HALF YEAR REPORT

31 December 2008

BRANDRILL LIMITED
ABN 46 061 845 529

BRANDRILL

ABN 46 061 845 529
and its controlled entities

APPENDIX 4D HALF YEAR REPORT 31 DECEMBER 2008

Brandrill Limited
Results for Announcement to the Market

	Notes	% Change Up / (down)	*Consolidated* 31 Dec 2008 $'000	31 Dec 2007 $'000
Revenue from ordinary activities	(i)	30%	108,918	83,919
Profit from ordinary activities after tax attributable to members	(i)	(38%)	4,048	6,482
Net profit for the period attributable to members	(i)	(38%)	4,048	6,482
Interim dividend (cents)	(ii)		0.00	0.00
Final dividend (cents)	(ii)		0.00	0.00
Basic EPS (cents per share) profit			1.02	1.75
Diluted EPS (cents per share) profit			1.02	1.67
Net tangible assets per ordinary security (cents)			13.83	9.33

(i) The announcement made to ASX on 27 February 2009 by the Managing Director of Brandrill Limited provides an explanation of the Group's financial results and operating performance for the Half Year ended 31 December 2008.

(ii) It is not proposed to pay dividends for the Half Year ended 31 December 2008.

This report is based on accounts that have been reviewed.

Signed: ....
Philip Werrett
Company Secretary

Date: 27 February 2009

Contents

Corporate Directory

Directors

Chairman
Vincent Harold Pendal, *Non Executive Chairman*

Executive Director
Kenneth Royce Perry, *Managing Director*

Directors
John Robert Nicholls, *Non Executive Director*
Ian James Williams, *Non Executive Director*
Ugo Cario, *Non Executive Director*
Mason Gordon Hills, *Non Executive Director*

Company Secretary
Philip John Luton Werrett

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PERTH WA 6000

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ASX Code
BDL Fully Paid Ordinary Shares

Web Page
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Directors' report

The directors present their report together with the financial statements of Brandrill Limited and Subsidiaries (The Group) for the six months ended 31 December 2008 and the Independent Auditor's Review Report thereon.

Directors

The names of the company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Vince Pendal, *Non Executive Chairman*
Ken Perry, *Managing Director*
John Nicholls, *Non Executive Director*
Ian Williams, *Non Executive Director*
Ugo Cario, *Non Executive Director*
Mason Hills, *Non Executive Director* (appointed 24 September 2008)

Review and results of operations

Brandrill announced a Profit after Tax of $4.0 million for the six months ended December 2008 on increased revenues of $108.9 million. The Profit after Tax was 11% below the prior six months and 38% below the previous corresponding period. However, cash flow from operations increased by 15% to $24.3 million from the previous corresponding period.

The results show a contraction in operating margins. EBIT margin declined from around 10% in the previous half year to 7.9% in the period to December 2008. This was due to poor operating performance at several projects that emerged late in the half year, and a tightening in the margins on RC exploration drilling as the company shifted the focus of its operations from green fields exploration to brown fields resource definition drilling and grade control drilling. The problems at the projects have been addressed and the projects are either performing at acceptable levels or improving. However, exploration drilling margins remain under pressure along with utilisation.

The net debt to equity ratio was reduced from 91% in June 2008 to 62% in December 2008. Brandrill capital expenditure was $25 million in the half year. Operating cash generation, the raising of $11.25 million in equity in August 2008 and working capital management led to an end of year cash balance of $15.5 million.

Contracting

Overall, drilling revenues increased by 26% to $101 million from $80 million in the previous half year. The major contributors to the revenue increase were the Pluto B civil project which finished just after year end, plus strong growth in coal and hard rock mining. The RC drilling revenues were similar to the previous half year but margins were impacted as there was a higher proportion of longer term brown fields resource definition drilling and in-pit grade control work.

Profitability was reduced by problems with several contracts that emerged late in this half year. The underperforming contracts have now largely returned to acceptable performance levels or are improving.

The global financial crisis was felt in several ways during this half year: a major civil project for Fortescue Metals Group was terminated prior to completion; a Rio Iron Ore project was also terminated; and two other projects ceased when they were put on care and maintenance. These losses were only partly offset by the award of new work at a manganese project in the Northern Territory. But the major problems in the first half year were not all related to the global financial crisis.

DT Hi Load

DT Hi Load operated at around break-even as sales increased to $7.3 million in this half year. Sales are 77% above the immediate prior half year reflecting the ongoing efforts to introduce the innovative haul truck tray to the Australian and Asian mining market, and the growing level of service related income.

