APPENDIX 4E
PRELIMINARY FINAL REPORT

1. Company details

Name of entity:	**m2m Corporation Limited**
ACN:	006 648 835
Reporting period:	**Year ended 30 June 2010**
Previous corresponding period:	Year ended 30 June 2009

2. Results for announcement to the market

Revenues from ordinary activities	up	4.5%	to	$ 240,207
Loss from ordinary activities after tax attributable to the owners of m2m Corporation Limited	down	66.4%	to	$(1,347,204)
Loss for the period attributable to the owners of m2m Corporation Limited	down	66.4%	to	$(1,347,204)

Dividends
There were no dividends paid during the current financial period.

Comments
Revenue primarily includes interest on funds advanced to project developers and the sale of airtime in Australian and Vietnam on-line services (as previously reported, the 2009 other income arose from a once-off transaction). Other income in discontinued operations did not arise from trading but from a reduction in the values of liabilities following the closure of some businesses last financial year.

At this stage of development, revenue arising from fee income associated with funding project development in the carbon business has not been recognised. The approval of the methodology for recognition of carbon credits applicable to our projects, the certification of the project design, grant of credits and the execution of sale contracts will demonstrate the business's on-going viability and potential and allow a review of this approach to better match development costs to revenue.

The reduction in the loss for the period indicates the significant improvement in operational performance arising from the closure of the Pan-Asian wholesale telecommunications and associated businesses. Within this overall loss reduction:

- the loss associated with Investments increased from substantial staffing, legal, consulting and travel costs as the business is developed across Australia and Asia and the offsetting income of only the interest on the funds advanced; all associated costs with the Carbon Planet Ltd (In Administration) due diligence were expensed in the period; and

- the loss attributable to the IT and communications business reduced due to a reduction in doubtful debts charges offset by significant costs associated with the set up in Vietnam, testing operations and obtaining Government and security approvals

Included in the reported losses are the reduced losses from the associate (Bluefish Technologies Pty Ltd) ("Bluefish") (reduced by 19%: 2009 increased by 11%). The trading of this business was adversely affected in the period by the continued poor trading conditions in Europe from the global recession, despite other indications of improved operations in Asian and South American markets.

Significant management time and costs continue to be incurred in sourcing, evaluating and progressing further investment opportunities and in growing the depth and breadth of the investment segment, particularly in forestry carbon credits and environmental markets. Management continues to work closely with the specialist environmental consultancy, Green Collar Solutions, to jointly develop opportunities for environmental projects, especially in Asia.

3. NTA backing

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	0.01 cents	(0.12) cents

4. Control gained over entities

Name of entities (or group of entities)	Not applicable.	
Date control gained		
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)		$ -
Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period (where material)		$ -

5. Loss of control over entities

Name of entities (or group of entities)	Not applicable.	
Date control lost		
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)		$ -
Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		$ -

6. Dividends

Current period
There were no dividends paid during the current financial period.

Previous corresponding period
There were no dividends paid during the previous financial period.

7. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

Not applicable.

The last date(s) for receipt of election notices for the dividend or distribution plans: Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding: Current period	Reporting entity's percentage holding: Previous corresponding period	Contribution to profit/(loss) (where material): Current period	Contribution to profit/(loss) (where material): Previous corresponding period
Bluefish Technologies Pty Limited	26.96%	26.37%	$(183,343)	$(227,362)
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit(loss) from ordinary activities before income tax			$(183,343)	$(227,362)
Income tax on operating activities			$ -	$ -

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The accounts are in the process of being audited and it is expected that a qualified opinion, with a material uncertainty regarding continuation as a going concern, will be issued.

11. Attachments

Details of attachments (if any):

The Financial Report of m2m Corporation Limited for the year ended 30 June 2010 is attached.

m2m Corporation Limited

ACN 006 648 835

Financial Report - 30 June 2010

m2m Corporation Limited
Corporate directory
30 June 2010

Directors	Ian Barry Clarkson David Stephen Glavonjic Timothy Owen Lebbon
Company secretary	Mourice Reginald Garbutt
Registered office	C/- KR Corporate Compliance Pty Ltd Level 2 90 William Street Melbourne VIC 3000
Principal place of business	C/- KR Corporate Compliance Pty Ltd Level 2 90 William Street Melbourne VIC 3000
Share register	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Phone: 1300 85 05 05
Auditor	PKF Level 14 140 William Street Melbourne VIC 3000
Solicitors	Madgewicks Lawyers Level 33 140 William Street Melbourne VIC 3000
	Lander & Rogers Solicitors Level 12 600 Bourke Street Melbourne VIC 3000
Bankers	Australia & New Zealand Banking Group Limited 287 Collins Street Melbourne VIC 3000
Stock exchange listing	m2m Corporation Limited shares are listed on the Australian Securities Exchange
Website address	www.m2mcorp.com.au

