

Appendix 4E

Preliminary final report

Name of entity

BOULDER STEEL LTD

ABN or equivalent company
reference

78 009 074 588

Half yearly
(tick)

Preliminary
final (tick)

Financial year ended ('current period')

30 JUNE 2011

Results for announcement to the market

	\$A'000		
			2011
Revenues from ordinary activities	up/down	34%	34
Profit/(loss) from ordinary activities after tax attributable to members	up/down	76%	(1,703)
Net profit/(loss) for the period attributable to members	up/down	76%	(1,703)

MANAGEMENT'S COMMENTS ON THE RESULTS FOR THE PERIOD

Summary of Management Discussions of the Above Results

During the financial year to 30 June 2011 Boulder Steel Limited (the Company) has continued to develop the **Gladstone Steel Plant Project**, Queensland, Australia, which will be a modern, state-of-the-art facility for the production of high quality semi finished steel slabs and billets. Work undertaken during the year included:

- A Memorandum of Understanding (MoU) was entered into with Metallurgical Corporation of China International Incorporation Limited (MCCI) and MCC-WISDRI, to complete the Company's Pre-Feasibility Study, to prepare a Bankable Feasibility Study and to secure project funding for commencement of joint project development.
- Visits to a number of potential customers in Asia took place and these companies showed significant interest. As a result, the market study was updated to incorporate the information gathered during the meetings.
- The Pre-Feasibility Study confirmed that the project is profitable.
- Work continued on the EIS.
- Negotiations continued with specialist suppliers to progress the Build Own Operate (BOO) facilities.
- Community Consultation continued, showing strong public support for the project.

Euro Forming Services Group (EFS), the Company's 50% owned steel manufacturing business in **Germany** and **Austria**, showed all time highs in revenue following its strong recovery from the global financial crisis. The operating profit after interest, tax and depreciation was \$1,116,496. This trend is expected to continue.

Discussion of Financial Results

The consolidated loss for the period was \$1.703 million, 76% lower than in the previous financial year. The result was impacted by consulting fees in connection with the Gladstone Steel Plant Project of \$637,000 and a foreign exchange loss due to further appreciation of the Australian Dollar against the Euro of \$475,000.

The equity share of profit of the EFS Group for the year ended 30 June 2011 after depreciation and amortisation was \$558,000, reflecting the excellent performance of this business in Europe.

The Company successfully raised \$1.663 million by way of private placements during the 2010/2011 financial year.

Dividends

- * The directors do not propose to pay a dividend this year. No dividends were paid during the financial year ended 30 June 2011.

Condensed Consolidated Statement of Comprehensive Income

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenues from ordinary activities:		
Other revenue	-	-
Interest revenue	34	51
Total revenues from ordinary activities	34	51
Expenses from ordinary activities:		
Office expenses	252	273
Corporate	293	395
Staff costs	516	819
Consulting Fees	637	389
Share based expenses	56	-
Depreciation and amortisation	66	61
Provision for diminution of investment	-	3,026
Total expenses from ordinary activities	1,820	4,963
Borrowing costs	-	-
Share of net profits (losses) of associates and joint venture entities	558	(346)
Profit / (loss) from ordinary activities before tax	(1,228)	(5,258)
Income tax on ordinary activities	-	-
Profit / (loss) from ordinary activities after tax	(1,228)	(5,258)
Profit / (loss) from extraordinary items after tax	-	-
Net Profit / (loss) for the period attributable to members	(1,228)	(5,258)
Other Comprehensive Income		
Foreign Exchange gain/(loss)	(475)	(1,760)
Total Comprehensive Income for year	(1,703)	(7,018)

