Facilitate Digital Holdings Limited

and Controlled Entities (ASX: FAC)

Appendix 4 D Report

For the six months ended

31 December 2012

Note: The information contained in this report should be read in conjunction with the most recent annual financial report.

FACILITATE DIGITAL HOLDINGS LIMITED (ASX: FAC)

The following information is supplied to the ASX under listing rule 4.2A.3.

(1) Details of the reporting period and the previous corresponding period.

Six months ended 31 December 2012 and 31 December 2011.

(2) Key information. "Results for announcement to the market".

(2.1) The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

Group revenue and other income decreased by 33.9% versus the same 6 month period last year, from $4,268,061 to $2,819,056 or by $1,449,005.

(2.2) The amount and percentage change up or down from the previous corresponding period of profit/(loss) from ordinary activities after tax attributable to members.

Group profit/(loss) (including foreign exchange charges) after tax, from ordinary activities, decreased by 90.9% from a profit of $747,578 in 2011 to a profit of $67,714 or by $679,864 in 2012.

(2.3) The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.

Group profit/(loss) (including foreign exchange charges) after tax, attributable to members, decreased by 112.0% from a profit of $747,578 in 2011 to a loss of ($89,588) or by $837,166 in 2012.

(2.4) The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends. No dividend was paid and none is proposed.

(2.5) The record date for determining entitlements to the dividends (if any). Not applicable

(2.6) A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Decreases in revenue were driven by the company's previously disclosed change of rich media partner in the second half of Financial Year 2012 and a decrease in adserving activity from US based clients. Revenue decreased 15.1 percent as compared with the 6 month period of January to June 2012.

Half Year ended	**31/12/2012 Actual**	**31/12/2011 Actual**	**Movement %**
Revenue and other income	**2,819,056**	4,268,061	(33.9)
Earnings before interest, tax, depreciation amortisation and option expense from continuing operations (including R&D Tax Incentive)	**911,552**	1,456,532	(37.4)
Net profit/(loss) before tax from continuing operations	**89,454**	771,313	(88.4)
Net profit/(loss) after tax from continuing operations	**67,714**	747,578	(90.9)
Net profit/(loss) after tax	**(89,588)**	747,578	(112.0)

(3) Net tangible assets per security with the comparative figure for the previous corresponding period.
2012: $0.005 per share, 2011: $0.0108 per share.

(4) Details of entities over which control has been gained or lost during the period, including the following.

(**4.1) Name of the entity.** Facilitate Digital (Shanghai) Software Service Co., Ltd.

(4.2) The date of the gain or loss of control. Registered on 8 July, 2011.

(4.3) Where material to an understanding of the report - the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period. Net loss after tax of $70,401 for 2012 and net loss after tax of $16,243 for the 2011 period.

(5) Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution. Not applicable.

(6) Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan. Not applicable.

(7) Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period. Not applicable.

(8) For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

In the financial statements of the Company, Australian accounting standards are used for all controlled entities, including foreign ones.

(9) For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification. Not applicable.

Ben Dixon

Executive Director and
Acting Chief Executive Officer

28 February 2013

FACILITATE DIGITAL HOLDINGS LIMITED (FAC)

AND CONTROLLED ENTITIES

ABN 84 093 823 253

HALF YEAR

FINANCIAL REPORT

FOR THE PERIOD ENDED

31 DECEMBER 2012

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CORPORATE INFORMATION

Company

Facilitate Digital Holdings Limited

ABN 84 093 823 253

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Directors

Stuart Simson (Non Executive Director and Chairman)

Geoff Dixon (Non Executive Director)

Charles Sweeney (Non Executive Director)

Ben Dixon (Executive Director and Acting Chief Executive Officer)

Company Secretary

Jim Story

Auditor

Grant Thornton Audit Pty Limited

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Corporate Advisor

Cooper Grace Ward Lawyers

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Share Registry

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Directors' Report

The directors of Facilitate Digital Holdings Limited (Facilitate Digital) present their Report together with the financial statements of the consolidated entity, being Facilitate Digital ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2012.

