Facilitate Digital Holdings Limited

and Controlled Entities (ASX: FAC)

Appendix 4 D Report

For the six months ended

31 December 2011

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 2011 and 31 December 2010.

(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 increased by 6.1% versus the same 6 month period last year, from $4,021,125 to $4,268,060 or by $246,935.

(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, increased by 365.7% from a loss of ($281,407) in 2010 to a profit of $747,578 or by $1,028,985 in 2011.

(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, increased by 365.7% from a loss of ($281,407) in 2010 to a profit of $747,578 or by $1,028,985 in 2011.

(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.

Revenue for the financial half-year ending 31 December 2011 increased by 6.1% as compared to the previous financial half-year, notwithstanding the impact of the strengthening of the Australian Dollar and the softer economic environment in some markets such as Europe and Asia. Net profit before tax was $771,313 as compared to a loss of $229,233 for the corresponding financial period last year. This turnaround is primarily due to an increase in high margin Symphony licence revenues, lower amortisation costs and operational expenses, and the introduction of the R&D Tax Incentive program as from 1 July 2011.

Half Year ended	**31/12/2011**	**31/12/2010**	**Movement**
	Actual	**Actual**	**%**
Revenue	**4,268,060**	4,021,125	6.1
Earnings before interest, tax, depreciation amortisation and option expense from continuing operations	**1,456,532**	785,401	85.5
Net profit/(loss) before tax	**771,313**	(229,233)	436.5
Net profit/(loss) after tax	**747,578**	(281,407)	365.7

(3) Net tangible assets per security with the comparative figure for the previous corresponding period.
2011: $0.0108 per share,   2010: $0.0087 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 $16,243 for the 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.

Ian Lowe
Chief Executive Officer
27th February 2012

FACILITATE DIGITAL HOLDINGS LIMITED (FAC)

AND CONTROLLED ENTITIES

ABN 84 093 823 253

HALF YEAR

FINANCIAL REPORT

FOR THE PERIOD ENDED

31 DECEMBER 2011

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CORPORATE INFORMATION

Company

Facilitate Digital Holdings Limited

ABN 84 093 823 253

Registered Office

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Email: infoau@facilitatedigital.com

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Telephone: + 61 2 9690 3900

Fax: + 61 2 9690 3901

Directors

Mr. Stuart Simson (Non Executive Director and Chairman)

Mr. Geoff Dixon (Non Executive Director)

Mr. Charles Sweeney (Non Executive Director)

Mr. Ian Lowe (Chief Executive Officer and Executive Director)

Mr. Ben Dixon (Chief Operating Officer and Executive Director)

Company Secretary

Mr. Jim Story

Share Registry

Link Market Services Limited

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Sydney NSW 2000 Australia

Telephone: 1300 554 474 or +61 2 8280 7111

Fax: + 61 2 9287 0303

Website: www.linkmarketservices.com.au

Auditor

BDO Audit (NSW-VIC) Pty Ltd

Level 19, 2 Market Street,

Sydney NSW 2000 Australia

Telephone: + 61 2 9286 5555

Fax: + 61 2 9993 9450

Corporate Advisor

Cooper Grace Ward Lawyers

Level 21, 400 George Street,

Brisbane 4000 Australia

ASX Code

FAC

Directors' Report

Your directors submit their report on the Company and its controlled entities for the half-year ended 31 December 2011.

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. Ian Lowe (Chief Executive Officer)
- Mr. Ben Dixon (Chief Operating Officer)

Principal Activities

The principal activities of the Consolidated Entity 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.

Review and results of operations

The consolidated profit of the Group for the half-year, after providing for income tax amounted to $747,578 (versus a loss of $281,407 for the same period of the prior year).