Early in 2009, the Managing Director of this business resigned and, as allowed for in the shareholder agreement, tendered his 20% shares to Brandrill. A new Chief Executive Officer has been appointed and is in place. The 20% shares were acquired for US$0.86 million and Brandrill now holds 90% of this business, with the remaining 10% being held by the Chilean partners.

RockTek

RockTek sales were $0.75 million for the half year, 60% above the prior half year. Although a small loss was incurred, RockTek's cost structure was enhanced by appointment of the Dyno/Alpha master distributorship in North America. This has allowed a reduction in RockTek fixed costs while benefiting from adding the extensive sales and distribution capability of the Dyno/Alpha network.

Balance Sheet

Cash generated from operations increased by 15% to $24.3 million from $21.2 million in the previous corresponding period. The net debt to equity ratio declined from 91% in June 2008 to 62% in December 2008. Brandrill capital expenditure was $25 million in the half year. Operating cash generation, the raising of $11.25 million in equity in August 2008 and working capital management led to an end of year cash balance of $15.5 million.

The Company has an undrawn $7 million overdraft facility at call but all other debt is equipment related, with no covenants and not requiring refinance. Debt reduction in the next six months will be $10 million and capital expenditure will be around $5 million.

Directors' report (cont)

Staff

Total staff numbers reached close to 730 in October 2008, with most of the increase coming from growth in coal staff numbers, in line with the rapid growth in demand from this sector. Since then, as major civil projects have been completed, staff numbers declined to around 650 at year end.

It was most pleasing that against the background of rapid changes in staff numbers, the Company was able to maintain continuous improvement in safety across all operations. At the end of the year, the Company had been over 12 months since the last Lost Time Incident (LTI) and had achieved an LTI frequency rating of zero. The continuous improvement in safety is testament to the efforts of management and staff in identifying risks, addressing risks, and embedding a culture where safety is the normal way of doing business.

Outlook

There have been rapid changes in the outlook for the Australian mining industry in the last six months. The whole resources industry seems to be waiting for China to recommence its demand for metals and minerals.

Brandrill operations are mainly geared to iron ore (including civil work and RC exploration) and coal mining. The outlook for iron ore and associated civil work appears reasonably positive in 2009. The impact on revenues in 2009 will largely depend on the timing of new developments and expansion projects and Brandrill's ability to win a share of the work.

The situation in coal has changed dramatically for Brandrill in the last month. Up until January, the coal fleet was fully occupied. Since then approximately 40% of the fleet has been affected, as coking coal producers have implemented production cuts of 20-30%. Steaming coal producers have been less affected.

Civil revenues are currently low. If Brandrill is successful in winning a fair share of the civil work in the Pilbara and Mid West, civil revenues should rebound towards the end of the financial year as new projects take time to start and gain momentum.

The RC exploration business has 8 rigs. The outlook is for reasonable levels of utilisation of the fleet but at lower rates than existed in the past 12 months. Brandrill believes that the competitive advantages of its exploration fleet will be particularly important in winning any new work in the current environment.

DT Hi Load was expected to rapidly grow sales in the second half based on the demand for new haul trucks in Australia and Asia. But as seen by the cut backs announced by major truck manufacturers, this will no longer be the case. Instead the focus will be on the replacement market already served by DT Hi Load, and providing service to existing clients. In addition, several trials under way with new clients in WA and the eastern states are expected to lead to orders in the next half year.

The overall result will see sharply lower revenues in the second half than in the period to December 2008. Revenues are likely to decline by around $25-30 million with the majority of this decline coming from lower civil work and a reduction in coal drilling. The impact on profitability will be partly offset by improvements in operating performance from the first half. In addition, there have been significant reductions in overheads amounting to around $500,000 per month from a combination of the following actions:

- Board and senior management have taken fee and salary reductions of between 5% and 20% with all bonus schemes suspended.
- General office staff reductions including some redundancies
- Following a senior management restructuring, several head office staff have been relocated to site operations, reducing overheads and bolstering site management
- General reductions in expenditures and suspension of senior management training. This is supported by a move to centralised purchasing.
- Capital expenditures reduced to around $5 million from $25 million in the first half year.

The outlook for the Australian mining industry is clouded by uncertainty in the short to medium term. The global economy is facing major disruption and mining companies are not immune from the contagion. Brandrill will need to remain flexible and adaptable, and management plans are in place to achieve this objective.

