

	Consolidated	
	2009	2008
	\$	\$
<b>Movements:</b>		
<i>Director performance share reserve</i>		
Balance 1 July	-	-
Director performance share plan expense	244,682	-
Balance 30 June	<u>244,682</u>	<u>-</u>

	Consolidated	
	2009	2008
	\$	\$
<b>Movements:</b>		
<i>Foreign currency translation reserve</i>		
Balance 1 July	(703,788)	(288,967)
Currency translation differences arising during the year	349,963	(414,821)
Balance 30 June	<u>(353,825)</u>	<u>(703,788)</u>

**(b) Retained profits**

Movements in retained profits were as follows:

	Consolidated	
	2009	2008
	\$	\$
Balance 1 July	16,912,106	11,049,338
Net profit for the year	14,170,418	12,477,268
Dividends	<u>(9,460,000)</u>	<u>(6,614,500)</u>
Balance 30 June	<u>21,622,524</u>	<u>16,912,106</u>

**8 Minority interest**

	Consolidated	
	2009	2008
	\$	\$
Interest in:		
Share capital	35	35
Retained profits (accumulated losses)	<u>606,387</u>	<u>(450)</u>
	<u>606,422</u>	<u>(415)</u>

**9 Dividends**

	Parent entity	
	2009	2008
	\$	\$
<b>(a) Ordinary shares</b>		
Final dividend for the year ended 30 June 2008 of 20.0 cents (2007 - 12.5 cents) per fully paid share paid on 17 October 2008 (2007 - 15 October 2007) Fully franked based on tax paid @ 30% (2008 - 30%)	7,568,000	4,722,500
Interim dividend for the year ended 30 June 2009 of 5.0 cents (2008 - 5.0 cents) per fully paid share paid 15 April 2009 (2008 - 15 April 2008) Fully franked based on tax paid @ 30% (2008 - 30%)	<u>1,892,000</u>	<u>1,892,000</u>
Total dividends provided for or paid during the financial year	<u>9,460,000</u>	<u>6,614,500</u>
Dividends paid in cash during the year were as follows:	<u>9,460,000</u>	<u>6,614,500</u>

	Parent entity	
	2009	2008
	\$	\$
<b>(b) Dividends not recognised at year end</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 20.0 cents per fully paid ordinary share (2008 - 20.0 cents), fully franked based on tax paid at 30% (2008 - 30%). The aggregate amount of the proposed dividend expected to be paid on 16 October 2009 out of Group retained profits at 30 June 2009, but not recognised as a liability at year end, is	<u>7,731,021</u>	<u>7,568,000</u>

**10 Events occurring after the reporting period**

**(a) Acquisition of remaining 25% minority interest in Lycopodium Minerals Qld Pty Ltd**

On 13 July 2009 Lycopodium Limited completed the acquisition of all the minority interests' shares in its subsidiary Lycopodium Minerals Qld Pty Ltd pursuant to the exercise of an existing option, for a total consideration of \$3,500,000.

	\$
Purchase consideration	
Cash payable on completion	1,500,000
Fully paid ordinary shares in Lycopodium Limited to the value of \$1,000,0000	1,000,000
Deferred cash consideration	<u>1,000,000</u>
Total purchase consideration	<u>3,500,000</u>

The financial effects of the above transaction have not been brought to account as at the date of the balance sheet.

**(b) Acquisition of remaining 60% interest in associate Sherwood Utilities Pty Ltd**

On 19 August 2009 Lycopodium Limited entered into an agreement to purchase the remaining 60% shares in its associate Sherwood Utilities Pty Ltd pursuant to the exercise of an existing option, for a maximum total consideration of \$2,145,000. The transaction is to be completed on 31 August 2009.

	\$
Purchase consideration	
Cash payable on completion	1,400,000
Earn out right	<u>745,000</u>
Total purchase consideration	<u>2,145,000</u>

The financial effects of the above transaction have not been brought to account as at the date of the balance sheet.

With the exception of the above and the dividend as noted in note 9(b), no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.



**11 Reconciliation of profit after income tax to net cash inflow from operating activities**

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Profit for the year	<b>14,777,255</b>	12,476,818
Depreciation and amortisation	<b>1,841,544</b>	1,485,445
Write off of assets	-	49,329
Non-cash employee benefits expense - share-based payments	<b>244,682</b>	-
Net (profit) loss on sale of non-current assets	<b>(2,900,166)</b>	6,665
Share of profits of associates not received as dividends or distributions	<b>(93,496)</b>	(50,883)
Net exchange differences	<b>(19,670)</b>	(72,124)
Non cash interest expense	<b>283,489</b>	49,810
Change in operating assets and liabilities		
Decrease (increase) in trade and other receivables	<b>7,241,713</b>	(8,646,924)
Decrease in inventories	-	94,914
(Increase) decrease in deferred tax assets	<b>(392,653)</b>	(573,289)
(Increase) decrease in other operating assets	<b>(100,310)</b>	(314,625)
Increase (decrease) in trade creditors and other payables	<b>1,783,290</b>	(573,715)
Increase in other operating liabilities	-	6,808
Increase in provision for income taxes payable	<b>(346,444)</b>	1,238,428
Increase (decrease) in deferred tax liabilities	-	(105,929)
Increase (decrease) in other provisions	<b>1,477,965</b>	<u>322,821</u>
Net cash inflow from operating activities	<b><u>23,797,199</u></b>	<u>5,393,549</u>

## 12 Earnings per share

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>Cents</b>	<b>Cents</b>
<b>(a) Basic earnings per share</b>		
Profit attributable to the ordinary equity holders of the company	37.4	33.0
<b>(b) Diluted earnings per share</b>		
Profit attributable to the ordinary equity holders of the company	37.3	32.9
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<i>Basic earnings per share</i>		
Profit from operations	14,777,255	12,476,818
(Profit) loss from operations attributable to minority interests	(606,837)	450
Profit from continuing operations attributable to the ordinary equity holders of the company used in calculating basic earnings per share	<b>14,170,418</b>	<b>12,477,268</b>
<i>Diluted earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	<b>14,170,418</b>	<b>12,477,268</b>
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	<b>14,170,418</b>	<b>12,477,268</b>
<b>(d) Weighted average number of shares used as the denominator</b>		
	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>		
	37,840,000	37,795,027
<i>Adjustments for calculation of diluted earnings per share:</i>		
Options	-	34,212
Performance rights	<b>181,233</b>	-
<i>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	<b>38,021,233</b>	<b>37,829,239</b>

**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**Supplementary Appendix 4E information**  
**30 June 2009**

**Additional dividend/distribution information** (Appendix 4E item 6)

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2009 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security
1 October 2008	17 October 2008	Final	20.0 cents	\$ 7,568,000	20.0 cents
1 April 2009	15 April 2009	Interim	5.0 cents	\$ 1,892,000	5.0 cents
1 October 2009	16 October 2009	Final	20.0 cents	\$ 7,731,021	20.0 cents

**Associates and Joint Venture entities** (Appendix 4D item 7)

	Ownership interest		Aggregate share of profits/(losses), where material	
	2009	2008	2009	2008
	%	%	\$	\$
MLH Management Pty Ltd	33	33	-	-
Sherwood Utilities Pty Ltd	40	40	93,496	50,883

**Audit Alert** (Appendix 4E items 15 - 17)

This report is based on accounts which are in the process of being audited.