



**Ambertech Limited** and Controlled Entities  
ACN 079 080 158

**Appendix 4E** – Preliminary Final Report  
Year Ended 30 June 2012

For Immediate Release 29 August 2012

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**Results for Announcement** to the Market  
**Further Explanation** of the Results  
**Outlook** for the business

## Results for Announcement to the Market

For the year ended 30 June 2012

### Key Information

The following information is provided to the ASX under listing rule 4.3A.

	2012 \$'000	2011 \$'000	Movement Up/(Down) \$'000 %	
<b>Revenue</b> from ordinary activities	51,407	66,703	(15,296)	(22.9)
<b>Profit after income tax</b> for the period attributable to members	(4,693)	126	(4,819)	(3,824.6)

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### Dividends

The Board has announced that no final dividend will be paid in respect of the year ended 30 June 2012.

### Dividend History

There were no dividends paid or declared during the year ended 30 June 2012.

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	2012	2011
<b>Net Tangible Assets</b> per security	49.9c	55.4c

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**Further Explanation** of the results follows in the attached commentary.

## Consolidated Statement of Comprehensive Income

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>	51,407	66,703
Cost of sales	(36,196)	(47,541)
<b>Gross profit</b>	<b>15,211</b>	<b>19,162</b>
Other income	19	-
Employee benefits expense	(9,363)	(11,206)
Distribution costs	(1,314)	(1,483)
Marketing costs	(1,704)	(1,551)
Premises costs	(1,954)	(2,162)
Depreciation and amortisation expenses	(245)	(272)
Finance costs	(438)	(461)
Travel costs	(552)	(648)
Restructure costs	(555)	-
Impairment of goodwill	(2,970)	-
Relocation expenses	(274)	-
Other expenses	(1,108)	(1,221)
<b>(Loss) / Profit before income tax expense</b>	<b>(5,247)</b>	<b>158</b>
Income tax benefit / (expense)	554	(32)
<b>(Loss) / Profit for the year</b>	<b>(4,693)</b>	<b>126</b>
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	12	(52)
<b>Total comprehensive income for the year</b>	<b>(4,681)</b>	<b>74</b>
<b>Earnings per share</b>		
Basic earnings per share (cents)	(15.4)	0.4
Diluted earnings per share (cents)	(15.4)	0.4

*The consolidated statement of comprehensive income is to be read in conjunction with the attached notes.*

**Consolidated Statement** of Financial Position

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,495	3,134
Trade and other receivables	6,841	13,128
Current tax assets	133	326
Inventories	12,550	13,571
<b>TOTAL CURRENT ASSETS</b>	<b>22,019</b>	<b>30,159</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	1,969	380
Intangible assets	45	3,054
Deferred tax assets	1,428	866
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,442</b>	<b>4,300</b>
<b>TOTAL ASSETS</b>	<b>25,461</b>	<b>34,459</b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	4,839	9,493
Other financial liabilities	3,427	3,000
Provisions	910	1,128
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,176</b>	<b>13,621</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	801	804
Other financial liabilities	121	-
Deferred tax liabilities	58	52
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>980</b>	<b>856</b>
<b>TOTAL LIABILITIES</b>	<b>10,156</b>	<b>14,477</b>
<b>NET ASSETS</b>	<b>15,305</b>	<b>19,982</b>
<b><u>EQUITY</u></b>		
Share capital	11,138	11,138
Reserves	(118)	(116)
Retained earnings	4,285	8,960
<b>TOTAL EQUITY</b>	<b>15,305</b>	<b>19,982</b>

*The consolidated statement of financial position is to be read in conjunction with the attached notes.*

## Consolidated Statement of Changes in Equity

	Share Capital \$'000	Option Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Economic Entity</b>					
<b>Balance as at 30 June 2010</b>	<b>11,146</b>	<b>86</b>	<b>(92)</b>	<b>8,917</b>	<b>20,057</b>
Total comprehensive income for the year	-	-	(52)	126	74
<b>Transactions with equity holders:</b>					
Shares bought back during the year	(8)	-	-	-	(8)
Costs of share based payments	-	(58)	-	70	12
Dividends	-	-	-	(153)	(153)
<b>Balance as at 30 June 2011</b>	<b>11,138</b>	<b>28</b>	<b>(144)</b>	<b>8,960</b>	<b>19,982</b>
Total comprehensive income for the year	-	-	12	(4,693)	(4,681)
<b>Transactions with equity holders:</b>					
Shares bought back during the year	-	-	-	-	-
Costs of share based payments	-	(14)	-	18	4
Dividends	-	-	-	-	-
	-	(14)	-	18	4
<b>Balance as at 30 June 2012</b>	<b>11,138</b>	<b>14</b>	<b>(132)</b>	<b>4,285</b>	<b>15,305</b>