Directors

The Directors in office at any time during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- Mr. Stuart Simson (Non Executive Chairman)
- Mr. Geoff Dixon (Non Executive Director)
- Mr. Charles Sweeney (Non Executive Director)
- Mr. Ben Dixon (Executive Director) (Acting Chief Executive Officer from 4 September 2012)
- Mr. Ian Lowe (Resigned 26 October 2012)

Review of the operations and financial results

The consolidated profit from the continuing operations of the Group for the half-year, after providing for income tax amounted to $67,714 (versus a profit of $747,578 for the same period of the prior year).

	31 Dec 2012	31 Dec 2011	**MOVEMENT**	
	$	$	$	%
Total revenue and other income related to the continuing operations	**2,819,056**	4,268,061	(1,449,005)	(33.9)
Earnings before interest paid, tax, depreciation, amortisation and option expense from continuing operations (including R&D Tax Incentive)	**911,552**	1,456,532	(544,980)	(37.4)
Net profit/(loss) before tax attributable to members from continuing operations	**89,454**	771,313	(681,859)	(88.4)
Net profit after tax attributable to members from continuing operations	**67,714**	747,578	(679,864)	(90.9)
Net profit/(loss) after tax attributable to members including discontinued operations	**(89,588)**	747,578	(837,166)	(112.0)

Highlights for continuing operations for the half-year to 31 December 2012 include:

- Group revenue and other income decreased by 33.9 percent as compared with the same 6 month period the previous year, from $4,268,061 to $2,819,056. Decreases in revenue were driven by the company's previously disclosed change of rich media partner in the second half of Financial Year 2012 and a decrease in ad serving activity from US based agencies commencing in January 2012 due to the realignment of advertising accounts away from those agencies. Revenue decreased 15.1 percent as compared with the 6 month period of January to June 2012.

- Seat based revenues for the Company's Symphony solution increased by 70.1% as compared with the same 6 month period the previous year due to the commencement of deployments for a number of previously signed clients.

- Over the half year the company deployed the Symphony technology to a number of new markets including China, Germany, France, Belgium, Japan, Vietnam and Singapore. Further deployments scheduled for the remainder of 2013 will see continued strong growth in Symphony seat based revenues over the coming year.
- Total revenue and other income include the estimated refundable tax offset under the Australian Government's R&D Tax Incentive scheme. For the period such income amounted to $534,747 (2011: $533,106) which will be received as cash after completion of the Company's 2013 tax return.
- Expenses, excluding depreciation and amortisation, reduced by 34.3 percent over the corresponding period.
- EBITDA (including R&D Tax Incentive) reduced by 37.4 percent compared with the previous half-year, from $1,456,532 to $911,552.
- NPBT from the continuing operations reduced by 88.4 percent versus the same financial period last year, from a profit of $771,313 to a profit of $89,454 due to decreased ad serving and rich media revenues.
- NPAT from continuing operations reduced by 90.9 percent versus the same financial period last year.
- Revenue from overseas operations decreased to 64.1 percent of total revenue for half-year ended 31 December 2012, compared to 67.3 per cent for the prior corresponding period.
- Discontinued operations relate to the final settlement of the Company's sale of Impact Data Pty Ltd.

The net assets of the Facilitate Group have decreased by $49,431 from $5,137,034 at 30 June 2012 to $5,087,603 at 31 December 2012. The cash balance at 31 December 2012 was $1,070,652.

The *current ratio* (current assets to current liabilities) increased from 1.24 at 30 June 2012 to 1.43 as at 31 December 2012.

The Company is seeking to further grow investment in research and development as it seeks opportunities to further capitalise on growing adoption of its toolset in markets around the world.

The Directors believe the Group is in a stable financial position to continue to expand and grow its current operations.

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 5 of this financial report and forms part of this Directors report.

Signed in accordance with a resolution of the Board of Directors.

Stuart Simson

Stuart Simson
Chairman
28 February 2013

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Auditor's Independence Declaration
To The Directors of Facilitate Digital Holdings Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Facilitate Digital Holdings Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

LWorsley.