	31 Dec 2011	31 Dec 2010	**MOVEMENT**	
	$	$	$	%
Total revenue related to the continuing operations	**4,268,060**	4,021,125	246,935	6.1
Earnings before interest paid, tax, depreciation, amortisation and option expense from continuing operations	**1,456,532**	785,401	671,131	85.5
Net profit/(loss) before tax attributable to members from continuing operations	**771,313**	(229,233)	1,000,546	436.5
Net profit/(loss) after tax attributable to members from continuing operations	**747,578**	(281,407)	1,028,985	365.7
Revenue comparison based on 31 December 2010 foreign exchange rates	**4,404,308**	4,021,125	383,183	9.5

Half Year Financial Results

Highlights for continuing operations for the half-year to 31 December 2011 include:

- Group revenue increased by 6.1 percent as compared with the same 6 month period the previous year, from $4,021,125 to $4,268,060. Allowing for the effects of currency movements, underlying revenue for the Group increased by 9.5 per cent compared with the same 6 month period last year, from $4,021,125 to $4,404,308.
- Expenses, excluding depreciation and amortisation, reduced by 10.3 percent over the corresponding period.
- EBITDA improved by 85.5 percent compared with the previous half-year, from $785,401 to $1,456,532.
- NPBT increased by 436.5 percent versus the same financial period last year, from ($229,233) to $771,313 due to an increase in high gross margin revenues derived from the *Symphony* product, a lower amortisation cost and operational expenses, and the introduction of the R&D Tax Incentive program from 1 July 2011.
- NPAT Increased by 365.7 percent versus the same financial period last year, primarily due to the drivers underlying the improved NPBT and a lower tax expense for the half-year ended 31 December 2011.
- Revenue from overseas operations increased to 67.7 percent of total revenue for half-year ended 31 December 2011, compared to 63.8 per cent for the prior corresponding period.

Operational Performance

Despite the significant challenges presented by both a continued strengthening of the Australian Dollar against key currencies including the US Dollar, the Euro and the Pound Sterling, and generally softer global economic conditions in Europe, total revenue for the Group increased 6.1 percent during the financial half-year ended 31 December 2011.

This equates to a revenue increase of 9.5 percent on a constant currency basis.

Correspondingly, the profit performance of the group improved significantly, from a net loss after tax of $281,407 for the six months to December 2010, to a net profit after tax of $747,578 for the six months to December 2011, a profit turnaround of $1,028,985 or 365.7 percent for the first half year on year. Several factors contributed to this, in particular:

- Revenues derived from the licensing of *Symphony* increased by 35 percent versus the same six month period for the year prior. This revenue delivered a gross margin of 92 percent, and so is a strong profit driver. Furthermore, the recurring revenues derived from the licensing of *Symphony* have increased from 58 percent of total Symphony revenue for the six months to December 2010, (the remainder being project and implementation fees), to 91 percent of total Symphony revenue for the six months to December 2011. Whilst this split is subject to some volatility based on the timing of deployments, recurring licence revenues are expected to account for a significant majority of *Symphony* revenues for the foreseeable future.
- Continued focus on the reduction of recurring costs in the second half of financial year 2010 saw total costs, excluding amortisation and depreciation, reduced by 10.3 percent or $330,691 in the half-year to December 2011 versus the half year to December 2010.

Growth Drivers

The key sales growth drivers for the company for the second half of financial year 2012 and beyond are:

- *Ongoing market deployments* under major contracts including Mediabrands (IPG) and GroupM (WPP). This includes scheduled deployments in calendar year 2012 for agencies such as Universal McCann, Initiative, Mindshare, MEC, Mediacom and Maxus into at least 10 key markets within Australia, Asia and Europe.
- *Commencement of price premium revenues from existing clients*. In the second half of financial year 2012, the company will for the first time release modular product capabilities (bundled features and functions) that sit on top of existing *FFA* and *Symphony* platforms. These capabilities are available to existing (and new) clients as an 'optional extra' at a price increment. The first of these releases in early 2012 has already generated strong interest, and certain clients have already committed to adoption.
- As *Symphony* deployments continue, the company has demonstrated *an ability to cross sell other products* into these clients, including adserving.
- *The sales pipeline continues to build*, with major contracts in US, Europe and APAC in various stages of negotiation. The company hopes to be able to announce new business wins in the near future.