The emphasis for the next six months will remain on cash generation and debt reduction as the Company establishes a new lower cost base in line with the current environment. However, the result for the full year is likely to be lower than that achieved in FY2008. Brandrill expects that there will be a return to modest growth from the first half of FY2010, particularly in iron ore and, with the streamlined organisation, will be positioned to take advantages of opportunities as they arise.

Auditor's independence declaration

We have obtained an Independence Declaration from our auditors, Ernst & Young, which is included on page 6 and forms part of this report.

Signed in accordance with a resolution of the directors.

Ken Perry
Managing Director
Perth, 27 February 2009

Auditor's independence declaration to the directors of Brandrill Limited

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Auditor's Independence Declaration to the Directors of Brandrill Limited

In relation to our review of the financial report of Brandrill Limited for the half year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gavin Buckingham

G Buckingham
Partner
Perth

27 February 2009

GB:JC:BRANDRILL:004

Balance sheet
As at 31 December 2008

	Note	Consolidated Dec 2008 $'000	Consolidated Jun 2008 $'000
Current assets			
Cash and cash equivalents	5	15,527	840
Trade and other receivables		25,646	30,374
Inventories		14,584	15,901
Other current assets		3,993	5,621
Total current assets		59,750	52,736
Non-current assets			
Property, plant and equipment	6	95,632	79,033
Intangible assets and goodwill		21,592	21,870
Deferred tax assets		3,448	2,953
Other		59	66
Total non-current assets		120,731	103,922
TOTAL ASSETS		180,481	156,658
Current Liabilities			
Trade and other payables		22,544	23,300
Interest-bearing Loans and borrowings		20,284	21,726
Income tax payable		4,949	3,191
Provisions		5,091	4,311
Total Current Liabilities		52,868	52,528
Non-current Liabilities			
Interest-bearing loans and borrowings		42,972	35,493
Deferred tax liabilities		6,585	6,107
Provisions		781	603
Total non-current liabilities		50,338	42,203
TOTAL LIABILITIES		103,206	94,731
NET ASSETS		77,275	61,927
Equity attributable to equity holders of the parent			
Contributed equity	7	129,847	118,834
Reserves		586	299
Accumulated losses		(53,158)	(57,206)
TOTAL EQUITY		77,275	61,927

Condensed income statement

For the half-year ended 31 December 2008

	Note	Consolidated Dec 2008 $'000	Consolidated Dec 2007 $'000
Revenue	4(a)	108,918	83,919
Other income	4(b)	146	504
Operational expenses	4(c)	(100,423)	(71,768)
Finance costs	4(d)	(2,794)	(2,076)
Profit before income tax		5,847	10,579
Income tax expense		(1,799)	(3,723)
Net profit for the period		4,048	6,856
Net profit attributable to:			
Members of the parent		4,048	6,482
Minority interest		-	374
Net profit for the period		4,048	6,856

	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the parent:		
Basic earning per share for the half year	1.02	1.75
Diluted earnings per share for the half year	1.02	1.67

Statement of changes in equity
For the half-year ended 31 December 2008

		Consolidated				
	Note	Issued Capital $'000	Accumulated Losses $'000	Other Reserves $'000	Minority Interests $'000	Total $'000
Balance as at 1 July 2008		118,834	(57,206)	299	-	61,927
Foreign Currency translation		-	-	243	-	243
Total income/expense for the period recognised directly in equity		-	-	243	-	243
Profit for the period		-	4,048	-	-	4,048
Total income and expense for the period		-	4,048	243	-	4,291
Issue of share capital		11,250	-	-	-	11,250
Share based payment		-	-	44	-	44
Cost of equity raising		(295)	-	-	-	(295)
Related income tax		58	-	-	-	58
		11,013	-	44	-	11,057
Balance as at 31 December 2008		129,847	(53,158)	586	-	77,275
Balance as at 1 July 2007		103,907	(68,196)	642	-	36,353
Foreign Currency translation		-	-	34	-	34
Total income/expense for the period recognised directly in equity		-	-	34	-	34
Profit for the period		-	6,482	-	374	6,856
Total income and expense for the period		-	6,482	34	(374)	6,890
Transfer of reserve		-	-	374	(374)	-
Equity deficit in controlled entity at date of acquisition		-	-	(869)	-	(869)
Issue of share capital		14,948	-	-	-	14,948
Share based payment		382	-	-	-	382
Share options reserve		-	-	49	-	49
Cost of equity raising		(464)	-	-	-	(464)
Related income tax		103	-	-	-	103
		14,969	-	(446)	(374)	14,149
Balance as at 31 December 2007		118,876	(61,714)	230	-	57,392