LM Worsley
Partner - Audit & Assurance

Sydney, 28 February 2013

Consolidated Financial Statements for the half-year ended 31 December 2012

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Consolidated statement of financial position
as at 31 December 2012

	Notes	Consolidated 31 Dec 2012 $	30 June 2012 $
ASSETS			
Current Assets			
Cash & cash equivalents	8	**1,070,652**	840,810
Trade and other receivables		**815,813**	943,263
Other		**706,557**	1,169,343
Total Current Assets		**2,593,022**	2,953,416
Non Current Assets			
Property, plant and equipment		**90,224**	134,207
Intangible assets	9	**4,477,560**	4,223,385
Other		**21,826**	379,684
Total Non Current Assets		**4,589,610**	4,737,276
Total Assets		**7,182,632**	7,690,692
LIABILITIES			
Current Liabilities			
Trade and other payables		**1,532,914**	1,825,110
Interest bearing liabilities		**9,997**	21,403
Current tax liabilities		**60,333**	72,594
Other		**211,804**	461,319
Total Current Liabilities		**1,815,048**	2,380,426
Non Current Liabilities			
Interest bearing liabilities		**-**	4,544
Other		**279,981**	168,688
Total Non Current Liabilities		**279,981**	173,232
Total Liabilities		**2,095,029**	2,553,658
Net Assets		**5,087,603**	5,137,034
EQUITY			
Contributed Equity	12	**14,684,727**	14,684,727
Foreign Currency Translation Reserve		**(310,803)**	(343,507)
Share Option Reserve		**356,956**	349,503
Accumulated Losses		**(9,643,277)**	(9,553,689)
Total Equity		**5,087,603**	5,137,034

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2012

	Notes	Consolidated 31 Dec 2012 $	31 Dec 2011 $
Revenue from continuing operations	7(a)	**2,250,395**	3,695,006
Other income	7(b)	**568,661**	573,055
Total revenue and other income from continuing operations		**2,819,056**	4,268,061
Cost of sales		**(206,570)**	(589,973)
Employee benefits expense		**(1,111,371)**	(1,581,963)
Depreciation and amortisation expenses		**(797,239)**	(642,668)
Occupancy expenses		**(182,453)**	(213,838)
Professional fees		**(113,274)**	(154,294)
Finance costs		**(22,707)**	(39,033)
Other expenses	7(c)	**(249,718)**	(292,621)
Gain/(loss) on foreign exchange		**(46,270)**	17,643
Profit before income tax		**89,454**	771,313
Income tax expense		**(21,740)**	(23,735)
Net profit for the period from continuing operations		**67,714**	747,578
Loss for the period from discontinued operations	10	**(157,302)**	-
Profit/(loss) for the period		**(89,588)**	747,578
Other comprehensive income			
Foreign currency translation reserve		**32,704**	(49,163)
Other comprehensive income for the period, net of tax		**32,704**	(49,163)
Total comprehensive income/(loss) for the period		**(56,884)**	698,415

	Notes		
Earnings per share		**Cents**	Cents
Earnings/(Loss) per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings / (loss) per share	12		
Earnings from continued operations		**0.05**	0.54
Earnings from discontinued operations		**(0.11)**	-
Total earnings per share		**(0.06)**	0.54

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

Consolidated statement of changes in equity
for the half-year ended 31 December 2012

Consolidated	Contributed Equity	Accumulated Losses	Option Reserve	Foreign Currency Translation	Total
	$	$	$	$	$
At 1 July 2012	**14,684,727**	**(9,553,689)**	**349,503**	**(343,507)**	**5,137,034**
Profit for the half-year	-	67,714	-	-	67,714
Loss for period from discontinued operations	-	(157,302)	-	-	(157,302)
Other comprehensive income	-	-	-	32,704	32,704
Total comprehensive income/(loss) for the half-year	-	(89,588)	-	32,704	(56,884)
Transactions with owners in their capacity as owners					
Share based payments	-	-	7,453	-	7,453
Sub-total	-	(89,588)	7,453	32,704	(49,431)
At 31 December 2012	**14,684,727**	**(9,643,277)**	**356,956**	**(310,803)**	**5,087,603**
At 1 July 2011	14,703,743	(9,963,728)	334,596	(322,564)	4,752,046
Profit for the half-year	-	747,578	-	-	747,578
Other comprehensive income	-	-	-	(49,163)	(49,163)
Total comprehensive income/(loss) for the half-year	-	747,578	-	(49,163)	698,415
Transactions with owners in their capacity as owners					
Shares issued during the half-year	-	-	-	-	-
Costs of equity raising #	(19,016)	-	-	-	(19,016)
Share based payments	-	-	7,453	-	7,453
Sub-total	(19,016)	747,578	7,453	(49,163)	686,852
At 31 December 2011	**14,684,727**	**(9,216,150)**	**342,049**	**(371,727)**	**5,438,898**

