



Quantum Energy Limited

And its controlled entities

A.B.N. 19 003 677 245

APPENDIX 4E

PRELIMINARY FINAL REPORT

FINANCIAL YEAR ENDED 30 JUNE 2009

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APPENDIX 4E

Preliminary Final Report

Quantum Energy Limited A.B.N 13 003 677 245

Financial Year ended 30 June 2009

RESULTS FOR ANNOUNCEMENTS TO THE MARKET

Revenues from ordinary activities is up 273% to \$ 106,079,161 (2008: \$ 28,407,000)

Profit (loss) from ordinary activities after tax attributable to members is \$ 30,260,857 (2008 - loss \$7,704,000).

There were no final dividends paid or proposed for the 2009 financial year.

Comments on figures reported:

The improved profit after tax attributable to members reflects the improving performance of the heat pump business. Problems associated with the medical business arising from the dispute with Philips Medical Systems (Philips) were finally resolved in May 2009. As previously announced the company was successful in retaining its agency with Philips through a court action and has recently won the appeal.

Quantum continues to foresee a growing market in Australia, Asia and South Africa for its range of heat pump products and expects to continue to increase revenues and profitability.

The establishment of a manufacturing subsidiary in China in 2007 to manufacture heat pump equipment continues to enable Quantum to achieve cost savings and positioned the company to achieve further market penetration for product in Asia.

General

There were no significant changes in the nature of the group's principal activities during the financial year.

EPS

Earnings per share for the current financial year were 2.97 cents as compared with negative (0.75) cents in the previous corresponding period. At 30 June 2009, there were 6,500,000 outstanding options that were issued in the current and previous years, of which 4,000,000 are considered dilutive and have therefore been included in the total of the weighted average number of ordinary shares and potential ordinary shares of 1,022,308,291 used in the calculation of diluted earnings per share. As a result the diluted earnings per share in the current financial year was 2.96 cents per share (2008 – (0.75) cents per share).

Dividends

No dividends were paid or declared for payment during the financial year.

Factors which are likely to affect results in the future

The growing emphasis on energy saving is expected to have a significant impact on the group's revenue from heat pump technology and this, coupled with lower costs products from the group's Chinese manufacturing facility, will increase profit from this sector. Additionally, increased promotion and marketing of heat pump technology-based products in Asia will play a greater role.

Expenditure on health by government will continue to play an important role and will result in increasing prospects for the medical equipment and servicing sector of the group.

NTA Backing

Net tangible assets backing per ordinary security (per share) \$0.02 (2008: \$(0.01)).

Control gained or lost over entities having a material effect

The group has not gained or lost control over any entity over the financial year.

Audited Accounts

This report is based on accounts that are in the process of being audited.



John Walstab
Company Secretary
28th August 2009

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INCOME STATEMENT FOR YEAR ENDED 30 JUNE 2009

	Note	Consolidated Group	
		2009 \$000	2008 \$000
Revenue	1	106,079	28,407
Other Income	1	343	1,183
Cost of manufacture		(47,371)	(12,654)
Employee benefits expense		(8,104)	(6,001)
Depreciation and amortisation expense		(232)	(144)
Advertising and promotion expenses		(428)	(235)
Finance costs	1	(1,630)	(1,650)
Legal fees		(183)	(1,014)
Loss on disposal of plant & equipment		1	(10)
Impairment of goodwill		-	(10,027)
Impairment of investment in controlled entity		-	-
Impairment of receivables:			
- External		14	(143)
- Controlled Entities		-	-
Research and development expenditure		(33)	(229)
Travel expenses		(852)	(747)
Motor vehicle expenses		(752)	(680)
Warranty expenses		(1,564)	(691)
Telephones & internet		(365)	(291)
Consultants		(360)	(235)
Freight & delivery expenses		(955)	(199)
Occupancy (rent) expenses		(835)	(632)
Insurance		(298)	(112)
Other expenses		(2,078)	(1,655)
(Loss) profit before income tax		40,397	(7,759)
Income tax expense (credit)		10,136	(55)
(Loss) profit attributable to members of the parent entity		30,261	(7,704)
Basic earnings per share (cents per share)	2	2.97	(0.75)
Diluted earnings per share (cents per share)	2	2.96	(0.75)

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BALANCE SHEET AS AT 30 JUNE 2009

	Note	Consolidated	
		2009	2008
		\$000	\$000
CURRENT ASSETS			
Cash and cash equivalents	3	1,408	1,265
Trade and other receivables		40,585	7,793
Inventories		24,394	4,929
Financial assets		73	50
Other current assets		6,079	2,634
TOTAL CURRENT ASSETS		72,539	16,671
NON-CURRENT ASSETS			
Trade and other receivables		-	-
Financial assets		-	-
Property, plant and equipment		2,049	766
Deferred tax assets		2,722	4,488
Intangible assets		11,955	11,955
Other		153	105
TOTAL NON-CURRENT ASSETS		16,879	17,314
TOTAL ASSETS		89,418	33,985
CURRENT LIABILITIES			
Trade and other payables		30,089	11,175
Borrowings		2,962	11,461
Current Tax Liabilities		7,728	
Short term provisions		1,561	398
TOTAL CURRENT LIABILITIES		42,340	23,034
NON-CURRENT LIABILITIES			
Deferred tax liability		99	80
Borrowings		12,236	6,029
Employee benefits		251	181
TOTAL NON-CURRENT LIABILITIES		12,586	6,290
TOTAL LIABILITIES		54,926	29,324
NET ASSETS		34,492	4,661
EQUITY			
Issued capital	4	83,789	83,789
Reserves		150	210
Retained earnings (accumulated losses)		(49,447)	(79,338)
TOTAL EQUITY		34,492	4,661

