THE SWISH GROUP LIMITED
ABN 93 085 545 973
AND CONTROLLED ENTITIES

HALF-YEAR FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2008.

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES ("SWG")

(ABN 93 085 545 973)

Appendix 4D

Half-year report
Six months ended 31 December 2008

(Comparative period: six months ended 31 December 2007)

Results for announcement to the market

		% Change		$
Revenues from ordinary activities *(item 2.1)*	Up	210%	to	7,792,119
Earnings before interest, tax, depreciation, amortisation and impairment expenses	Down	44%	to	(739,624)
Profit (loss) from ordinary activities after tax attributable to members *(item 2.2)*	Down	14%	to	(1,190,873)
Net profit (loss) for the period attributable to members *(item 2.3)*	Down	14%	to	(1,190,873)

Dividends (distributions) *(item 2.4)*	Amount per security	Franked amount per security
Final dividend Interim dividend	Nil ¢	Nil ¢
Previous corresponding period	Nil ¢	Nil ¢

Record date for determining entitlements to the dividends *(item 2.5)*	N/A

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*:

Revenue for the half-year ended 31 December 2008 was $7.8m. Earnings before interest, tax, depreciation, amortisation and impairment expenses was a loss of $0.7m, compared to a loss of $1.3m in the comparative period. The consolidated entity incurred a loss of $1.2m for the half-year ended 31 December 2008, after taking account of impairment expenses of $0.4m. The consolidated entity had net liabilities of $0.7m at 31 December 2008, including $0.6m of intangible assets (goodwill). During the six months to 31 December 2008, the consolidated entity incurred net operating cash outflows of $0.7m. During the period the consolidated entity received net proceeds of $0.4m from placements and drew down $0.5m in borrowings.

The Company does not propose to pay a dividend. No dividend or distribution plans are in operation.

THE SWISH GROUP LIMITED
ABN 93 085 545 973
AND CONTROLLED ENTITIES

CONDENSED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2008

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2008.

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

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THE SWISH GROUP LIMITED & CONTROLLED ENTITIES
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2008

The Directors present their report together with the condensed financial report of the consolidated entity of The Swish Group Limited and the entities it controlled for the half-year ended 31 December 2008 and independent review report thereon. This financial report has been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

DIRECTORS

The names of the Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Cary Peter Stynes (Managing Director)
Stephen Layton (Non Executive Director)
William Graham (Non Executive Director)

REVIEW AND RESULTS OF OPERATIONS

Review of Operations

During the half-year ended 31 December 2008 the Company continued to develop and expand its digital media and film production businesses as follows:

Digital Signage

Swish Digital Signage produces specially designed entertainment, information and advertising programmes for retail outlets, medical centres, hospitals and pharmacies. Swish Group owns and operates the Good Health Television, and Pharmacy TV digital signage networks.

Digital Music

The Company operates Australia's largest independent wholesale online digital music and video content business combining online retail, wholesale rights management and label publishing. The Company has an exclusive agreement with USA based The Orchard, the world's largest aggregator and marketer of independent music content which is expected to greatly enhance the Company's production and content aggregation division. The Company, through its agreement with The Orchard, provides online music retailers and telecommunications companies with access to an international catalogue of over 1,300,000 music tracks and 3,500 hours of video content.

Digital Production

The Company produces all forms of digital audio and video content and provides digital production and post production services to the film, television and advertising industries. The Company has line produced a number of Indian/Bollywood feature films in Australia and the USA.

Digital Distribution

The Company distributes Indian/Bollywood films in Australia for screening at leading cinemas chains including Hoyts and Greater Union.

Telecommunications Services

The Company provides marketing and sales services for leading telecommunications companies Vodafone and Primus Telecoms.

Internet TV

During the period the Company acquired and rebranded one of Australia's only independent internet TV businesses, which it proposes to re-launch in the current half year.

Financial performance

Sales revenue for the half-year ended 31 December 2008 was $7.8m. Earnings before interest, tax, depreciation, amortisation and impairment expenses was a loss of $0.7m, compared to a loss of $1.3m in the comparative period. The consolidated entity incurred a loss of $1.2m in the half-year ended 31 December 2008 after taking account of impairment expenses of $0.4m.

