

# Appendix 4E

Preliminary final report  
Year ended 30 June 2009

**HELICON GROUP LIMITED** ACN 107 903 159

## Results for announcement to the market

			Current period (\$A'000)		Previous corresponding period (\$A'000)
<b>Revenues from ordinary activities</b> <i>(item 1.1)</i>	Down 59%	To	48	From	117
<b>Profit (loss) from ordinary activities after tax attributable to members</b> <i>(item 1.22)</i>	Down 33%	To	(881)	From	(1,318)
<b>Net profit (loss) for the period attributable to members</b> <i>(item 1.11)</i>	Down 33%	To	(881)	From	(1,318)
<p><b>Comments:</b> The Company continued to progress approval of four products through the State Food and Drug Administration in China. An unrestricted approval for the first of the products, ReCell®, was received of 14 August 2009.</p> <p>In November the Company announced cost reduction measures to conserve cash for at least 18 months. Expenditure since that time has been in line with expectations.</p>					
<p><b>Dividends</b> It is not proposed to pay dividends.</p>					
<b>Net Tangible Assets per Security</b>			1.1 cents		2.2 cents

**Helicon Group Limited**  
**Preliminary Consolidated Income Statement**  
**For the year ended 30 June 2009**

	Note	2009	2008
		\$	\$
Income from ordinary activities	2	47,804	117,351
Cost of goods sold		(24,580)	(3,406)
Employee benefits expense	4	(321,663)	(333,748)
Depreciation	3	(5,155)	(1,542)
Sales and marketing		(62,811)	(193,962)
Accounting and secretarial services		(79,252)	(75,358)
Travel & accommodation		(58,517)	(106,909)
Consulting fees		(77,978)	(212,481)
Other expenses		(90,154)	(234,355)
Insurance		(56,877)	(50,609)
Director fees		(124,441)	(130,800)
Regulatory expenses		(23,731)	(88,773)
Finance costs		(3,699)	(3,392)
Loss from ordinary activities before income tax expense		(881,054)	(1,317,984)
Income tax (expense) / benefit relating to ordinary activities		29	-
Loss from ordinary activities after income tax		(881,025)	(1,317,984)
Basic earnings/(loss) per share	5	(1.05) cents	(1.60) cents
Diluted earnings/(loss) per share- not calculated	5		

The accompanying notes form an integral part of these financial statements.

**Helicon Group Limited**  
**Preliminary Consolidated Balance Sheet**  
**As at 30 June 2009**

	Note	2009 \$	2008 \$
<b>Current Assets</b>			
Cash & cash equivalents	6	803,118	1,820,557
Trade & other receivables	7	15,051	24,732
Inventory	8	-	24,580
Other	9	226,729	108,752
<b>Total Current Assets</b>		1,044,898	1,978,621
<b>Non Current Assets</b>			
Property, plant & equipment	10	6,915	6,835
<b>Total Non Current Assets</b>		6,915	6,835
<b>Total Assets</b>		1,051,813	1,985,456
<b>Current Liabilities</b>			
Trade & other payables	11	67,331	139,263
Employee benefits	12	31,441	26,240
<b>Total Current Liabilities</b>		98,772	165,503
<b>Total Liabilities</b>		98,772	165,503
<b>Net Assets</b>		953,041	1,819,953
<b>Equity</b>			
Issued Capital	13	4,576,161	4,573,405
Accumulated Losses	14	(3,852,903)	(2,971,878)
Reserves	15	229,783	218,426
<b>Total Equity</b>		953,041	1,819,953

The accompanying notes form an integral part of these financial statements.

**Helicon Group Limited**  
**Preliminary Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2009**

	Note	2009 \$	2008 \$
<b>Cash Flow From Operating Activities</b>			
Cash paid to suppliers & employees		(940,803)	(1,258,997)
Interest received		47,804	114,321
Income taxes refunded		29	-
Other		(64)	-
Receipts from customers		-	1,996
Net cash flows from operating activities	16	(893,034)	(1,142,680)
<b>Cash Flow From Investing Activities</b>			
Acquisition of property, plant & equipment		(5,235)	(6,585)
Non-interest bearing receivable		(125,000)	-
Net cash flows used in investing activities		(130,235)	(6,585)
<b>Cash Flow From Financing Activities</b>			
Proceeds from issue of shares		-	2,986,300
Proceeds from borrowings		58,300	61,660
Repayment of borrowings		(52,470)	(61,660)
Payment of transaction costs		-	(239,374)
Share capital raising costs		-	-
Net cash flows from financing activities		5,830	2,746,926
Net increase / (decrease) in cash & cash equivalents		(1,017,439)	1,597,661
Cash and cash equivalents at 1 July		1,820,557	222,896
Cash and cash equivalents at 30 June	6	803,118	1,820,557

The accompanying notes form an integral part of these financial statements.

**Helicon Group Limited**  
**Preliminary Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2009**

	Note	<b>2009</b>	<b>2008</b>
		\$	\$
Total equity at the beginning of the year		1,819,953	299,042
Loss for the period		(881,025)	(1,317,984)
Issue of share capital		2,756	2,986,300
Share capital transaction costs		-	(469,965)
Share based payments expense for the period		11,357	322,560
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Total equity at the end of the year		953,041	1,819,953

The accompanying notes form an integral part of these financial statements.

**Note 1: Basis of Preparation**

For the year ended 30 June 2009 the Company has incurred a loss of \$881,054 (2008 loss: \$1,317,984) and at year end the Company had a working capital of \$946,126 (2008: \$1,826,788) including a cash and cash equivalents balance of \$803,118 (2008: \$1,820,557).