*The consolidated statement of changes in equity is to be read in conjunction with the attached notes.*

**Consolidated statement** of Cash Flows

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	62,649	67,397
Payments to suppliers and employees	(58,236)	(59,834)
Interest received	52	20
Interest and other costs of finance paid	(438)	(461)
Income taxes paid	(132)	(538)
Income taxes refunded	325	361
Goods and services tax remitted	(3,460)	(4,822)
<b>Net cash provided by operating activities</b>	<b>760</b>	<b>2,123</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for plant and equipment	(1,785)	(82)
Payments for intangible assets - website	(13)	(125)
<b>Net cash (used in) investing activities</b>	<b>(1,798)</b>	<b>(207)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	-	(153)
Proceeds from borrowings	400	-
Payments for shares bought back	-	(8)
Repayment of borrowings	-	(1,700)
<b>Net cash provided by / (used in) financing activities</b>	<b>400</b>	<b>(1,861)</b>
Net (decrease)/increase in cash and cash equivalents held	(638)	55
Cash and cash equivalents at beginning of year	3,134	3,090
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies at the beginning of the financial year	(1)	(11)
<b>Cash and cash equivalents at end of year</b>	<b>2,495</b>	<b>3,134</b>

*The consolidated statement of cash flows is to be read in conjunction with the attached notes.*

## Notes to the Consolidated Financial Statements

	2012 \$'000	2011 \$'000
<b>1. Basis of Preparation</b>		
The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and is based on accounts which are in the process of being audited.		
These consolidated preliminary financial statements should be read in conjunction with the 2011 Annual Report, the December 2011 half year report and any announcement by Ambertech Limited in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.		
<b>2. Revenue</b>		
Sale of goods and services	51,355	66,683
Interest received	52	20
<b>Total</b>	<b>51,407</b>	<b>66,703</b>
Other income		
- Net foreign exchange gains	19	-
<b>3. Expenses</b>		
Additional information on the nature of expenses		
<b>Inventories</b>		
Cost of sales	36,196	47,541
Movement in provision for inventory obsolescence	191	18
<b>Employee benefits expense</b>		
Salaries and wages	8,907	10,704
Employee termination expense	456	502
	<b>9,363</b>	<b>11,206</b>
<b>Depreciation</b>		
Plant and equipment	123	139
Furniture and fittings	29	26
Leasehold improvements	34	66
Leased plant and equipment	7	-
	<b>193</b>	<b>231</b>
<b>Amortisation</b>		
Website costs	52	41
<b>Bad and doubtful debts</b>		
	16	163
<b>Rental expense on operating leases</b>		
Minimum lease payments	1,193	1,315
Net foreign exchange losses	-	57
Net loss on disposal of plant and equipment	3	1
Net fair value (loss) / gain on derivative financial instruments - forward exchange contracts	(18)	45

## Notes to the Consolidated Financial Statements

	2012	2011
	\$'000	\$'000
<b>4. Cash Flow Information</b>		
<b>(i) Cash and cash equivalents</b>		
Cash and cash equivalents included in the statement of cash flows comprise of the following amounts:		
Cash on hand	3	3
At call deposits with financial institutions	2,492	3,131
	<b>2,495</b>	<b>3,134</b>
<b>(ii) Reconciliation of net cash provided by / (used in) operating activities to profit or loss after income tax</b>		
<b>(Loss) / Profit for the year</b>	<b>(4,693)</b>	<b>126</b>
Depreciation and amortisation	245	272
Impairment of goodwill	2,970	-
Net loss on disposal of plant and equipment	3	1
Foreign exchange (gains) / losses	(19)	57
Non-cash share based payments	4	12
Changes in operating assets and liabilities		
Decrease/(Increase) in trade and other receivables	6,291	(5,344)
Decrease in inventories	1,032	2,480
Decrease in tax receivable	311	368
(Decrease)/Increase in payables	(4,758)	4,173
Increase in lease liabilities	149	-
(Decrease)/Increase in provisions	(221)	160
(Increase) in deferred taxes	(554)	(182)
<b>Net cash provided by operating activities</b>	<b>760</b>	<b>2,123</b>

### (iii) Non Cash Financing and Investing Activities

There were no non-cash financing or investing activities during the financial year.



