

COMDEK LIMITED

ABN 91 059 950 337

Appendix 4D

Half year report

Six Months ended ('current period') 31 December 2003

Results for announcement to the market

Name of entity

Comdek Limited

ABN or equivalent company reference

91 059 950 337

The information contained in this report relates to the following years:

Current half-year ended	31-Dec-2003
Previous half-year ended	N/A

	\$A'000
2.1 Revenue from ordinary activities:	1,902
2.2 (Loss) from ordinary activities after tax attributable to members:	(55)
2.3 Net (Loss) for the period attributable to members:	(55)

Dividends (distributions)	Amount per security	Franked amount per security
2.4 Dividends	-	-
Previous corresponding period	-	-
2.5 Record date for determining entitlements to the dividend: (in the case of a trust, distribution) (see item 15.2)	N/A no dividends have been declared or paid.	

3 NTA backing	Current period (cents)	Previous corresponding period
Net tangible asset backing per ordinary security	8.04	N/A

4. Details of controlled entities.

4.1 Control gained over entities having material effect

Name of entity (or group of entities)

No entities have been acquired during the period

Date from which control was gained

N/A

Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.

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COMDEK LIMITED

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Appendix 4D

Half year report

Six Months ended ('current period') 31 December 2003
continued

4.2 Control lost over entities having material effect

Name of entity (or group of entities)

No entities were disposed of during the period

Date from which control was lost

N/A

Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

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5. **Details of dividends:** No dividends have been declared or proposed.
6. **Details of dividend reinvestment plans:** N/A
7. **Details of associate and joint ventures:** N/A
8. **Foreign entities:** N/A
9. **Details of audit dispute or audit qualification:** N/A
10. **Other significant information:** Refer to the attached reviewed Half year financial report
11. **Commentary on results for the period:** Refer to the attached Directors' Report included in the Half year financial report.
12. **Audited accounts:** The report is based on the attached half year financial report which has been reviewed.

COMDEK LIMITED

ABN 91 059 950 337

Half -Year Financial Report

For the six months ended 31 December 2003

COMDEK LIMITED

Directors' Report

Your directors submit their report for the half year ended 31 December 2003.

Directors

The names of directors in office during the financial year and until the date of signing this report are as follows. Directors were in office for this entire period unless otherwise stated.

Hendy Cowan - Chairman

Haydn Lee Collins - Managing Director & Company Secretary

Jeffrey Mark Garrett - Director

David Falconer - Non-Executive Director

Highlights

- Completion of initial public offering and listing on the Australian Stock Exchange (ASX) on 31 October 2003.
- Completion of acquisition of the remaining 20% of Comdek Satellite Communications Pty Ltd resulting in 100% ownership of the subsidiary which owns the satellite communications business.
- Satellite services upgrade, as detailed in prospectus, including:
 - Earth station hub upgrade;
 - Quality of service improvements;
 - Satellite service transmission improvements including signal strength, robustness and redundancy improvements.
- Revenue generated from new transportable satellite service product.

Review and Results of Operations

Review

Comdek is a satellite communications and computer company whose objective is to enhance shareholder wealth through growth of its business units. The Company's focus is to facilitate and continue growth of its existing satellite communications business throughout national and international markets. Comdek will consider strategic acquisitions and joint venture arrangements to facilitate achieving this objective. In the past 3 years Comdek has diversified into two core business units:

Comdek Satellite Communications which supplies telephony, data, fax, eftpos and internet to remote sites following the installation of satellite infrastructure.

Comdek Computers which provide complete technology solutions through the:

- manufacture and supply of computer hardware, personal computers, file servers and peripherals; and
- design, installation and support of network solutions including software/hardware upgrades and service contracts; and
- provision of dial-up and broadband internet services.

First Interim Financial Report

Prior to the listing on the ASX on 31 October 2003 the Company was not required to prepare a half year financial report. Accordingly the consolidated entity has applied Accounting Standard AASB 1029 "Interim Financial Reporting" for the first time this reporting period. Comparative information for the statement of financial performance and cash flows with respect to the six months ended is not available. The Condensed Statement of Financial Position includes comparative information as at 30 June 2003.

Results of Operations

As detailed in the prospectus of the Company dated 26 August 2003, the key purpose of the capital raising associated with the listing on the ASX on 31 October 2003 was to provide the necessary funds to:

1. Upgrade the existing satellite communications service;
2. Provide a platform for the future growth of the satellite communications business;
3. Complete the acquisition of the remaining 20% minority interest in the subsidiary that contained the satellite communications business; and
4. Retire debt.