Financial position

The consolidated entity had net liabilities of $0.7m at 31 December 2008, including $0.6m of intangible assets (goodwill).

Cash flows

During the six months to 31 December 2008, the consolidated entity incurred net operating cash outflows of $0.7m. During the period the consolidated entity received $0.4m from placements and drew down $0.5m from bank borrowings and convertible notes under an equity line of credit facility. The consolidated entity had cash of $52,833 at 31 December 2008.

Results of segments

The Company has two segments: digital media and film production. In the six months to 31 December 2008 digital media generated $2.7m revenue (2007: $1.8m) and loss after tax $1.5m (2007: $1.2m) and film production generated $5.1m revenue (2007: $0.7m) and profit after tax $0.3m (2007: loss $0.2m).

Discussion of trends in performance

The Company believes that there are significant prospects for each of its digital signage and digital music businesses.

The Company's Digital Signage business has considerable growth potential. Digital signage can be used virtually anywhere where people pass or congregate to deliver high quality audio and video entertainment, information and advertising to consumers and is increasingly being viewed internationally as an efficient and effective alternative to traditional mainstream media. Digital signage networks continue to expand rapidly in the USA in retailers including, Wal Mart, the world's largest retailer. In Europe networks have been established in Tesco, the UK's largest retailer, as well as in Harrods, McDonalds, Burger King and many others. In Asia, Focus Media has established a network of over 100,000 screens. This international growth, which is yet to be replicated in Australia, demonstrates the significant growth potential of this business.

The Company's digital online music business, Swish Amphead, has established a strategic position in an industry which is exhibiting extraordinary growth. This rate of growth is expected to increase significantly. During the past 12 months Swish Amphead has experienced revenue growth of over 250% in its digital music business and this growth is expected to continue over the next 12 months. This rate of growth is well ahead of the digital music industry as a whole which itself is experiencing significant growth. The extension of the exclusive content aggregation and distribution agreement with The Orchard for a further 5 years consolidates the Company's position as one of Australia, New Zealand' and the Pacific's largest distributors of digital music. The extension of the agreement with The Orchard to cover all of the Countries within South East Asia also enables the Company to significantly expand this part of its business.

The Swish Torque Communications business is continuing to expand through its agreements with Vodafone and Primus. Its integration into the Swish Group business also enhances the Company's existing marketing and sales capacity. It is expected to grow substantially in the second half of the 2009 financial year.

The Swish Films production business is also continuing to develop. The desire of Indian studios to shoot an increasing number of feature films outside India presents a significant opportunity for the Company both in Australia and the USA. During the half year Swish Films completed production of its third Indian feature film project in the USA. The Company has a number of additional film production projects in the pipeline.

Swish MG Distribution anticipates releasing approximately 15 Indian / Bollywood films in Australia during 2009 for screening at leading cinemas chains including Hoyts and Greater Union.

During the period the Company acquired and rebranded one of Australia's only independent internet TV businesses, which it proposes to re-launch in the current half year.

The Company's business activities are still at a relatively early stage of development and the consolidated entity incurred a loss for the half-year ended 31 December 2008. The Board is not yet in a position to give an accurate forecast of revenues or profitability for the full financial year ending 30 June 2009.

Other material factors

On 7 July 2008 the Company issued 11,574,028 shares at 0.72 cents per share in respect of conversion of convertible notes to equity of $83,333.

On 2 September 2008 the Company completed a placement of 29,875,000 shares to sophisticated investors at 0.80 cents per share raising $239,000 to provide working capital and to finance potential acquisitions; the Company completed a placement of 20,000,000 shares to directors at 0.80 cents per share raising $160,000 the Company issued 13,020,937 shares at 0.64 cents per share in respect of conversion of convertible notes to equity of $83,334; the Company issued 6,250,000 shares to sophisticated investors at 0.80 cents per share to pay a debt facility fee of $50,000; the Company issued 8,458,250 shares to the vendor of a previously acquired business at 0.80 cents per share to pay deferred purchase consideration of $67,666.