Product Milestones and Innovation

In the six months to December 2011, the following product milestones were achieved:

- Global release of FFA version 5.0. This major release included significant enhancements and new features:
  - Architectural upgrade to enable greater flexibility and configuration to global and local requirements (in combination);
  - Improved workflow integration of FFA and Symphony platforms;
  - Improved workflow integration of display and search disciplines;
  - Full translation into Chinese.
- Global release of Symphony version 5.9. This release incorporated various new features:
  - Additional integrations with media agency finance systems;
  - Additional integrations with third party adserving systems;
  - Full translation into Japanese;
  - Workflow enhancements to the trading feature set, including status controls, electronic insertion orders, buying confirmation and reconciliations.
- Achieved market ready status in China, Japan and Malaysia (Symphony).

Innovation will continue to focus on capabilities critical to the future success of our major clients, media agencies, including furthering workflow automation, building and leveraging their data assets and trading tools.

Offshore Revenue Growth

As has been the case for the last three years, offshore revenues constitute a growing percentage of total income. For the six months to December 2011, non Australian revenues contributed 67.7 percent of total revenue versus 63.8 percent for the same period in the year prior. While this presents added exposure to the strength of the Australian Dollar, as profit performance has improved, there remains significant potential benefit to the company by way of net margin growth.

Outlook

Notwithstanding the volatile global economic and currency environment, the Company believes that with structural profit drivers now in place, strong growth in high gross margin revenues from *Symphony*, forward sales growth already secured from international contracts now under deployment, and the technology milestones achieved over the last 12 months places the group in a sound position to deliver continued profitable growth for the second half of the 2012 financial year and beyond.

Corporate

Corporate discussions referenced in previous disclosures continue.

Dividends Paid or Recommended

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 2011.

Financial Position

The net assets of the Facilitate Group have increased by $686,852 from $4,752,046 at 30 June 2011 to $5,438,898 at 31 December 2011. The cash balance at 31 December 2011 was $931,726.

The *current ratio* (current assets to current liabilities) decreased from 1.33 at 30 June 2011 to 1.25 as at 31 December 2011.

The Group has continued to invest extensively in research and development to continually enhance its product suite and maintain leadership as a provider of digital marketing solutions.

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

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company that occurred during the half-year.

Events after Balance Date

There were no significant events between the balance date and the issuance of this report.

Auditor's Independence Declaration

The Auditor's independence declaration for the half-year ended 31 December 2011 has been received and can be found on the next page.

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

Stuart Simson
Chairman
Dated 27th February 2012

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DECLARATION OF INDEPENDENCE BY NEVILLE EDWARD SINCLAIR TO THE DIRECTORS OF FACILITATE DIGITAL HOLDINGS LIMITED

As lead auditor of Facilitate Digital Holdings Limited for the period ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of Facilitate Digital Holdings Pty Limited and the entities it controlled during the period.

Neville Sinclair
Director

BDO Audit (NSW-Vic) Pty Ltd

Consolidated Financial Statements for the half-year ended 31 December 2011

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Consolidated statement of financial position
as at 31 December 2011

		Consolidated	
	Notes	**31 Dec 2011**	30 June 2011
		$	$
ASSETS			
Current Assets			
Cash & cash equivalents	4	**931,726**	1,336,933
Trade and other receivables		**1,614,895**	1,653,703
Other		**35,495**	21,486
Total Current Assets		**2,582,116**	3,012,122
Non Current Assets			
Property, plant and equipment		**179,154**	195,485
Intangible assets		**3,927,867**	3,512,542
Other		**1,045,733**	487,665
Total Non Current Assets		**5,152,754**	4,195,692
Total Assets		**7,734,870**	7,207,814
LIABILITIES			
Current Liabilities			
Trade and other payables		**1,618,703**	1,760,069
Interest bearing liabilities		**31,860**	37,726
Current tax liabilities		**56,156**	43,485
Other		**366,236**	427,159
Total Current Liabilities		**2,072,955**	2,268,439
Non Current Liabilities			
Interest bearing liabilities		**9,997**	18,806
Other		**213,020**	168,523
Total Non Current Liabilities		**223,017**	187,329
Total Liabilities		**2,295,972**	2,455,768
Net Assets		**5,438,898**	4,752,046
EQUITY			
Contributed Equity		**14,684,726**	14,703,743
Foreign Currency Translation Reserve		**(371,727)**	(322,565)
Option Reserve		**342,049**	334,596
Retained Earnings		**(9,216,150)**	(9,963,728)
Total Equity		**5,438,898**	4,752,046