Cash flow statement

For the half-year ended 31 December 2008

	Note	Consolidated Dec 2008 $'000	Consolidated Dec 2007 $'000
Cash flows from operating activities			
Receipts from customers		124,381	94,719
Payments to suppliers and employees		(97,415)	(71,891)
Interest received		122	457
Interest paid		(2,794)	(2,076)
Net cash flows from operating activities		24,294	21,209
Cash flows from investing activities			
Proceeds form the sale of property, plant and equipment		37	275
Business acquisitions		-	(18,720)
Purchase of property, plant and equipment		(6,618)	(5,364)
Net cash flows used in investing activities		(6,581)	(23,809)
Cash flows from financing activities			
Proceeds from securities issues		11,250	15,248
Costs associated with issue of securities		(295)	(464)
Loans to other entities		-	(2,336)
Repayment of borrowings		(913)	(10,881)
Payment of hire purchase and lease liabilities		(6,084)	(3,411)
Payment of equipment loans		(3,960)	(2,967)
Proceeds from loans and borrowings		-	13,308
Net cash flows (used in) / from financing activities		(2)	8,497
Net increase in cash and cash equivalents		17,711	5,897
Cash at beginning of the financial year		(2,200)	5,957
Effects of exchange rate changes on the balances of cash held in foreign currency		16	-
Cash and cash equivalents at end of period	5	15,527	11,854

Notes to the financial statements
For the half-year ended 31 December 2008

1 Corporate Information

The financial report of Brandrill Limited (the Company) for the half year ended 31 December 2008 was authorised for issue in accordance with a resolution of Directors on 27 February 2009.

Brandrill Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group during the financial period were the provision of drilling and blasting services under contract to open-cut mines and to the civil construction industry, together with the provision of RC exploration and drilling services. In addition, Brandrill holds a 70% interest in DT Hi Load Australia Pty Ltd (increased to 90% in February 2009), a manufacturer of lightweight mining haul truck trays. The Group was also engaged in the supply of its patented PCF® rock breaking technology.

2 Basis of preparation and accounting policies

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2008 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the financial year ended 30 June 2008 and considered together with any public announcements made by Brandrill Limited during the half-year ended 31 December 2008 in accordance with the ASX continuous disclosure obligations of the ASX listing rules.

The amounts contained in this report and in the financial report have been rounded to the nearest thousand $'000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98-0100. The company is an entity to which the class order applies.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in accounting policy

From 1 July 2008 The Group has adopted the following applicable Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2008. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

- AASB 2008-10 *Amendment to Australian Accounting Standards – Reclassification of Financial Assets (amendments to AASB 139 Financial Instruments: Recognition and Measurement and AASB 7 Financial Instruments Disclosures).*

The Group has not elected to early adopt any new standards or amendments.

Notes to the financial statements (cont)
For the half-year ended 31 December 2008

3 Segment information

Segment products and locations

The consolidated entity's operating companies are organised and managed separately according to the nature of the products and services they provide, with each segment offering different products and serving different markets.

The Contracting segment operated in Australia. Contracting includes open cut and civil drilling and blasting services and RC and exploration drilling.

The DT-Hi Load segment operates in Australia. DT-Hi Load provides lightweight haul truck trays produced from a patented design.

The RockTek segment operates in Australia and the USA. The operations are centred on the rock-breaking technologies of its wholly owned PCF® non-explosive rock-breaking technologies and associated in-situ explosive rock-breaking technologies.

Segment accounting policies

The group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices. Revenues are attributed to geographic area based on the location of the assets producing the revenues.

During the half-year there were no changes in segment accounting policies that had a material effect on the segment information.

The primary reporting format for the consolidated entity is business segments which are detailed below:

	Contracting		DT Hi Load		RockTek		Consolidated	
	Dec 2008 $'000	Dec 2007 $'000	Dec 2008 $'000	Dec 2007 $'000	Dec 2008 $'000	Dec 2007 $'000	Dec 2008 $'000	Dec 2007 $'000
Revenue								
Sales to customers outside the consolidated entity	100,887	74,207	7,285	8,897	746	815	108,918	83,919
Other revenues from customers outside the consolidated entity	19	16	1	28	4	3	24	47
	100,906	74,223	7,286	8,925	750	818	108,942	83,966
Non segment revenue								
Interest revenue							122	457
Total revenue per income statement							109,064	84,423
Result								
Segment result	8,845	11,085	68	2,038	(173)	(206)	8,740	12,917
Reconciliation of segment result to profit / (loss) before tax								
Finance costs							(2,794)	(2,076)
Other							(99)	(262)
Profit before income tax							5,847	10,579
Income tax expense							(1,799)	(3,723)
Net profit for the period							4,048	6,856
Minority interests							-	(374)
Profit attributable to members of the parent							4,048	6,482