Events Subsequent to Balance Date

No matters have arisen post 31 December 2008 that may affect the consolidated entity in the financial period subsequent to 31 December 2008.

Auditor's Independence Declaration

A copy of the Auditor's independence declaration in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the Directors.

Cary P. Stynes
Managing Director
Melbourne, 27 February 2009

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Auditor's Independence Declaration to the Directors of The Swish Group Limited

In relation to our review of the condensed financial report of The Swish Group Limited for the half-year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Robert J Dalton
Partner
27 February 2009

THE SWISH GROUP LIMITED & CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Half Year to 31 Dec 2008 $	Half Year to 31 Dec 2007 $
Revenue		
Sales revenue	7,792,119	2,515,050
Other income	-	1,636
	7,792,119	2,516,686
Direct costs	(6,375,102)	(2,038,979)
Gross profit	1,417,017	477,707
Employee benefits expense	(1,644,502)	(1,298,192)
Occupancy costs	(81,790)	(83,911)
Professional fees	(87,132)	(88,418)
Other expenses	(343,217)	(336,734)
Earnings before interest, tax, depreciation, amortisation and impairment expenses	(739,624)	(1,329,548)
Depreciation and amortisation expenses	(36,459)	(46,815)
Impairment expenses	(387,666)	-
Finance costs	(27,124)	(6,468)
Profit/(loss) before income tax	(1,190,873)	(1,382,831)
Income tax benefit	-	-
Profit/(loss) for the half-year	(1,190,873)	(1,382,831)
Earnings/(loss) per share (cents per share)		
- Basic earnings/(loss) per share	(0.2)	(0.2)
- Diluted earnings/(loss) per share	(0.2)	(0.2)

The accompanying notes form part of these financial statements.

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	31 Dec 2008 $	30 June 2008 $
CURRENT ASSETS		
Cash and cash equivalents	52,833	121,703
Trade and other receivables	1,330,499	788,552
Inventory	79,195	-
TOTAL CURRENT ASSETS	1,462,527	910,255
NON-CURRENT ASSETS		
Property, plant and equipment	388,669	460,274
Intangible assets	645,500	865,500
Other assets	57,692	67,468
TOTAL NON-CURRENT ASSETS	1,091,861	1,393,242
TOTAL ASSETS	2,554,388	2,303,497
CURRENT LIABILITIES		
Trade and other payables	2,456,775	1,903,054
Interest bearing liabilities	707,244	418,799
Provisions	73,625	35,225
TOTAL CURRENT LIABILITIES	3,237,644	2,357,078
TOTAL LIABILITIES	3,237,644	2,357,078
NET ASSETS / (DEFICIENCY)	(683,256)	(53,581)
EQUITY		
Share capital	20,836,613	20,275,413
Options granted reserve	57,485	57,485
Accumulated losses	(21,577,354)	(20,386,479)
TOTAL EQUITY	(683,256)	(53,581)

The accompanying notes form part of these financial statements.

THE SWISH GROUP LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Half Year to 31 Dec 2008 $	Half Year to 31 Dec 2007 $
TOTAL EQUITY AT THE BEGINNING OF THE HALF-YEAR	(53,581)	(362,977)
Profit/(loss) for the half-year	(1,190,873)	(1,382,831)
Total recognised income and expense for the period	(1,190,873)	(1,382,831)
Attributable to:		
Members of the parent	(1,190,873)	(1,382,831)
	(1,190,873)	(1,382,831)
Equity Transactions:		
Options issued to Directors	-	-
Shares issued	683,331	1,958,000
Transaction costs on share issues	(122,133)	(60,000)
Share based payments	-	5,685
	561,198	1,903,685
TOTAL EQUITY AT THE END OF THE HALF-YEAR	(683,256)	157,877

The accompanying notes form part of these financial statements.