m2m Corporation Limited
Financial report
For the year ended 30 June 2010

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General information

The financial report covers m2m Corporation Limited as a consolidated entity consisting of m2m Corporation Limited and the entities it controlled. The financial report is presented in Australian Dollars, which is m2m Corporation Limited's functional and presentation currency.

m2m Corporation Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

C/- KR Corporate Compliance Pty Ltd
Level 2
90 William Street
Melbourne VIC 3000

During the financial year the principal continuing activities of the consolidated entity included the investment in, and identification, evaluation and acquisition of, investment opportunities together with the development of such opportunities.

m2m Corporation Limited
Statement of comprehensive income
For the year ended 30 June 2010

	Note	Consolidated 2010 $	Consolidated 2009 $
Revenue from continuing operations	3	240,207	229,793
Expenses			
Cost of services provided		(184,490)	(111,803)
Employee benefits expense		(876,981)	(583,760)
Depreciation and amortisation expense	4	(104,260)	(84,081)
Impairment of receivables		(517)	-
Impairment of financial asset		(417)	(209,674)
Impairment of intangibles		(10,577)	(25,073)
Share of loss of associate accounted for using the equity method		(183,343)	(227,362)
Other expenses		(625,543)	(612,558)
Finance costs	4	(161,706)	(147,589)
Loss before income tax expense from continuing operations		(1,907,627)	(1,772,107)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(1,907,627)	(1,772,107)
Profit/(loss) after income tax (expense)/benefit from discontinued operations	5	363,353	(2,237,376)
Loss after income tax expense for the year		(1,544,274)	(4,009,483)
Other comprehensive income			
Foreign currency translation		23,169	95,857
Derecognition of reserve on sale of available-for sale financial asset		-	(51,457)
Other comprehensive income for the year, net of tax		23,169	44,400
Total comprehensive income for the year		(1,521,105)	(3,965,083)
Loss for the year is attributable to:			
Non-controlling interest		(197,070)	-
Owners of m2m Corporation Limited		(1,347,204)	(4,009,483)
		(1,544,274)	(4,009,483)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(197,070)	-
Owners of m2m Corporation Limited		(1,324,035)	(3,965,083)
		(1,521,105)	(3,965,083)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

m2m Corporation Limited
Statement of comprehensive income
For the year ended 30 June 2010

	Note	Consolidated 2010 $	2009 $
		Cents	**Cents**
Earnings per share from continuing operations attributable to the owners of m2m Corporation Limited			
Basic earnings per share		(0.09)	(0.16)
Diluted earnings per share		(0.09)	(0.16)
Earnings per share for loss attributable to the owners of m2m Corporation Limited			
Basic earnings per share		(0.07)	(0.37)
Diluted earnings per share		(0.07)	(0.37)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

m2m Corporation Limited
Statement of financial position
As at 30 June 2010

	Note	Consolidated 2010 $	2009 $
Assets			
Current assets			
Cash and cash equivalents		369,259	148,432
Trade and other receivables		88,130	12,338
Financial assets		1,655,383	52,588
Other		4,038	13,857
Total current assets		2,116,810	227,215
Non-current assets			
Investments accounted for using the equity method		395,733	579,076
Property, plant and equipment		51,167	59,342
Intangibles		235,999	156,933
Other		19,490	4,020
Total non-current assets		702,389	799,371
Total assets		2,819,199	1,026,586
Liabilities			
Current liabilities			
Trade and other payables		802,264	573,506
Borrowings		1,285,084	1,285,084
		2,087,348	1,858,590
Liabilities directly associated with assets classified as held for sale		163,586	605,319
Total current liabilities		2,250,934	2,463,909
Total liabilities		2,250,934	2,463,909
Net assets/(liabilities)		568,265	(1,437,323)
Equity			
Contributed equity	6	50,030,782	46,673,704
Reserves		108,698	72,049
Accumulated losses		(49,530,280)	(48,183,076)
Equity attributable to the owners of m2m Corporation Limited		609,200	(1,437,323)
Non-controlling interest		(40,935)	-
Total equity/(deficiency)		568,265	(1,437,323)