**Condensed Consolidated Statement of
Financial Position**

	2011 \$A'000	2010 \$A'000
Current assets		
Cash	359	1,085
Receivables	69	36
Other (provide details if material)	105	100
Total current assets	533	1,221
Non-current assets		
Receivables	5,738	6,048
Investments (equity accounted)	1,790	1,397
Other financial assets	3,077	2,173
Other property, plant and equipment (net)	17	84
Intangibles (net)	-	-
Total non-current assets	10,622	9,702
Total assets	11,155	10,923
Current liabilities		
Payables	230	54
Interest bearing liabilities	-	-
Provisions	254	214
Total current liabilities	484	268
Non-current liabilities		
Interest bearing liabilities	-	-
Provisions	-	-
Total non-current liabilities	-	-
Total liabilities	484	268
Net assets	10,671	10,655
Equity		
Capital/contributed equity	65,171	63,454
Retained profits (accumulated losses)	(54,500)	(52,799)
Equity attributable to members of the parent entity	10,671	10,655
Outside ⁺ equity interests in controlled entities	-	-
Total equity	10,671	10,655

Consolidated Statement of Changes in Equity for the year ended 30 June 2011.

Equity Holders	2011	2010
Share Capital:	SA'000	SA'000
Balance at start of year	50,617	47,457
Issue of Share Capital	1,733	3,338
Share options issued	-	-
Capital raising costs	(70)	(177)
Total Share Capital	52,280	50,617
Share Based Expenses:		
Balance at start of year	12,835	12,835
Equity settled share based payment transactions	56	-
Total Share Based Expenses	12,891	12,835
Retained Earnings/(Accumulated losses):		
Balance at start of year	(52,797)	(45,779)
Loss for period	(1,703)	(7,018)
Retained earnings at end of period	(54,500)	(52,797)
Total equity attributable to equity holders	10,671	10,655

Condensed consolidated statement of cash flows

	Current period	Previous
	SA'000	corresponding
		period - SA'000
Cash flows related to operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(1,515)	(2,449)
Interest and other items of similar nature received	30	32
Interest and other costs of finance paid	-	-
Net operating cash flows	(1,485)	(2,417)
Cash flows related to investing activities		
Project Expenses	(904)	(1,560)
Investment in associates	-	-
Property Plant & Equipment acquired	-	-
Loans to associates	-	-
Net investing cash flows	(904)	(1,560)
Cash flows related to financing activities		
Proceeds from issues of ⁺ securities (shares, options, etc.)	1,663	3,162
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Loans to other entities	-	-
Net financing cash flows	1,663	3,162
Net increase (decrease) in cash held	(726)	(815)
Cash at beginning of period <i>(see Reconciliation of cash)</i>	1,085	1,900
Unrealised FX (loss)/gain	-	-
Cash at end of period <i>(see Reconciliation of cash)</i>	359	1,085

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Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

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Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
Cash on hand and at bank	359	1,085
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	359	1,085

Earnings per security (EPS)	Current period	Previous corresponding Period
Basic EPS	(0.3) cents	(1.4) cents
Diluted EPS	(0.3) cents	(1.3) cents

Net loss: A\$1,702,377 basic weighted average of shares on issue: 512,974,968

Interests in entities which are not controlled entities

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contributions 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				
Euro Forming Services GmbH	50	50	558	(346)
Total	50	50	558	(346)

Segment reporting

Segment information provided to Board of Directors

2011

(\$A'000)	Steel Making Australia	Steel Forging Germany	Steel Production UAE	Eliminations	Total
Revenue	34	-	-	-	34
Total Revenue	34	-	-	-	34
Segment Result	(2,261)	558	-	-	(1,703)
Interest revenue	34	-	-	-	34
Interest expenses	-	-	-	-	-
Depreciation & Amortisation	66	-	-	-	66
Total Segment Assets	3,628	7,503	-	-	11,131
Total Segment Liabilities	484	-	-	-	484

2010

(\$A'000)	Steel Making Australia	Steel Forging Germany	Steel Production UAE	Eliminations	Total
Revenue	43	-	-	-	43
Total Revenue	43	-	-	-	43
Segment Result	(3,578)	(346)	(3,094)	-	(7,018)
Interest revenue	43	-	8	-	51
Interest expenses	-	-	-	-	-
Depreciation & Amortisation	61	-	-	-	61
Total Segment Assets	3,478	7,445	-	-	10,923
Total Segment Liabilities	268	-	-	-	268

Other Information

1. The accounts are in the process of being audited
2. The entity has a formally constituted audit committee.

Sign here:

Date: 31 August 2011



Print name: Carl U. Moser
Director