**Notes to the** Consolidated Financial Statements

	<b>2012</b>	<b>2011</b>
<b>5. Earnings Per Share</b>		
<b>Basic earnings per share (cents)</b>	<b>(15.4)</b>	<b>0.4</b>
Weighted average number of ordinary shares (number)	30,573,181	30,590,832
Earnings used to calculate basic earnings per share (\$)	(4,693,000)	126,000
<b>Diluted earnings per share (cents)</b>	<b>(15.4)</b>	<b>0.4</b>
Weighted average number of ordinary shares (number)	30,573,181	30,590,832
Earnings used to calculate diluted earnings per share (\$)	(4,693,000)	126,000

The effect of the Executive Share Option Plan options on issue is not considered dilutionary because based on conditions at the date of this report, it is considered unlikely that these options would be converted into ordinary shares.

## Further Explanation of the results

For the year ended 30 June 2012

### Segment Results

	Lifestyle Entertainment			Professional			New Zealand		
	2012	2011	Change up/(down)	2012	2011	Change up/(down)	2012	2011	Change up/(down)
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	\$'000	%
<b>Sales revenue</b>	<b>29,342</b>	<b>38,385</b>	<b>(23.6)</b>	<b>19,516</b>	<b>26,328</b>	<b>(25.6)</b>	<b>2,497</b>	<b>2,060</b>	<b>21.2</b>
<b>Underlying EBIT</b>	<b>(1,068)</b>	<b>306</b>	<b>(449.0)</b>	<b>57</b>	<b>846</b>	<b>(93.3)</b>	<b>87</b>	<b>(164)</b>	<b>153.0</b>
Impairment charge	(1,963)	-	-	(963)	-	-	(44)	-	-
<b>Segment EBIT</b>	<b>(3,031)</b>	<b>306</b>	<b>(1090.5)</b>	<b>(906)</b>	<b>846</b>	<b>(207.1)</b>	<b>43</b>	<b>(164)</b>	<b>126.2</b>

Significant change and multiple challenges were the overriding themes of the 2011-12 financial year for Ambertech, and this is certainly reflected in the results being reported. The major factors that impacted the sales revenue for the year were:

- The compounding impact of issues relating to supply, quality control and feature set of a major product line during the year, outside of our control. These issues contributed to market share loss and margin erosion for our lifestyle segment. These issues have now been addressed;
- Continued caution with discretionary spend of retail consumers; and
- Deferral in capital equipment spending at major Australian broadcasters during the year.

The underlying results of the business included the following one off costs:

- Costs associated with the move of Ambertech's head office of \$274,000.
- Restructure costs for the financial year of \$555,000, including \$465,000 incurred in our lifestyle entertainment segment.
- Bad debt incurred as a result of the receivership of the WOW Audio Visual Superstores of approximately \$150,000.

Further to the underlying results, and on the basis of results provided by financial modeling a charge of \$2.97M has been raised to reflect the Board's view that goodwill previously recognised in the assets of Ambertech has been fully impaired.

Despite the difficult trading, Ambertech remained operating cash flow positive for the financial year.

## **Outlook** for the business

The 2012-13 financial year has begun with some pleasing results across our traditional market segments. As a result, we are cautiously optimistic that we can deliver on our business strategies, which are focused on returning positive results for our investors in the short term.

At this early stage we are unable to provide guidance on potential results with any certainty; however we expect to be able to update investors by the time of holding the company's AGM.

The Board and management remain focused on utilizing the traditional strengths of the Ambertech business as a technical distributor to bring new products and brands to market and to redefine the methods and channels in which the business operates. These initiatives are underway and are the key drivers of future revenue and profit growth.

**On behalf** of the Board of Ambertech Limited



**Robert Glasson**

CFO, Company Secretary  
Sydney, 29 August 2012