Notes to the financial statements (cont)

For the half-year ended 31 December 2008

	Consolidated	
	Dec 2008	Dec 2007
	$'000	$'000

4 Revenue, income and expenses

(a) Revenues		
Rendering of services	101,518	74,207
Sale of goods	7,400	9,712
	108,918	83,919
(b) Other income		
Net gain on disposal of property, plant and equipment	7	14
Interest received	122	457
Other	17	33
	146	504
(c) Operational expenses		
Materials, consumables and external services	32,839	26,163
Employee benefits expense	44,798	28,971
Equipment ownership and maintenance expenses	11,321	7,811
Depreciation of plant and equipment	8,142	5,656
Amortisation of intangibles	278	579
Other expenses	3,045	2,588
	100,423	71,768
(d) Finance costs		
Interest expense - hire purchase	1,574	444
Interest expense - finance loans	1,220	1,632
	2,794	2,076

5 Cash and cash equivalents

For the purposes of the half-year statement of cash flows, cash and cash equivalents are comprised of the following:

Cash at bank and in hand	15,506	8,752
Short term deposits	21	3,102
	15,527	11,854

Non-cash financing and investing activities

The consolidated entity acquired plant and equipment with an aggregate fair value of $18,140,000 (2007:$20,653,000) by means of lease, hire purchase or equipment loan and entered into financing agreements for $1,918,000 (2007: $1,389,000) relating to insurance premium funding. These transactions are not reflected in the Cash Flow Statement.

Notes to the financial statements (cont)
For the half-year ended 31 December 2008

6 Property, plant and equipment

Acquisitions and disposals

During the half year ended 31 December 2008 the Group acquired assets with a cost of $24,758,000 (2007: $26,744,000).

Assets with a net book value of $30,000 were disposed of by the Group during the half year ended 31 December 2008 (2007: $261,000), resulting in a gain on disposal of $7,000 (2007: $14,000).

Commitments

At 31 December 2008 the Group had commitments of $5,209,000 principally relating to the acquisition of new drilling rigs and service vehicles.

7 Issued capital

	Consolidated					
	Dec 2008		Jun 2008		Dec 2007	
	Number	$'000	Number	$'000	Number	$'000
Issued and paid up capital		129,847		118,834		118,876
Movements in shares on issue						
Beginning of financial year	380,413,103	118,834	318,623,103	103,907	318,623,103	103,907
Issued during the year						
• Equity placement	45,000,000	11,250	47,790,000	11,948	47,790,000	11,948
• Share options exercised	-	-	2,000,000	300	2,000,000	300
• Transfer from reserves	-	-	-	82	-	82
• Shareholder purchase plan	-	-	12,000,000	3,000	12,000,000	3,000
	45,000,000	11,250	61,790,000	15,330	61,790,000	15,330
Less share issue costs						
• Transaction costs on share issues	-	(295)	-	(471)	-	(464)
• Related income tax	-	58	-	68	-	103
	425,413,103	129,847	380,413,103	118,834	380,413,103	118,876

There were no dividends proposed or paid during the period.

8 Contingent assets and liabilities

As at 31 December 2008 the Group had no contingent assets or liabilities.

9 Events after the balance sheet date

Following the balance sheet date, Mr John deJager retired as Managing Director of DT Hi Load Australia Pty Ltd (DTA). Mr deJager exercised his put option under the Shareholders Deed. This option required that Brandrill purchase Mr deJager's 20% share in DTA, at a cost of USD$857,000. The transaction was settled in February 2009.

Brandrill now holds 90% of DTA with the remaining 10% being held by Desarrollos Tecnologicos S.A.

Mr Richard Lang has been appointed as Chief Executive Officer of DTA.

Directors' declaration

In accordance with a resolution of the directors of Brandrill Limited, I state that:

In the opinion of the directors:

a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001,* including

i. giving a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date of the consolidated entity; 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.

On behalf of the Board

Ken Perry
Managing Director

Perth, 27 February 2009

Independent Review Report to the members of Brandrill Limited

ERNST & YOUNG

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To the members of Brandrill Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half year financial report of Brandrill Limited, which comprises the balance sheet as at 31 December 2008, and the condensed income statement, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year 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 and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 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 Brandrill Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

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

i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half year ended on that date; and

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

Ernst & Young

Ernst & Young

Gavin Buckingham

G Buckingham
Partner
Perth

27 February 2009