The above statement of financial position should be read in conjunction with the accompanying notes

m2m Corporation Limited
Statement of changes in equity
For the year ended 30 June 2010

	Contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Consolidated					
Balance at 1 July 2008	45,169,383	23,486	(44,261,569)	(13,538)	917,762
Foreign currency translation	-	95,857	-	-	95,857
Derecognition of reserve on sale of available-for sale financial asset	-	(51,457)	-	-	(51,457)
Other comprehensive income for the year, net of tax	-	44,400	-	-	44,400
Loss after income tax expense for the year	-	-	(4,009,483)	-	(4,009,483)
Total comprehensive income for the year	-	44,400	(4,009,483)	-	(3,965,083)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	1,504,321	-	-	-	1,504,321
Share-based payments	-	4,163	-	-	4,163
De-consolidation of companies	-	-	87,976	13,538	101,514
Balance at 30 June 2009	46,673,704	72,049	(48,183,076)	-	(1,437,323)

	Contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Consolidated					
Balance at 1 July 2009	46,673,704	72,049	(48,183,076)	-	(1,437,323)
Foreign currency translation	-	23,169	-	-	23,169
Other comprehensive income for the year, net of tax	-	23,169	-	-	23,169
Loss after income tax expense for the year	-	-	(1,347,204)	(197,070)	(1,544,274)
Total comprehensive income for the year	-	23,169	(1,347,204)	(197,070)	(1,521,105)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	3,357,078	-	-	156,135	3,513,213
Share-based payments	-	13,480	-	-	13,480
Balance at 30 June 2010	50,030,782	108,698	(49,530,280)	(40,935)	568,265

The above statement of changes in equity should be read in conjunction with the accompanying notes

m2m Corporation Limited
Statement of cash flows
For the year ended 30 June 2010

	Note	Consolidated 2010 $	Consolidated 2009 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		92,308	1,684,104
Payments to suppliers (inclusive of GST)		(1,485,556)	(3,628,669)
		(1,393,248)	(1,944,565)
Interest received		17,735	3,962
Interest and other finance costs paid		(161,706)	(105,206)
Net cash used in operating activities		(1,537,219)	(2,045,809)
Cash flows from investing activities			
Payments for property, plant and equipment		(90,270)	(106,823)
Payments for software and licences		(128,366)	-
Loan to associate		(130,376)	(26,762)
Loan to project developers		(1,409,250)	-
Loan to other entities		(22,791)	-
Advances to distributor		-	(21,783)
Proceeds from sale of property, plant and equipment		60	-
Proceeds from sale of shares		25,826	-
Net cash used in investing activities		(1,755,167)	(155,368)
Cash flows from financing activities			
Proceeds from issue of shares	6	3,513,213	1,594,375
Loans from shareholders		-	700,000
Share issue transaction costs		-	(90,053)
Net cash from financing activities		3,513,213	2,204,322
Net increase in cash and cash equivalents		220,827	3,145
Cash and cash equivalents at the beginning of the financial year		148,432	142,298
Effects of exchange rate changes on cash		-	2,989
Cash and cash equivalents at the end of the financial year		369,259	148,432

The above statement of cash flows should be read in conjunction with the accompanying notes

m2m Corporation Limited
Notes to the financial statements
30 June 2010

Note 1. Significant accounting policies

These preliminary final financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by the company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year, except for the policies stated below.

New, revised or amending Standards and Interpretations
The consolidated entity has adopted all of the new, revised or amending Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant and effective for the current reporting period.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these accounting standards and interpretations are disclosed in the relevant accounting policy.

The adoption of these Standards and Interpretations did not have any impact on the financial performance or position of the consolidated entity. The following Standards and Interpretations are most relevant to the consolidated entity:

AASB 101 Presentation of Financial Statements ('AASB 101')
The consolidated entity has applied the revised AASB 101 from 1 July 2009 and now presents a statement of comprehensive income, which incorporates the income statement and all non-owner changes in equity. As a result, the consolidated entity now presents all owner changes in the statement of changes in equity. The balance sheet is now referred to as the statement of financial position. There is a requirement to present a third statement of financial position if there is restatement of comparatives through either a correction of error, change in accounting policy or a reclassification. The cash flow statement is now referred to as the statement of cash flows.

