

Appendix 4E

Preliminary final report

Origin Appendix 4B

Name of entity

Comdek Ltd

ABN or equivalent company reference	Preliminary final (tick)	Financial year ended ('current period')
91 059 950 337	✓	30 JUNE 2004

2. Results for announcement to the market

\$A'000

2.1 Revenues from ordinary activities	Down %	36% to	4,259
2.2 Profit (loss) from ordinary activities after tax attributable to members	Up %	32% to	(228)
2.3 Net profit (loss) for the period attributable to members	Up %	32% to	(228)

2.4 Dividends (distributions)	Amount per security	Franked amount per security
Final dividend <i>If no dividend then Statement that it is not proposing any dividends is required</i>	Not proposing any dividend	Not proposing any dividend
Previous corresponding period	0-¢	0-¢

2.5 Record date for determining entitlements to the dividend.

N/A

2.6 Brief explanation of any of the figures reported above in 2.1 to 2.4 necessary to enable the figures to be understood:

Revenue from operating activities represents the shift away from the historic revenue streams of computer hardware and the focus being directed towards recurring revenue business lines.

Revenue from the acquisition of Vianetaip Pty Ltd was not consolidated until late in the year and the acquisition and integration process has delayed the planned development of new revenue lines. With the full impact of Vianetaip revenue and development on new revenues a significant increase in revenue is expected in the full year 2005. The integration and migration of Vianetaip was completed in July 2004. During the integration cost savings in excess of \$500,000 per annum were implemented in the group the results of which will be felt in the 2005 financial year.

The net profit figure contains a number of one off costs related to the float on ASX of Comdek Ltd on 31 October 2003 including interest payable upon IPO to convertible noteholders. Depreciation and amortisation costs also totalled \$413,244.

+ See chapter 19 for defined terms.

3. Statement of Financial Performance

	Consolidated	
	2004 \$'000	2003 \$'000
Revenues from ordinary activities		
Operating revenue	4,259	6,703
Other revenue	41	183
Total revenues	4,300	6,886
Expenses from ordinary activities		
Human resources	(761)	(1,134)
Raw materials and Consumables	(2,305)	(4,680)
Depreciation and Amortisation	(413)	(271)
Occupancy costs	(85)	(185)
Borrowing costs	(352)	(153)
Other costs	(709)	(741)
Share of net losses of associate accounted for using the equity method		
Total operating expenses	(4,625)	(7,165)
Profit from ordinary activities before income tax	(326)	(278)
Income tax benefit/(expense) relating to ordinary activities	98	(60)
Net profit attributable to members of the parent entity	(228)	(339)

+ See chapter 19 for defined terms.

4. Statement of Financial Position

	Consolidated	
	2004 \$'000	2003 \$'000
Current Assets		
Cash assets	135	7
Receivables	748	598
Other financial assets	1,103	772
Other	162	130
Total Current Assets	<u>2,148</u>	<u>1,507</u>
Non-Current Assets		
Other financial assets	2,278	560
Property, plant and equipment	1,766	1,377
Total Non-Current Assets	<u>4,045</u>	<u>1,937</u>
Total Assets	<u>6,193</u>	<u>3,444</u>
Current Liabilities		
Payables	910	859
Interest bearing liabilities	269	828
Other provisions	113	36
Other	184	62
Total Current Liabilities	<u>1,475</u>	<u>1,785</u>
Non-Current Liabilities		
Interest bearing liabilities	1,135	837
Other provisions		
Other		
Total Non-Current Liabilities	<u>1,134</u>	<u>837</u>
Total Liabilities	<u>2,610</u>	<u>2,622</u>
Net Assets	<u>3,584</u>	<u>822</u>
Equity		
Contributed equity	4,326	1,355
Accumulated losses	(742)	(514)
Total Equity	<u>3,584</u>	<u>822</u>

+ See chapter 19 for defined terms.

5. Statement of Cash Flows

	Consolidated	
	2004 \$'000	2003 \$'000
	Inflows/(Outflows)	
Cash flows from operating activities		
Receipts from customers	4,743	7,873
Payments to suppliers and employees	(4,521)	(7,493)
Dividends received		
Interest received	18	
Interest paid	(192)	
Income tax paid	(38)	(153)
Other	51	
Net change in client balances		
Net cash (used in)/provided by operating activities	61	227
Cash flows from investing activities		
Payments for plant and equipment	(177)	(476)
Proceeds/(Payments) for other assets	(911)	(61)
Loans to other entities	(83)	
Loans repaid by other entities	259	
Net cash provided by/(used in) investing activities	(912)	(536)
Cash flows from financing activities		
Proceeds from share issue	2,557	497
Proceeds from/(repayment of) borrowing/convertible notes	(1,023)	
Repayment of finance lease principal	(324)	(139)
Advances from/(to) related parties		(196)
Net cash provided by/(used in) financing activities	1,210	163
Net increase/(decrease) in cash held	359	(147)
Cash at the beginning of the financial year	(293)	(147)
Effects of exchange rate change		
Cash at the end of the financial year	65	(293)

+ See chapter 19 for defined terms.

6. Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable

Not applicable

If it is a final dividend, has it been declared?
(Preliminary final report only)

Not applicable

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
Final dividend: Current year	0¢	0¢	0¢
Previous year	0¢	0¢	0¢
Interim dividend: Current year	0¢	0¢	0¢
Previous year	0¢	0¢	0¢

7. Details of dividend or distribution reinvestment plans in operation

Not applicable

8. Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits (accumulated losses) at the beginning of the financial period	(514)	(175)
Net profit (loss) attributable to members	(228)	(338)
Net transfers from (to) reserves <i>(details if material)</i>		
Net effect of changes in accounting policies		(2)
Dividends and other equity distributions paid or payable		
Retained profits (accumulated losses) at end of financial period	(742)	(514)

+ See chapter 19 for defined terms.

9. NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	3.9 cents	Not applicable

10. Control gained over entities having material effect

Name of entity (or group of entities)	Vianetaip Pty Ltd
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Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	\$'000 (\$80)
Date from which such profit has been calculated	25 March 2004
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	Not applicable

Loss of control of entities having material effect

Name of entity (or group of entities)	Not applicable	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$	
Date to which the profit (loss) has been calculated		
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$	
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$	

+ See chapter 19 for defined terms.

11. Details of aggregate share of profits (losses) of associates and joint venture entities.

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
Equity accounted associates and joint venture entities				
Not applicable				
Other material interests	-	-	-	-
Total	-	-	-	-

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Comdek expects a significant increase in earnings in 2005 as the Vianetaip acquired business will contribute income for the full year. Through this acquisition Comdek has diversified its delivery mechanism from being dominated by satellite to include terrestrial means through dial up and ADSL business of Vianetaip.

This diversification has resulted in Comdek becoming a data reticulation focussed business and will result in greater earnings and access to significantly greater domestic markets. Large cost savings have been generated through merger of the two businesses and through the combination of technical expertise Comdek will launch new products and revenue lines throughout 2005 in markets not previously available to Comdek.

13. Foreign entities set of accounting standards used in compiling the report (IAS)

Not applicable

+ See chapter 19 for defined terms.

14. Commentary on the results for the period.

14.1 Earnings per security (EPS)	Current period	Previous corresponding period
Basic EPS	(0.5 cents)	Not applicable
Diluted EPS	(0.5 cents)	Not applicable

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2004	2003
	\$'000	\$'000
Net profit	(228)	
Adjustments:		
Net loss attributable to equity interest		
Write-off in carrying value of investment		
Earnings used in calculation of basic and diluted earnings per share	(228)	
	<u> </u>	<u> </u>
	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share:	<u>41,280,000</u>	<u>Not applicable</u>

14.2 Returns to shareholders (Including distributions and buy backs)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities (relates to entity acquired during the period)	35	Not applicable
Preference securities (each class separately)	Not applicable	Not applicable
Other equity instruments (each class separately)	Not applicable	Not applicable
Total	35	-

The +dividend or distribution plans shown below are in operation.

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The last date(s) for receipt of election notices for the dividend or distribution plans

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Any other disclosures in relation to dividends (distributions).

+ See chapter 19 for defined terms.

14.3 Significant features of operating performance

Managing Directors Report

Comdek shares were officially quoted on the Australian Stock Exchange on 31 October 2003. The key objectives of the company as stated in the Prospectus dated 26 August 2003 were to:

- fund the growth and expansion of the core business units;
- upgrade the satellite communications hub at operational headquarters at West Perth;
- acquire remaining 20% of Comdek Satellite Communications Pty Ltd held by private investors;
- expand marketing activities to target corporate virtual private networks (VPN), national and international mine site satellite communications opportunities;
- consider acquisition opportunities and establishment of new business units.

Comdek believes that it has successfully completed each of these objectives and created the base for significant revenue and EBITDA growth throughout the financial year ended 30 June 2005.

14.4 Segment Information

Not applicable

14.5 Report on trends in performance

Comdek has successfully moved its core business from that of sale of Computer Hardware to the recurring revenue streams of voice and data reticulation. The delivery of these services throughout Australia provides Comdek with a unique opportunity to further access the significant voice/VOIP market and to deliver these new products to the existing customer base.

14.6 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified.

The net profit figure contains a number of one off costs related to the float on ASX of Comdek Ltd on 31 October 2003 including interest payable upon IPO to convertible noteholders.

The integration of Vianetaip also resulted in one off costs that will not recur in 2005. The completion of the integration has resulted in significant cost savings which together with the contribution of revenue for the full financial year and the development of new products will result in a significant increase in revenue and earnings.

Any other information required to be disclosed to enable the reader to compare the information presented with equivalent information for previous periods. This must include information needed by an investor to make an informed assessment of the entity's activities and results.

15 This report is based on accounts to which one of the following applies.

- | | | | |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have <i>not</i> yet been audited or reviewed. |

+ See chapter 19 for defined terms.

16 If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

Not applicable

17 If the accounts have not been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

Not applicable

Sign here:



(Director/Company secretary)

Date: 27 August 2004

Print name:

Haydn Collins