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2: Income from ordinary activities</b>		
Interest Income	47,804	114,321
Sales	-	3,030
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	47,804	117,351
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Cost of goods sold	(24,580)	(3,406)

**Note 3: Loss from ordinary activities**

Loss from ordinary activities before income tax expense has been arrived at after charging the following items:

Depreciation of equipment and loss on disposal	5,155	1,542
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**Note 4: Employee benefits expense**

Wages & salaries	226,480	284,748
Other associated staff costs	18,031	11,000
Superannuation contributions	57,838	22,367
Increase in annual leave liability	5,202	8,423
Share based payments expense	14,112	7,210
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	321,663	333,748

**Note 5: Earnings per share**

Net Loss used in the calculation of basic earnings per share:	(881,025)	(1,317,984)
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Weighted average number of ordinary shares used in the calculation of basic earnings per share	83,674,608	79,604,719
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Diluted earning per share is not disclosed as the result of exercise of options would be anti-dilutive in nature.

	<b>2009</b>	<b>2008</b>
<b>Note 6: Cash and cash equivalents</b>	<b>\$</b>	<b>\$</b>
Bank balances	803,118	1,820,557
	<u>803,118</u>	<u>1,820,557</u>
<b>Note 7: Trade &amp; other receivables</b>		
GST receivable (net)	6,971	10,606
Sundry debtors	8,080	14,126
	<u>15,051</u>	<u>24,732</u>
<b>Note 8: Inventory</b>		
Opening Balance	24,580	27,577
Movement for the period	(24,580)	(2,997)
Closing balance	<u>-</u>	<u>24,580</u>
<b>Note 9: Other current assets</b>		
Prepayments	101,729	108,752
Receivable from third party	125,000	-
	<u>226,729</u>	<u>108,752</u>

During May and June 2009 the Company advanced \$125,000 to Jess Mining, a Peruvian incorporated company in which Saliba Sassine has a 50% interest. The advance was made with the approval of the three non- associated directors of the Company at that time and was made on an arm's length basis as set out in an information memorandum circulated to various parties, including the Company, offering investment into the Jess Mining venture. The advance is not secured by any of the assets of Jess Mining and is to be repaid from the proceeds of alluvial gold mining operations in Peru, to a maximum amount of \$250,000.

**Note 10: Property, plant and equipment**

Office equipment at cost	11,879	9,795
Accumulated depreciation	(4,964)	(2,960)
	<u>6,915</u>	<u>6,835</u>

Movements in the carrying value of the single class of fixed asset presently held by the Company, between the beginning and end of the financial year were:

Balance at beginning of year	6,835	1,792
Additions	5,235	6,585
Disposals	(3,284)	-
Depreciation	(1,871)	(1,542)
Balance at end of year	<u>6,915</u>	<u>6,835</u>

**Note 11: Trade & other payables**

Trade payables	20,890	40,301
Accrued expenses	15,000	62,826
Other	31,441	36,136
	<u>67,331</u>	<u>139,263</u>

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Note 12: Employee Benefits</b>		
Liability for annual leave	31,442	26,240
Balance at 1 July	26,240	17,817
Payments made	(18,011)	-
Charges raised	23,213	8,423
	<u>31,442</u>	<u>26,240</u>

**Note 13: Issued capital**

83,915,177 ordinary shares fully paid (2008: 83,277,377)	<u>4,576,161</u>	<u>4,573,405</u>
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Movements in issued capital during the year:

Ordinary Shares

	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
	<b>Shares</b>	<b>\$</b>	<b>Shares</b>	<b>\$</b>
Shares issued during the year				
Opening balance	83,277,377	4,573,405	67,195,877	1,927,070
Shares issued at \$0.20	-	-	15,081,500	3,016,300
Share issued at \$0.10	-	-	1,000,000	100,000
Shares issued at \$0.02	137,800	2,756		
Issued free	500,000	-		
Share issue costs	-	-	-	(469,965)
Closing balance	<u>83,915,177</u>	<u>4,576,161</u>	<u>83,277,377</u>	<u>4,573,405</u>

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Note 14: Accumulated Losses</b>		
Opening balance	(2,971,878)	(1,653,894)
Loss for period	(881,025)	(1,317,984)
Accumulated losses at the end of the period	<u>(3,852,903)</u>	<u>(2,971,878)</u>

**Note 15: Reserves**

Opening balance	218,426	25,866
Share based payments expense	11,357	192,560
Accumulated losses at the end of the period	<u>229,783</u>	<u>218,426</u>

**Note 16: Statement of cash flows**

Reconciliation of loss after income tax to net cash used in operating activities:	2009 \$	2008 \$
Operating loss after income tax	(881,025)	(1,317,984)
Depreciation & loss on disposal	5,155	1,542
Share based payment expense	14,112	107,210
Increase/(decrease) in provisions for employee entitlements	5,201	8,423
Increase/(decrease) in payables	(77,761)	21,103
(Increase/decrease in inventory	24,580	2,997
(Increase)/decrease in receivables	16,704	34,029
Net cash used in operating activities	<u>(893,034)</u>	<u>(1,142,680)</u>

**Dividends**

There were no dividends declared or paid during the period or planned to be declared in relation to the period.

There are no dividend reinvestment plans in operation.

**Details of entities**

There are no entities over which control has been gained or lost during the period.

**Details of associates and joint venture entities**

There were no associated companies in which equity was held, nor joint ventures in which the group participated.

**Commentary**

Helicon Group achieved ASX listing and has progressed four different applications with the Chinese Food and Drug Authority, including receipt of unrestricted approval for ReCell® in August 2009.

**Audit Status**

The accounts upon which the information in this Appendix 4E report is based are in the process of being audited.

Perth  
31<sup>st</sup> August 2009



G R Boden  
Company Secretary