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

Consolidated statement of comprehensive income
for the half-year ended 31 December 2011

		Consolidated	
	Notes	**31 Dec 2011**	31 Dec 2010
		$	$
Revenue from continuing operations	3(a)	**3,695,005**	3,972,322
Other income	3(b)	**573,055**	48,803
Total revenue from continuing operations		**4,268,060**	4,021,125
Cost of sales		**(589,973)**	(618,523)
Employee benefits expense		**(1,581,964)**	(1,856,724)
Depreciation and amortisation expenses		**(642,668)**	(986,102)
Finance costs		**(39,033)**	(26,318)
Other expenses	3(c)	**(660,753)**	(700,849)
Gain/(loss) on foreign exchange		**17,643**	(61,843)
Profit/(loss) before income tax expense		**771,313**	(229,233)
Income tax expense		**(23,735)**	(52,174)
Net profit/(loss) for the period		**747,578**	(281,407)
Other comprehensive income			
Foreign currency translation reserve		**(49,162)**	(134,898)
Other comprehensive income for the period, net of tax		**(49,162)**	(134,898)
Total comprehensive income/(loss) for the period		**698,416**	(416,305)

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	**0.54**	(0.22)

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 2011

Consolidated	Contributed Equity	Retained Earnings	Option Reserve	Foreign Currency Translation	Total
	$	$	$	$	$
At 1 July 2011	**14,703,742**	**(9,963,728)**	**334,596**	**(322,565)**	**4,752,046**
Profit for the half-year	-	747,578	-	-	747,578
Other comprehensive income	-	-	-	(49,162)	(49,162)
Total comprehensive Profit for the half-year	-	747,578	-	(49,162)	698,416
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	(49,162)	686,852
At 31 December 2011	**14,684,726**	**(9,216,150)**	**342,049**	**(371,727)**	**5,438,898**
At 1 July 2010	14,014,642	(9,410,697)	320,686	(206,526)	4,718,105
Loss for the half-year	-	(281,407)	-	-	(281,407)
Other comprehensive income	-	-	-	(134,898)	(134,898)
Total comprehensive loss for the half-year	-	(281,407)	-	(134,898)	(416,305)
Transactions with owners in their capacity as owners					
Share based payments	-	-	10,860	-	10,860
Sub-total	-	(281,407)	10,860	(134,898)	(405,446)
At 31 December 2010	**14,014,642**	**(9,692,104)**	**331,546**	**(341,424)**	**4,312,660**

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 2011

	Consolidated	
	2011	2010
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	**3,881,427**	4,004,100
Payments to suppliers and employees (inclusive of GST)	**(3,175,741)**	(3,322,880)
Finance costs	**(39,033)**	(26,318)
Income tax paid	**(9,418)**	(13,157)
Net cash from operating activities	**657,235**	641,745
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(38,302)**	(24,399)
Disposal of property, plant and equipment	**-**	748
Capitalised development costs	**(1,003,388)**	(886,340)
Interest received	**8,669**	8,898
Net cash used in investing activities	**(1,033,021)**	(901,092)
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	**(394,802)**	(259,347)
Net foreign exchange differences	**(10,406)**	(88,743)
Cash at beginning of the period	**1,336,933**	1,435,366
Cash and cash equivalents held at end of the period	**931,726**	1,087,546

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 2011

Note 1: Basis of preparation and accounting policies

Basis of preparation

This general purpose financial report for the half-year ended 31 December 2011 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 Facilitate Digital Holdings Limited and its controlled entities as the annual report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2011 and considered together with any public announcements made by Facilitate Digital Holdings Limited during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations of the ASX listing rules.