THE SWISH GROUP LIMITED & CONTROLLED ENTITIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Half Year to 31 Dec 2008 $	Half Year to 31 Dec 2007 $
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	7,432,442	1,887,600
Payments to suppliers and employees	(8,035,132)	(3,258,751)
Interest received	-	1,636
Borrowing costs	(77,124)	(6,468)
Net cash used in operating activities	(679,814)	(1,375,983)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of business	(118,000)	-
Payment for property, plant and equipment	(3,035)	(33,378)
Net cash used in investing activities	(121,035)	(33,378)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issues	399,000	1,620,000
Proceeds from borrowings and convertible notes	493,295	154,218
Repayment of borrowings	(38,183)	(333,045)
Capital raising costs	(122,133)	(90,750)
Net cash flows provided by financing activities	731,979	1,350,423
Net increase/ (decrease) in cash and cash equivalents	(68,870)	(58,938)
Cash and cash equivalents at beginning of half-year	121,703	211,064
Cash and cash equivalents at end of the half-year	52,833	152,126

The accompanying notes form part of these financial statements.

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This half-year financial report does not include all the notes of the type usually included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2008 and any public announcements made by The Swish Group Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation of the half-year financial report

This general purpose condensed half-year financial report has been prepared in accordance with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

(b) Summary of the significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2008. Comparatives have been restated where appropriate to ensure consistency and comparability with the current period.

The following new accounting standards, amendments to standards and interpretations have been issued, but are not mandatory for reporting for the 2009 financial year.

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for group
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009	The group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Refer to AASB 2008-5 above.	1 July 2009	The group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for group
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	The group has not yet determined the extent of the impact of the amendments, if any.	1 January 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	The group has not yet determined the extent of the impact of the amendments, if any.	1 January 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The group has not yet determined the extent of the impact of the amendments, if any.	1 January 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	The group has not yet determined the extent of the impact of the amendments, if any.	1 January 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for group
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The group has not yet determined the extent of the impact of the amendments, if any.	1 January 2010
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to AASB 127 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	The group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

(c) Going concern basis of accounting

The financial statements have been prepared on a going concern basis. The consolidated entity incurred a loss for the half-year ended 31 December 2008. The consolidated entity's income has been insufficient on its own to service its debt obligations and other running expenses. The operations of the consolidated entity for the half-year ended 31 December 2008 were funded out of revenues and the proceeds of share issues and convertible note issues. The ability of the consolidated entity to continue as a going concern is dependent on its ability to generate sufficient funds from its ongoing operational activities, equity raisings and its existing debt facilities.

Without the continued financial support of its financiers and investors in this regard, there is uncertainty as to whether the consolidated entity will be able to continue as a going concern and continue to realise its assets and extinguish its liabilities in the normal course of business at amounts stated in the financial statements.

In view of the circumstances outlined above, the Directors are of the opinion that the consolidated entity will have sufficient funding and that it is appropriate to prepare the accounts on a going concern basis.

(d) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which The Swish Group Limited controlled from time to time during the year and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist. All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(e) Significant balance sheet movements

During the half year period there was a significant increase in receivable and payable balances. These were reflective of the increased sales and film production activity during the period.

2. DIVIDENDS

The Company does not intend to pay a dividend in respect of the period ended 31 December 2008 (2007: nil). The Company does not have any dividend or distribution reinvestment plans in operation.

3. EARNINGS PER SECURITY AND THE NATURE OF ANY DILUTION ASPECTS

Basic earnings/(loss) per share: (0.2) cents (2007: (0.2) cents)

Net loss: ($1,190,873) (2007: $1,382,831)

Weighted average number of shares used in calculating basic earnings per share: 747,700,090 (2007: 570,892,903)

Diluted earnings/(loss) per share: (0.2) cents (2007: (0.3) cents)

Weighted average number of shares used in calculating diluted earnings per share: 1,035,854,618 (2007: 852,271,876)

4. ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

Period Ended 31 December 2008:

On 7 July 2008 the Company issued 11,574,028 shares at 0.72 cents per share in respect of conversion of convertible notes to equity of $83,333.