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STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

Note	Ordinary Share Capital	Option Reserve	Undistributable Profits Reserve	Exchange Translation Reserve	Retained Profits (Losses)	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Consolidated						
Balance at 1 July 2007	83,789	55	-	-	(71,500)	12,344
Transfer from retained earnings	-	-	134	-	(134)	-
Translation of foreign subsidiaries and branches	-	-	-	(14)	-	(14)
Options issued to employees	-	35	-	-	-	35
Profit (loss) attributable to members of parent entity	-	-	-	-	(7,704)	(7,704)
Balance at 30 June 2008	83,789	90	134	(14)	(79,338)	4,661
Balance at 1 July 2008	83,789	90	134	(14)	(79,338)	4,661
Transfer from retained earnings	-	-	370	-	(370)	-
Translation of foreign subsidiaries and branches	-	-	-	(476)	-	(476)
Options issued to employees	-	46	-	-	-	46
Profit (Loss) attributable to members of parent entity	-	-	-	-	30,261	30,261
Balance at 30 June 2009	83,789	136	504	(490)	(49,447)	34,492

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CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 \$000	2008 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		78,216	29,489
Payments to suppliers and employees		(72,835)	(29,285)
Interest received		56	102
Finance costs		(980)	(1,649)
Income tax refunded / (paid)		(506)	
Net cash provided by (used in) operating activities		3,951	(1,343)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,380)	(32)
Net cash provided by (used in) investing activities		(1,380)	(32)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,973	-
Repayments of borrowings		(3,907)	(3,798)
Payment of pre-acquisition creditors		-	-
Net cash provided by (used in) financing activities		(1,934)	(3,798)
Net (decrease) increase in cash held		637	(5,173)
Cash at beginning of financial year		771	5,944
Cash at end of financial year	3	1,408	771

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NOTE 1: REVENUE AND OTHER INCOME

	Consolidated Group	
	2009	2008
	\$000	\$000
Revenue		
Sale of goods	101,397	24,211
Services revenue	4,682	4,196
	106,079	28,407
Other Income		
Interest received - other entities	48	102
Other revenue	295	1,081
	343	1,183
Total Revenue	106,422	29,590

NOTE 3: PROFIT (LOSS) FOR THE YEAR

Expenses		
Finance costs		
- External	1,094	1,000
- Related parties	536	650
Total finance costs	1,630	1,650
Foreign currency (losses) gains	(1,011)	59

NOTE 2: EARNINGS PER SHARE

	Consolidated Group	
	2009	2008
	Cents per Share	Cents per Share
Basic earnings per share	2.97	(0.75)
Diluted earnings per share	2.96	(0.75)
(a) Reconciliation of earnings to profit or loss		
	2009	2008
	\$000	\$000
Net profit/(loss)	30,261	(7,704)
Earnings used to calculate basic EPS	30,261	(7,704)
Earnings used to calculate diluted EPS	30,261	(7,704)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,018,308,291	1,018,308,291
(c) Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	1,022,308,291	1,018,308,291

Options on issue during 2008 were considered to be anti-dilutive, and were not included in calculating diluted EPS.

NOTE 3: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2009	2008
	\$000	\$000
Cash as shown in the balance sheet is reconciled to cash at the end of the financial year shown in the Cash Flow Statement		
Cash at bank and in hand	1,408	1,265
Bank overdraft	-	(494)
	1,408	771

NOTE 4: ISSUED CAPITAL

	Consolidated Group			
	2009	2008	2009	2008
	No.	No.	\$000	\$000
Fully paid ordinary shares	1,018,308,291	1,018,308,291	83,789	83,789
Movements:				
At the beginning of the year	1,018,308,291	1,018,308,291	83,789	83,789
At the end of the year	1,018,308,291	1,018,308,291	83,789	83,789

NOTE 5: RESERVES

	Consolidated Group	
	2009	2008
	\$000	\$000
Reserve		
Opening Balance	210	55
Additions		
- Options issued	46	35
- Undistributable profits	370	134
- Exchange translation reserve	(476)	(14)
Closing Balance	150	210

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NOTE 6: SEGMENT REPORTING

	Heat Pump Technologies		Medical		Unallocated		Consolidated	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Total revenue	89,811	14,207	16,611	15,383		-	106,422	29,590
(Loss)/profit from ordinary activities	29,522	(9,221)	1,038	1,517		-	30,261	(7,704)
Segment assets	70,077	27,855	22,816	6,131	2,076	-	89,418	33,986
Elimination re assets					(5,552)			
Segment liabilities	(29,049)	(22,219)	(13,741)	(7,106)	(15,347)	-	(54,926)	(29,325)
Elimination re liabilities					3,210			
Depreciation	195	108	37	36	-	-	232	144
Acquisition of Property, Plant & Equipment	1,535	87	78	16	-	-	1,613	103
Impairment loss recognised in profit & loss	-	-		10,027	-	-	-	10,027