Cost related to the rights issue completed on 30 June 2011.

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

Consolidated statement of cash flows
for the half-year ended 31 December 2012

	Consolidated	
	2012	2011
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	**2,482,537**	3,881,427
Payments to suppliers and employees (inclusive of GST)	**(2,480,419)**	(3,175,747)
R&D tax incentive	**1,059,418**	-
Finance costs	**(22,707)**	(39,033)
Income tax paid	**(34,848)**	(9,418)
Net cash from operating activities	**1,003,981**	657,229
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(3,599)**	(38,302)
Disposal of property, plant and equipment	**1,211**	-
Proceeds from the sale of subsidiary	**221,000**	-
Capitalised development costs	**(1,004,935)**	(1,003,388)
Interest received	**7,688**	8,669
Net cash used in investing activities	**(778,635)**	(1,033,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cost of equity raising #	**-**	(19,016)
Net cash used in financing activities	**-**	(19,016)
Net increase (decrease) in cash held	**225,346**	(394,808)
Net foreign exchange differences	**4,496**	(10,399)
Cash at beginning of the period	**840,810**	1,336,933
Cash and cash equivalents held at end of the period	**1,070,652**	931,726

Costs related to the rights issue completed on 30 June 2011.*The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2012

Note 1: Nature of operations

Facilitate Digital Limited and subsidiaries' (the Group) principal activities during the financial half-year consisted of:

- publishing, tracking, reporting and optimising all forms of digital marketing (e.g. online display advertising, search marketing, affiliate and performance advertising, rich media and video advertising);
- providing data and analytical products that enable the marketer to correlate results across different types of digital and online advertising activity;
- providing media agencies with workflow and trading automation technology and related services.

There were no other significant changes in the nature of the economic entity's principal activities during the financial half-year, except for those items stated within this report.

Note 2: General information and basis of preparation

Basis of Preparation

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2012 and are presented in Australian dollars ($), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2012 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Stock Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the board of directors on 28 February 2013.

Continuation as a going concern

The accounts have been prepared on a going concern basis which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business. The Directors are confident that the company can meet its debts as and when they become due and payable. The Directors have taken into account all available information for the twelve months from the date of this financial report, including their revenue forecasts, amounts expected to be received from the Australian Government's Research and Development Tax Incentive following lodgment of the company's income tax return, known potential sources of financing and ability to access debt facilities such as bank overdrafts should the need arise.

Note 3: Significant accounting policies

The significant accounting policies that have been used in the preparation of these consolidated interim financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2012, except in relation to the matters discussed below. The relevant amendments and their effects on the current period or prior periods are described below.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Note 4: Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2012. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Note 5: Significant events and transactions

In December 2012, an amount of $221,000 was received as final settlement of the sale of subsidiary company Impact Data Group, resulting in a loss on discontinued operations of $157,302.
An R&D Refundable Tax Offset of $1,059,418 was received in December 2012 relating to the year ended 30 June 2012. The income relating to this payment was included in the 2012 reporting period.

Note 6: Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group sells primarily one product therefore the reportable segments are based on the geographic location of each business unit.

The operating segments are organised and managed separately in each location, with all units providing the same products, but with each segment representing a strategic business unit.

Transfer prices between operating segments is set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue and EBITDA result include transfers between operating segments. Those transfers are eliminated on consolidation.