The directors are pleased to advise all of these core goals have been achieved during the half year ended 31 December 2003 since the listing of the Company on ASX on 31 October 2003.

Financial Result

The Directors are pleased with the financial result that indicates a strong core profitability of the Company. Comdek generated an EBITDA of \$418,213 for the six months ended 31 December 2003. This result is evidence of the transformation of the business from being solely a computer manufacturer and wholesaler to the greater reliance on the higher margin recurring revenue of the satellite communications business. The transformation has seen a significant reduction in employee costs.

Comdek generated a net loss after tax of \$55,059. It should be noted that the half year result contains significant one off expenditure resulting from the listing on ASX. Most notable in these expenses includes a one off interest payment to convertible note holders of \$226,333. As a result of the conversion of these convertible notes to ordinary shares Comdek has no ongoing interest liability in respect of the convertible notes. Other interest bearing liabilities have also been repaid that will result in significantly lower ongoing interest expense.

Satellite Business

While ongoing improvements to the satellite service will continue to be made in pursuit of ever higher standards of service delivery there will be significant savings in the capital expenditure forecast in the prospectus necessary to achieve the improvements in service outlined in the prospectus. The Company has taken advantage of advances in satellite communications technology that has enabled improvements to be made at a much lower cost. The Company continues to work closely with its satellite service customers to ensure continuing improvements in satellite service delivery.

The satellite communications business of Comdek continued to develop during the half year. The primary focus in recent years has been to manage the transition of the business from computer hardware to satellite communications.

Satellite communication revenue has increased to 32% of core revenues. As at the date of the report the Company has added 6 new satellite sites and upgraded 2 existing services with customers.

Computer Business

The restructuring of the computer business has enabled improvements in profitability and enables the business to focus on higher margin business that should result in further profit growth in the future.

Future Potential

The savings in capital expenditure will result in a lower impact in the future resulting from depreciation of capital items. The savings have also resulted in freeing up of working capital and improves the opportunities to consider growth by acquisition.

Signed in accordance with a resolution of the directors.



Haydn Lee Collins
Managing Director

Perth, 27 February 2004

COMDEK LIMITED

Condensed Statement of Financial Performance

HALF-YEAR ENDED 31 DECEMBER 2003

	Notes	Consolidated 6 months 31 December 2003
		\$
Revenue from ordinary activities	2	1,902,442
Expenses from ordinary activities		
Raw materials and consumables used		814,998
Depreciation and amortisation expenses		168,117
Borrowing costs expense		317,446
Occupancy expenses		125,773
Salaries and employee benefits expenses		310,584
Administration expenses		220,583
Loss from Ordinary Activities before Income Tax Benefit		(55,059)
Income Tax Relating to Ordinary Activities		-
Net Loss from Ordinary Activities after Income Tax Benefit		(55,059)
Net Loss attributable to outside equity interest		-
Net Loss attributable to members of Comdek Ltd		(55,059)
Share issue costs		(327,795)
Total revenue, expenses and valuation adjustments attributable to members of Comdek Limited and recognised directly in equity		(327,795)
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of Comdek Ltd		(382,854)
Basic earnings / (loss) per share (cents per share)		(0.133)
Diluted earnings / (loss) per share (cents per share)		(0.133)

COMDEK LIMITED

Condensed Statement of Financial Position

HALF-YEAR ENDED 31 DECEMBER 2003

	Consolidated	
	As at 31 December 2003	As at 30 June 2003
	\$	\$
Current Assets		
Cash assets	896,319	6,848
Receivables	810,477	597,858
Inventories	781,049	771,851
Other	2,158	130,276
Total Current Assets	2,490,003	1,506,833
Non-Current Assets		
Receivables	-	198,450
Plant & Equipment	1,656,224	1,377,320
Intangible assets	441,466	128,465
Other	61,477	232,760
Total Non-Current Assets	2,159,167	1,936,995
TOTAL ASSETS	4,649,170	3,443,828
Current Liabilities		
Payables	461,033	858,728
Interest-bearing liabilities	-	828,214
Current tax liabilities	59,132	62,132
Provisions	31,032	36,462
Total Current Liabilities	551,197	1,785,536
Non-Current Liabilities		
Interest-bearing liabilities	339,429	836,668
Total Non-Current Liabilities	339,429	836,668
TOTAL LIABILITIES	890,626	2,622,204
NET ASSETS	3,758,544	821,624
EQUITY		
Contributed equity	4,327,305	1,419,600
Accumulated losses	(568,761)	(513,702)
Outside equity interest	-	(84,274)
TOTAL EQUITY	3,758,544	821,624