On 2 September 2008 the Company completed a placement of 29,875,000 shares to sophisticated investors at 0.80 cents per share raising $239,000 to provide working capital and to finance potential acquisitions; the Company completed a placement of 20,000,000 shares to directors at 0.80 cents per share raising $160,000; the Company issued 13,020,937 shares at 0.64 cents per share in respect of conversion of convertible notes to equity of $83,334; the Company issued 6,250,000 shares to sophisticated investors at 0.80 cents per share to pay a debt facility fee of $50,000; the Company issued 8,458,250 shares to a vendor of a previously acquired business at 0.80 cents per share to pay deferred purchase consideration of $67,666.

Transaction costs of $122,133 were incurred in the half year period to 31 December 2008 in respect of these equity issues.

There were no other issuances, repurchases or repayments of debt or equity securities during the half-year ended 31 December 2008.

Comparative Period Ended 31 December 2007:

On 6 July 2007 the Company completed a placement of 20,000,000 shares to sophisticated investors at 1 cent per share raising $200,000 to provide working capital and to finance potential acquisitions and issued 1,000,000 shares to vendors as purchase consideration for businesses acquired by the Company at 1.3 cents per share with a value of $13,000.

On 14 September 2007 the Company completed a placement of 100,000,000 shares to sophisticated investors at 1 cent per share raising $1,000,000 to provide working capital and to finance potential acquisitions.

On 23 November 2007 the Company issued 30,000,000 shares to vendors as purchase consideration for businesses acquired by the Company at 1 cent per share with a value of $300,000 and 16,100,000 options to employees under the Company Share Option Plan. The options were issued with an exercise price of 2 cents and vested at the date of the grant. The options terminate on 22 November 2010.

On 5 December 2007 the Company completed a placement of 20,000,000 shares to Directors at 1 cent per share raising $200,000, completed a placement of 22,000,000 shares to sophisticated investors at 1 cent per share raising $220,000 to provide working capital and to finance potential acquisitions and issued 2,500,000 shares to vendors as purchase consideration for businesses acquired by the Company with a value of $25,000.

Transaction costs of $60,000 were incurred in the half year period to 31 December 2007 in respect of these equity issues.

There were no other issuances, repurchases or repayments of debt or equity securities during the half-year ended 31 December 2007.

5. RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS

There were no distributions, buy backs or other returns to shareholders in the period ended 31 December 2008.

6. NET TANGIBLE ASSETS PER SECURITY

Net tangible asset backing per ordinary security at 31 December 2008 was 0.0 cents (2007: 0.0 cents).

7. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control gained over entities

During the half year ended 31 December 2008, the Company acquired the business of Moonlight TV, a business involved in Internet television, for a cash consideration of $50,000 and deferred consideration of $50,000. The business was acquired on 21 August 2008 and control was obtained from that date. If the acquisition had taken place at the beginning of the half year period the loss of the Group would have been $1,191,567 and revenue would have been $7,792,119. The accounting for this business combination is currently provisional, pending determination of fair value of the net assets acquired. The full purchase consideration has been reflected as goodwill on this basis.

In addition, an amount of $67,666 was paid as deferred consideration for the acquisition of Swish Communications in the period ended 30 June 2008.

Loss of control of entities

There was no disposal of subsidiary entities in the half year ended 31 December 2008.

8. IMPAIRMENT OF GOODWILL

During the period an impairment loss of $77,666 was recognised. The impaired goodwill related to the Swish Communications business to write down the intangible asset to its value in use for the cash generating unit. The impairment has been recognised in the line item impairment expenses in the income statement.
During the period an impairment loss of $50,000 was recognised. The impaired goodwill related to the Swish Digital Signage business to write down the intangible asset to its value in use for the cash generating unit. The impairment has been recognised in the line item impairment expenses in the income statement.

During the period an impairment loss of $260,000 was recognised. The impaired goodwill related to the Swish MG Distribution business to write down the intangible asset to its value in use for the cash generating unit. The impairment has been recognised in the line item impairment expenses in the income statement.