Operating segments

The following table presents revenue, EBITDA and asset information regarding operating segments for the half-years ended 31 December 2012 and 31 December 2011.

	Operations			
	Asia Pacific	**Europe**	**Americas**	**Total**
Revenue for the half-year ended 31 December 2012				
Segment revenue				
Customer 1	513,948	501,569	32,899	1,048,416
Customer 2	174,749	18,691	1,237	194,677
Other	684,103	262,437	53,074	999,614
Total segment revenue	1,372,800	782,697	87,210	2,242,707
Other income	568,661	-	-	568,661
Interest revenue	7,688	-	-	7,688
Total revenue and other income per the statement of comprehensive income	1,949,149	782,697	87,210	2,819,056
Reconciliation of EBITDA to net profit before tax				
EBITDA	749,516	347,909	(185,873)	911,552
Amortisation	(750,760)	-	-	(750,760)
Depreciation	(25,852)	(9,913)	(10,713)	(46,478)
Option-based payments	(7,454)	-	-	(7,454)
Interest paid	(13,153)	-	(4,253)	(17,406)
Net profit/(loss) before tax	(47,707)	337,996	(200,839)	89,454

	Operations			
	Asia Pacific	**Europe**	**Americas**	**Total**
Revenue for the half-year ended 31 December 2011				
Segment revenue				
Customer 1	384,318	703,693	595,695	1,683,706
Customer 2	517,506	22,586	-	540,092
Other	871,687	443,983	146,880	1,462,550
Total segment revenue	1,773,511	1,170,262	742,575	3,686,348
Other income	573,055	-	-	573,055
Interest revenue	8,652	6	-	8,658
Total revenue and other income per the statement of comprehensive income	2,355,219	1,170,268	742,575	4,268,061

Reconciliation of EBITDA to net profit before tax

EBITDA	868,850	290,224	297,458	1,456,532
Amortisation	(588,062)	-	-	(588,062)
Depreciation	(30,443)	(13,222)	(10,941)	(54,606)
Option-based payments	(7,454)	-	-	(7,454)
Interest paid	(34,570)	-	(527)	(35,097)
Net profit/(loss) before tax	208,321	277,002	285,990	771,313

Total segment assets

31 December 2012	6,673,445	439,183	70,004	7,182,632
31 December 2011	6,212,520	893,502	628,849	7,734,871

The executive management committee monitors segment performance based on EBITDA. The company has reported segment results as the EBITDA in the current half-year report rather than the net profit/(loss) after tax, as in prior years. EBITDA is defined as earnings before interest paid, tax, depreciation, amortisation and option expenses.

Note 7: Revenue and expenses

		Consolidated	
		31 Dec 2012	31 Dec 2011
		$	$
(a)	Revenue from continuing operations		
	Rendering of services	**2,242,707**	3,686,336
	Interest	**7,688**	8,670
		2,250,395	3,695,006
(b)	Other income		
	Government grants	**12,000**	12,000
	R&D tax incentive	**534,737**	533,106
	Unwinding of discounting on deferred consideration receivable	**21,924**	27,949
		568,661	573,055
(c)	Other expenses		
	Marketing expenses	**(39,433)**	(29,063)
	Administrative expenses	**(70,070)**	(67,445)
	Impairment allowance of trade receivables	**570**	(7,133)
	Other	**(140,785)**	(188,979)
		(249,718)	(292,621)

Note 8: Cash & cash equivalents

	Consolidated	
	31 Dec 2012	30 Jun 2012
	$	$
For the purpose of the half-year statement of cash flows, cash and cash equivalents are comprised of the following:		
Cash at bank and in hand	**976,878**	744,467
Term deposit #	**93,774**	96,343
	1,070,652	840,810

The term deposit has an 11 month term, and is restricted as it must be held as security for a bank guarantee.