AASB 3 Business Combinations ('AASB 3')
The consolidated entity has applied the revised AASB 3 for all new business combinations acquired on or after 1 July 2009. As well as the expensing of transaction costs and minority interest now being referred to as non-controlling interest, there are a number of significant changes - refer to the 'business combinations' accounting policy for further details.

AASB 127 Consolidated and Separate Financial Statements ('AASB 127')
The consolidated entity has applied the revised AASB 127 from 1 July 2009. The revised standard requires changes in ownership interest of a subsidiary without a change in control to be accounted for as a transaction with owners in their capacity as owners. It also changes the accounting for losses incurred by a partially owned subsidiary as well as the loss of control of a subsidiary - refer to the 'principles of consolidation' accounting policy for further details.

AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
This amendment is applicable from 1 July 2009 and removes references to the cost method. The distinction between pre and post acquisition profits is no longer relevant as all dividends are now recognised in profit or loss - refer to the 'principles of consolidation' accounting policy for further details.

AASB 7 Financial Instruments: Disclosure ('AASB 7')
This amended standard is applicable from 1 July 2009 and requires additional disclosure about fair value measurement of financial instruments, using a three level fair value hierarchy. The amendments also clarify the disclosure requirements about liquidity risks for derivative transactions and assets used for liquidly management.

AASB 8 Operating Segments ('AASB 8')
The consolidated entity has applied AASB 8, which replaces AASB 114 'Segment Reporting', from 1 July 2009. AASB 8 requires a management approach to segment reporting based on the information reported internally. Refer to note 2.

Note 1. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporates the assets and liabilities of all subsidiaries of m2m Corporation Limited ('company' or 'parent entity') as at 30 June 2010 and the results of all subsidiaries and special purpose entities for the year then ended. m2m Corporation Limited, its subsidiaries and special purpose entities together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Special purpose entities ('SPEs') are those entities where the consolidated entity, in substance, controls the SPE so as to obtain the majority of benefits without having any ownership interest.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and special purpose entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Change in accounting policy from 1 July 2009
The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of comprehensive income and statement of financial position of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

The change in accounting policy has been applied prospectively.

Accounting policy up to 30 June 2009
The acquisition of subsidiaries is accounted for using the purchase method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for using the parent entity extension method, where the difference between the consideration paid and the book value of the share of net assets acquired is recognised in goodwill.

Minority interest in the results and equity of subsidiaries are shown separately in the income statement and balance sheet of the consolidated entity. Losses incurred by the consolidated entity are attributed to the minority interest until the balance is nil with the excess of losses attributable to the parent, unless there is a binding obligation for the minority interest to cover these costs.

Where the consolidated entity loses control over a subsidiary, the consolidated entity recognises a gain or loss directly to the income statement, being the difference between the consideration received and the share of the net assets disposed of. Any investment retained is accounted for at its proportionate share of net asset value at the date control is lost.

Note 1. Significant accounting policies (continued)

Operating segments

Change in accounting policy from 1 July 2009
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Accounting policy up to 30 June 2009
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

Business combinations

Change in accounting policy from 1 July 2009
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

The change in accounting policy has been applied prospectively.

Note 1. Significant accounting policies (continued)

Accounting policy up to 30 June 2009
The purchase method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

All identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially recognised at their fair values at the acquisition-date, irrespective of the extent of any minority interest. The excess of the cost of the acquisition over the fair value of the consolidated entity's share of the identifiable net assets acquired is recognised as goodwill. If the cost of the acquisition is less than the consolidated entity's share of the fair value of the identifiable net assets acquired, the difference is recognised as a gain directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. The unwinding of the discount on deferred cash consideration is expensed to profit or loss as a finance cost. Contingent consideration is recognised when probable. Subsequent changes to contingent consideration is recognised as goodwill.

Business combinations are initially accounted for on a provisional basis until either the earlier of (i) 12 months from the date of the acquisition or (ii) the finalisation of fair values.

Note 2. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into two operating segments: investments and IT and comms. These operating segments are based on the internal reports that are reviewed and used by the executive management team (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) and profit before income tax.

The information reported to the CODM is on at least a monthly basis.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Investment	The provision of finance and commercial support to developers of projects pursuant to international verification standards for the recognition of stored carbon.
IT and Comms	Products and services vary among the businesses with intellectual property rights incorporated in products.