9. ASSOCIATES AND JOINT VENTURE ENTITIES

The Company did not have any interests in associates or joint venture entities during the period ended 31 December 2008 (2007: nil).

10. CONTINGENT ASSETS AND LIABILITIES

At 31 December 2008, the parent company continued to guarantee the obligations of certain subsidiaries as previously reported. There have been no changes to any guarantee arrangements since 30 June 2008.

A company known as Mr Rentals Australia Pty Ltd has issued proceedings against the Company for a sum of $168,896 in respect of alleged unpaid rental of equipment. The Company has lodged a defence and counterclaim in respect of the same matter alleging the failure of the equipment and failure to service and monitor that equipment and consequential loss. The Company's claim is for a sum exceeding $1,000,000. At the date of this report the likely financial impact of these proceedings cannot be determined.

During the period the Company provided a corporate guarantee for one of its partly owned joint venture companies in the sum of $277,000 in respect of certain equipment leasing obligations. In November 2008 its joint venture partner was placed into external administration and the equipment financier to the joint venture company made certain demands in respect of the recovery of certain equipment. While the outcome of the administration has yet to be determined and the Directors of the vendor company have provided personal guarantees in respect of the alleged debt the Company has also provided a corporate guarantee. The Company has also notified the Directors of the vendor company and the equipment financier of a claim for misleading and deceptive conduct in respect of any claim that may in the future be made against it.

11. SUBSEQUENT EVENTS

No matters have arisen post 31 December 2008 that may affect the consolidated entity in the financial period subsequent to 31 December 2008.

12. SEGMENT REPORTING

The major services from which the economic entity derived revenue during the year were digital media and film production.

The economic entity operates in Australia.

The primary reporting format for the group is business segments.

Inter-segment pricing is determined on an arms length basis.

Business Segments
2008

	Digital Media	Film Production	Elimination	Consolidated
External sales	2,710,913	5,081,206		7,792,119
Internal sales	-		-	
Total Revenue	2,710,913	5,081,206		7,792,119
RESULT				
Segment operating profit/(loss) after tax	(1,498,591)	307,718	-	(1,190,873)
Segment depreciation	(25,659)	(10,800)		(36,459)
ASSETS				
Segment assets	2,287,699	266,689	-	2,554,388
LIABILITIES				
Segment liabilities	7,189,902	1,233,125	(5,185,383)	3,237,644

2007

	Digital Media	Film Production	Elimination	Consolidated
External sales	1,772,989	743,697		2,516,686
Internal sales	-		-	
Total Revenue	1,772,989	743,697		2,516,686
RESULT				
Segment operating profit/(loss) loss after tax	(1,208,319)	(174,512)	-	(1,382,831)
Segment depreciation	(39,813)	(7,002)		(46,815)
ASSETS				
Segment assets	1,859,259	235,105	-	2,094,364
LIABILITIES				
Segment liabilities	4,033,366	1,637,047	(3,733,926)	1,936,487

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

The directors declare that the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*:

(a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Act 2001*, and

(b) Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that The Swish Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the board

Cary P. Stynes
Managing Director

Melbourne
27 February 2009

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To the members of The Swish Group Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying Half-Year financial report of The Swish Group Limited, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of The Swish Group Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is attached to the Directors' Report. The Auditor's Independence Declaration would have been expressed in the same terms if it had been given to the directors at the date this auditor's review report was signed.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of The Swish Group Limited is not in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Uncertainty Regarding Going Concern

Without qualification to the conclusion expressed above, attention is drawn to the following matter. As indicated in Note 1 (c) to the financial statements, the ability of The Swish Group Limited to continue as a going concern is dependent on the Company being able to generate sufficient funds from its operational activities, debt facilities, and equity raisings to fund its current and ongoing obligations.

Accordingly, without the ability to raise equity or enter into debt arrangements there would be significant uncertainty as to whether the Company would be able to continue as a going concern and therefore whether it would be able to pay its debts as and when they become due and payable, and realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Ernst & Young

Ernst & Young

Robert J Dalton
Partner
Melbourne
27 February 2009