COMDEK LIMITED

Condensed Statement of Cash Flows

HALF-YEAR ENDED 31 DECEMBER 2003

	Consolidated 6 months 31 December 2003 \$
Cash Flows from Operating Activities	
Receipts from customers	1,875,982
Payments to suppliers and employees	(2,095,268)
Interest received	12,291
Borrowing costs paid	(317,446)
Net Cash Flows (Used In) Operating Activities	(524,441) *
Cash Flows from Investing Activities	
Proceeds on sale of plant & equipment	-
Payment for property, plant and equipment	(156,707)
Payment for purchase of Comdek Satellite Communications	(250,000)
Net Cash Flows (Used In) Investing Activities	(406,707)
Cash Flows from Financing Activities	
Proceeds from issue of ordinary shares	2,556,500
Payment of share issue costs	(327,795)
Proceeds from / (repayments of) finance leases	(107,747)
Net Cash Flows (Used In) Financing Activities	2,120,958
NET (DECREASE) IN CASH HELD	1,189,810
Add opening cash brought forward	(293,491)
CLOSING CASH CARRIED FORWARD	896,319

* This includes the payment of \$226,333 in one off interest expense related to the conversion of convertible notes upon listing on ASX.

COMDEK LIMITED

Notes to the Half Year Financial Statements

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT.

The half-year financial report does not include all the 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.

The half-year financial report should be read in conjunction with the Annual Financial Report of Comdek Limited as at 30 June 2003. It is also recommended that the half-year financial report be considered together with any public announcements made by Comdek Limited and its controlled entities during the half-year ended 31 December 2003 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 1029 "Interim Financial Reporting". Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The half year report has been prepared in accordance with historical cost convention. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

(b) Changes in accounting policy

There have been no material changes to accounting policies during the half year.

2. LOSS FROM ORDINARY ACTIVITIES

31 December 2003
\$

(a) Specific items

Loss from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:

(i) Revenue from ordinary activities

Revenue from sale of goods	1,313,813
Revenue from services	576,338
Interest income	12,291
	<hr/>
	1,902,442

(ii) Expenses

Costs of goods sold	(609,054)
Borrowing costs	(317,446)
Depreciation	
- Plant & Equipment	(126,673)
Amortisation	
- Intangible Assets	(41,444)
Total interest depreciation & amortisation	<hr/>
	(1,094,617)

Borrowing costs includes a one off interest payment to convertible note holders upon listing upon ASX. The interest payment amounted to a total of \$226,333. This interest liability upon listing on ASX was disclosed in the prospectus of the company dated 26 August 2003. The listing of the Company on ASX resulted in a conversion of the convertible notes into ordinary shares.

3. CONTINGENT ASSETS AND LIABILITIES

The Company is not aware of any contingent assets and liabilities as at 31 December 2003 or as at the date of this report.

4. SEGMENT INFORMATION

The consolidated entity operates predominantly in one business segment, the supply of computer hardware and support services in one geographical segment, Australia.

5. SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since the end of the half year which significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in the subsequent financial years.

6. COMPARATIVES

Prior to the listing on the ASX on 31 October 2003 the Company was not required to prepare a half year financial report. Accordingly the consolidated entity has applied Accounting Standard AASB 1029 "Interim Financial Reporting" for the first time this reporting period. Comparative information for the statement of financial performance and cash flows with respect to the six months ended is not available. The Condensed Statement of Financial Position includes comparative information as at 30 June 2003.

COMDEK LIMITED

Directors Declaration

In accordance with a resolution of the directors of Comdek 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 consolidated entity's financial position as at 31 December 2003 and of the performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and 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.



Haydn Lee Collins
Managing Director

Perth, 27 February 2004

Independent review report to members of Comdek Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for the consolidated entity comprising both Comdek Limited ("the company") and the entities it controlled during that half year, and the directors' declaration for the company, for the half year ended 31 December 2003.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our review of the financial report, we were engaged to undertake the services. The provision of these services has not impaired our independence.


Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report, as defined in the scope section, of Comdek Limited and the entities it controlled is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity at 31 December 2003 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



V W Tidy
Partner
Perth

Date: 27 February 2004

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