Intersegment transactions
Intersegment transactions were made at market rates.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Note 2. Operating segments (continued)

Operating segment information

2010	Investment $	IT and Comms $	Discontinued Pan-Asian $	Intersegment eliminations unallocated $	Consolidated $
Revenue					
Sales to external customers	-	156,268	-	-	156,268
Total sales revenue	-	156,268	-	-	156,268
Other income	66,204	17,735	371,365	-	455,304
Total revenue	66,204	174,003	371,365	-	611,572
Adjusted EBITDA	(457,776)	(741,379)	363,353	(514,934)	(1,350,736)
Depreciation and amortisation	-	(103,394)	-	(866)	(104,260)
Impairment of assets	(417)	(11,094)	-	-	(11,511)
Interest revenue	66,204	17,735	-	-	83,939
Finance costs	-	(206)	-	(161,500)	(161,706)
Profit/(loss) before income	(391,989)	(838,338)	363,353	(677,300)	(1,544,274)
Income tax expense					-
Loss after income tax					(1,544,274)
Assets					
Segment assets	1,518,872	952,886	-	-	2,471,758
Unallocated assets:					
Cash and cash equivalents					346,501
Property, plant and equipment					940
Total assets					2,819,199
Total assets includes:					
Investments in associates	-	395,733	-	-	395,733
Acquisition of non-current assets	-	218,636	-	-	218,636
Liabilities					
Segment liabilities	660	100,607	163,586	700,997	965,850
Unallocated liabilities:					
Loan from shareholders					1,285,084
Total liabilities					2,250,934

Note 2. Operating segments (continued)

2009	Investment $	IT and Comms $	Discontinued Pan-Asian $	Intersegment eliminations unallocated $	Consolidated $
Revenue					
Sales to external customers	-	174,003	1,150,926	-	1,324,929
Total sales revenue	-	174,003	1,150,926	-	1,324,929
Other income	55,790	-	249	-	56,039
Total revenue	55,790	174,003	1,151,175	-	1,380,968
Adjusted EBITDA	5,823	(876,322)	(1,094,933)	(439,153)	(2,404,585)
Depreciation and amortisation	-	(84,081)	(263,770)	-	(347,851)
Impairment of assets	(209,674)	(25,073)	(878,673)	-	(1,113,420)
Interest revenue	3,962	-	-	-	3,962
Finance costs	-	-	-	(147,589)	(147,589)
Loss before income tax	(199,889)	(985,476)	(2,237,376)	(586,742)	(4,009,483)
Income tax expense					-
Loss after income tax					(4,009,483)
Assets					
Segment assets	30,908	848,646	-	-	879,554
Unallocated assets:					
Cash and cash equivalents					145,226
Property, plant and equipment					1,806
Total assets					1,026,586
Total assets includes:					
Investments in associates	-	579,076	-	-	579,076
Acquisition of non-current assets	-	64,351	-	-	64,351
Liabilities					
Segment liabilities	-	92,293	605,319	481,213	1,178,825
Unallocated liabilities:					
Loan from shareholders					1,285,084
Total liabilities					2,463,909

m2m Corporation Limited
Notes to the financial statements
30 June 2010

Note 3. Revenue

	Consolidated 2010 $	Consolidated 2009 $
From continuing operations		
Sales revenue		
Sales	121,604	141,337
Consulting revenue	34,561	19,172
Other revenue	103	65,322
	156,268	225,831
Other revenue		
Interest	83,939	3,962
Revenue from continuing operations	240,207	229,793

Note 4. Expenses

	Consolidated 2010 $	Consolidated 2009 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	65,537	34,306
Amortisation		
Customer contracts	10,500	21,000
Software and licences	28,223	28,775
Total amortisation	38,723	49,775
Total depreciation and amortisation	104,260	84,081
Impairment		
Goodwill	890	25,073
Software and licences	9,687	-
Total impairment	10,577	25,073

Note 4. Expenses (continued)

	Consolidated 2010 $	2009 $
Finance costs		
Facility fee paid - external	-	30,000
Interest paid - external	206	-
Interest paid - related party	161,500	117,589
Finance costs expensed	161,706	147,589
Net foreign exchange loss		
Net foreign exchange loss	70	24,300
Net loss on disposal		
Net loss on disposal of property, plant and equipment	32,848	-
Rental expense relating to operating leases		
Minimum lease payments	37,864	29,686
Superannuation expense		
Defined contribution superannuation expense	66,528	41,791
Share-based payments expense		
Share-based payments expense	13,480	4,163

Note 5. Discontinued operations

Description

Following an extensive review, in June 2009, the company resolved to cease funding and terminate its investment in, and association with, Whizfone Pte Ltd ('WFPL') and its subsidiary companies ('WFPL Disposal Group'). In particular, the Board resolved to have WFPL struck off, or if that were not possible, to liquidate the company. The decision is consistent with the consolidated entity's long term objectives of investing in high-growth businesses by testing the market opportunities and partner relationships within controlled investment parameters. At that time of the decision, operations had ceased in the WFPL Disposal Group and the directors considered that there was no value to be realised or liabilities to be satisfied by the consolidated entity. Accordingly, pending the formal termination of the ownership, the investments in, and assets and liabilities of, the WFPL Disposal Group have been accounted for as a disposal group.