Changes in accounting policies and disclosures

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

Capitalised development costs are amortised on a straight line basis once the products or services to which the costs relate have been commercialised or are being sold to customers. The methodology underlying the amortisation of development costs was revised from 48 months to 60 months from 1 January 2011.

Continuation as a going concern

The accounts have been prepared on a going concern basis as 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 six months from the end of the reporting period including their forecast of positive operating profits as well as expected debt repayment and potential sources of financing.

Rounding

Amounts in this report are rounded to the nearest $1.

Note 2: 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 2011 and 31 December 2010.

	Operations			
	Asia Pacific	**Europe**	**Americas**	**Total**
Revenue for the half-year ended 31 December 2011				
Segment Revenue	1,773,495	1,170,265	742,575	3,686,335
Other Income	573,055	-	-	573,055
Interest revenue	8,667	3	-	8,670
Total revenue and other income per the statement of comprehensive income	2,355,217	1,170,268	742,575	4,268,060
EBITDA	868,850	290,224	297,458	1,456,532
Revenue for the half-year ended 31 December 2010				
Segment Revenue	1,976,206	1,629,343	357,876	3,963,425
Other income	48,803	-	-	48,803
Interest revenue	8,894	4	-	8,898
Total revenue and other income per the statement of comprehensive income	2,033,903	1,629,347	357,876	4,021,125
EBITDA	567,652	352,499	(134,750)	785,401
Total segment assets				
31 December 2011	6,212,519	893,502	628,849	7,737,870
31 December 2010	5,081,779	1,399,125	270,745	6,751,649

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.

Reconciliation of EBITDA to profit before income tax as follows:	Consolidation	
	31 Dec 2011	31 Dec 2010
	$	$
EBITDA	**1,456,532**	785,401
Amortisation	**(588,062)**	(940,316)
Depreciation	**(54,606)**	(45,786)
Option-based payments	**(7,454)**	(10,860)
Interest Paid	**(35,097)**	(17,673)
Net profit/(loss) before tax	**771,313**	(229,233)

Note 3: Revenue and expenses

		Consolidated	
		31 Dec 2011	31 Dec 2010
		$	$
(a)	Revenue from continuing operations		
	Rendering of services	**3,686,335**	3,963,424
	Interest	**8,670**	8,898
		3,695,005	3,972,322
(b)	Other income		
	Government grants	**12,000**	24,000
	R&D tax incentive	**533,106**	-
	Unwinding of discounting on deferred consideration receivable	**27,949**	24,803
		573,055	48,803
(c)	Other expenses		
	Marketing expenses	**(29,063)**	(16,478)
	Occupancy expenses	**(213,838)**	(189,398)
	Administrative expenses	**(67,445)**	(71,906)
	Other	**(350,407)**	(423,067)
		(660,753)	(700,849)

Note 4: Cash & cash equivalents

	Consolidated	
	31 Dec 2011	31 Dec 2010
	$	$
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	**837,846**	993,573
Term deposit #	**93,880**	93,973
	931,726	1,087,546

The term deposit has a 12 month term, and is restricted as it must be held as security for a bank guarantee.

Note 5: Commitments and contingencies

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

Note 6: Events after balance date

There were no significant events between the balance date and the issuance of this report.

Declaration by Directors

The directors of the company declare that:

(a) The financial statements and notes set out on pages 9 to 16 are in accordance with the Corporations Act 2001 and:

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

   (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.

(b) In the directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

STUART SIMSON
Director

SYDNEY
27th February 2012

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Facilitate Digital Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Facilitate Digital Holdings Limited, which comprises the statement of financial position as at 31 December 2011, 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 summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity 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 disclosing entity 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 half-year financial report based on our review. We conducted our review in accordance with 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 2011 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 Facilitate Digital Holdings Limited, 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Facilitate Digital Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 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 2011 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*.

BDO

BDO Audit (NSW-Vic) Pty Ltd

N E Sinclair.

Neville Edward Sinclair

Director

Sydney, 27th February 2012