Note 9: Intangible Assets

The following tables show the movement in intangible assets:

Consolidated	**Development Costs**	**Goodwill**	**Total**
	$	**$**	**$**
Gross carrying amount			
Balance at 1 July 2012	10,493,615	160,327	10,653,942
Addition, internally generated	1,004,935	-	1,004,935
Balance at 31 December 2012	**11,498,550**	**160,327**	**11,658,877**
Amortisation and impairment			
Balance at 1 July 2012	**(6,430,557)**	**-**	**(6,430,557)**
Amortisation	(750,760)	-	(750,760)
Balance at 31 December 2012	**(7,181,317)**	**-**	**(7,181,317)**
Carrying amount at the end of the period	**4,317,233**	**160,327**	**4,477,560**

Consolidated	Development Costs	Goodwill	Total
	$	$	$
Gross carrying amount			
Balance at 1 July 2011	8,511,171	160,327	8,671,498
Addition, internally generated	1,982,444	-	1,982,444
Balance at 30 June 2012	**10,493,615**	**160,327**	**10,653,942**
Amortisation and impairment			
Balance at 1 July 2011	**(5,158,956)**	**-**	**(5,158,956)**
Amortisation	(1,271,601)	-	(1,271,601)
Balance at 30 June 2012	**(6,430,557)**	**-**	**(6,430,557)**
Carrying amount at the end of the prior period	**4,063,058**	**160,327**	**4,223,385**

Note 10: Discontinued operations

Net present value of deferred consideration:

	6 months to 31 December 2012	Year to 30 June 2012
	$	$
Opening balance	**356,378**	454,302
Increase in present value for the period	**21,924**	56,076
Payments received	**(221,000)**	(154,000)
Loss from discontinued operations	**(157,302)**	-
Closing balance	**-**	356,378

The company sold the Impact Data Group 12 June 2009 and part of the consideration for the sale was the deferred payment of $650,000 which was due in June 2014. To settle this matter the Company agreed to accept $375,000, with $221,000 being the final instalment.

Note 11: Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company (Facilitate Digital Holdings Limited) as the numerator, i.e. no adjustments to profits were necessary during the six months period to 31 December 2012 and 2011.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to 31 December 2012	Year to 30 June 2012
Weighted average number of shares used in basic earnings per share	**139,352,184**	139,352,184
Share issue	**-**	-
Weighted average number of shares used in diluted earnings per share	**139,352,184**	139,352,184

Note 12: Share capital

	6 months to 31 December 2012	Year to 30 June 2012
Shares issued and fully paid:		
Beginning of the period	**139,352,184**	139,352,184
Share issue	**-**	-
Total shares authorized at the end of the period	**139,352,184**	139,352,184

Note 13: Dividends

The Directors do not recommend the payment of a dividend and no dividend was paid or declared during the half- year. The Directors have not recommended the payment of a dividend and no dividend was paid or declared in period since 31 December 2012.

Note 14: Commitments and contingencies

There have been no significant changes to the commitments and contingencies disclosed in the most recent annual financial report.

Note 15: Events after balance date

There were no significant events between the balance date and the issuance of this report, except for:

Delisting

On 1 February 2013, it was resolved in a General Meeting that the company be removed from the official list of the ASX on a date to be decided by the ASX.

Declaration by Directors

In the opinion of the directors of Facilitate Digital Holdings Limited:

(a) The consolidated financial statements and notes of Facilitate Digital Holdings Limited are in accordance with the *Corporations Act 2001*, including

(i) giving a true and fair view of the financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

STUART SIMSON
Director

SYDNEY
28 February 2013

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Independent Auditor's Review Report
To the Members of Facilitate Digital Holdings Limited

We have reviewed the accompanying half-year financial report of Facilitate Digital Holdings Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Facilitate Digital Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material uncertainty regarding going concern

Without qualification to the review opinion expressed above, attention is drawn to the following matter. As described in Note 2 headed Continuation as a going concern, the company's cash flow forecasts include amounts expected to be received from the Australian Government's Research and Development Tax Incentive and other potential sources of finance. Should legislation relating to the Australian Government's Research and Development Tax Incentives change so as to reduce the expected amounts recovered or should the company be unable to obtain funding from other sources, this may cast significant doubt on the Company's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

LMWorsley.

LM Worsley
Partner - Audit & Assurance

Sydney, 28 February 2013