Note 5. Discontinued operations (continued)

Financial performance information

	Consolidated 2010 $	Consolidated 2009 $
Revenue	-	1,150,926
Write back of provision for impairment of receivables	359,276	-
Interest received	-	249
Other revenue	12,089	-
Total revenue	371,365	1,151,175
Cost of services provided	-	(751,296)
Employee benefits expense	(2,101)	(694,494)
Depreciation and amortisation expense	-	(263,770)
Impairment of receivables	-	(310,606)
Impairment of intangibles	-	(31,542)
Impairment loss on assets	-	(536,525)
Other expenses	(5,911)	(781,897)
Finance costs	-	(18,421)
Total expenses	(8,012)	(3,388,551)
Profit/(loss) before income tax expense	363,353	(2,237,376)
Income tax expense	-	-
Profit/(loss) after income tax expense	363,353	(2,237,376)
Profit/(loss) after income tax (expense)/benefit from discontinued operations	363,353	(2,237,376)

Cash flow information

	Consolidated 2010 $	Consolidated 2009 $
Net cash used in operating activities	(49,217)	(800,628)
Net cash used in investing activities	-	(1,656)
Net decrease in cash and cash equivalents from discontinued operations	(49,217)	(802,284)

Note 6. Equity - contributed

	Consolidated 2010 Shares	Consolidated 2009 Shares	Consolidated 2010 $	Consolidated 2009 $
Ordinary shares - fully paid	2,366,985,551	1,317,205,551	50,030,782	46,673,704

Note 6. Equity - contributed (continued)

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$
Balance	1 July 2008	958,455,551		45,169,383
Placement	5 September 2008	35,000,000	$0.014	490,000
Placement	7 January 2009	47,500,000	$0.004	190,000
Placement	27 January 2009	101,250,000	$0.004	405,000
Pursuant to shareholders' resolution on 31 March 2009	17 April 2009	5,000,000	$0.005	25,000
Placement	6 May 2009	170,000,000	$0.003	510,000
Share issue transaction costs, net of tax				(115,679)
Balance	30 June 2009	1,317,205,551		46,673,704
Placement	21 August 2009	190,000,000	$0.004	760,000
Placement	5 November 2009	200,000,000	$0.004	700,000
Placement	31 December 2009	550,000,000	$0.003	1,512,500
Placement	21 April 2010	50,000,000	$0.002	100,000
Placement	18 May 2010	59,780,000	$0.002	119,560
Placement - deposit	30 June 2010			350,000
Share issue transaction costs, net of tax				(184,982)
Balance	30 June 2010	2,366,985,551		50,030,782

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment.

The capital risk management policy remains unchanged from the 30 June 2009 Annual Report.

Note 7. Events occurring after the reporting date

On 13 July 2010 the consolidated entity announced an alliance with Green Collar Climate Solutions to commercialise forest and agriculture carbon accounting methodologies with a world-wide application focussed initially on Asian projects.

On 14 July 2010 m2m Corporation Limited issued 367,333,329 ordinary shares at 0.15 cents per share and received $210,000 as the balance on the subscription funds.

On 31 August 2010 the company amended the terms of the convertible note with Noble Investments Superannuation Fund (NISF), subject to the approval of shareholders. The amendment deferred the date of repayment of $650,000 of the note (and $40,000 of facility fee and interest) until 31 October 2010, $300,000 (and an extension fee of $15,000) until 31 November 2010, and the balance of the note, $300,000, until 10 December 2010. With the exception of $350,000 due on 31 October 2010, all amounts may be repaid earlier at the option of the company but if such an offer is made, NISF may chose to convert all or part of the amount offered to ordinary shares in the company at rates set by reference to the latest capital raising price or a 60 day value weighted average share price, depending on the respective amounts.

No other matter or circumstance has arisen since 30 June 2010 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.