

Appendix 4E
Preliminary Final Report for the year ended 30 June 2010

Mooter Media Limited
ACN 059 081 293

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Results for Announcement to Market (Appendix 4E)

Current Reporting period: Year ended 30 June 2010

Previous Corresponding Period: Year ended 30 June 2009

Revenue and Net Profit	Percentage Change %	Amount \$ 000
Revenues from continuing operations	96%	490
Net Profit / (Loss) before tax	19%	(1,580)
Net Profit / (Loss) from ordinary activities after tax	5%	(1,580)
Net Profit / (Loss) for the period attributable to members	5%	(1,580)

Dividends

Final Dividend for 2010

nil

Brief Explanation of Revenue and Net Profit

Revenue for the year ended June 2010 was \$0.519 million, substantially from online advertising generated by Project Search Pty Ltd, which was acquired during the period.

The consolidated loss of the economic entity after income tax amounted to \$1.58 million (2009: \$1.95 million).

During the period, the Company raised \$2.8 million of new capital (after costs) and repaid secured debt of \$0.375 million, such that at balance date it was debt free.

The Company had \$1.719 million in cash at the end of June 2010.

Post Balance Date Events

During the period, the Company signed a Heads of Agreement with technology innovation & development group, Hot Shot Media ("HotShot"), which is the developer of a unique and exciting suite of interactive online entertainment products based on the revolutionary convergence of social gaming and networking wrapped around digital imagery and photography. Under the Agreement, Mooter will acquire Hot Shot Media Pty Ltd (HSM) which has a 50/50 joint venture partnership with Hot Shot Singapore, which will allow Mooter to exclusively market and commercially exploit the full extent of the HotShot photo networking platform, including its suite of games, gaming and competition-based products.

The company expects to complete the acquisition of Hot Shot Media Pty Ltd on 3 September 2010, following shareholder approval on 20 August 2010 and having received acceptances for over 97% of HSM shares.

	Year Ended 30 June 10	Year Ended 30 June 09
Basic earnings per share	(\$0.0001)	(\$0.005)
NTA Backing	(\$0.0001)	(\$0.001)
Net Tangible asset backing per security		

Dividends paid and proposed – Not Applicable

Details of Dividends or distributions Re-Investment plans – Not Applicable

Details of Associates and Joint Venture Entities – Not Applicable

Audit report - The preliminary final report is based on accounts which are in the process of being audited

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INCOME STATEMENT FOR YEAR ENDED 30 JUNE 2010

	Note	2010 \$000	2009 \$000
Revenue	2	519	70
Other income	2	-	142
Employee benefits expense		-	928
Depreciation and amortisation expense		-	70
Impairment expense		1,092	200
Consultancy Expense		250	176
Directors emoluments		182	211
Legal expense		11	37
Rental expenses		26	282
Travel Expenses		75	58
Hosted facilities charge		6	79
Other expense from ordinary activities		457	121
Profit/(Loss) before income tax	3	(1,580)	(1,950)
Income tax expense		(0)	(362)
Profit/(Loss) for the year		(1,580)	(1,588)
Profit/(Loss) attributable to members of the parent entity		(1,580)	(1,588)
Overall Operations			
Basic earnings per share (cents per share)	4	(0.0001)	(0.01)
Diluted earnings per share (cents per share)	4	(0.0001)	(0.01)
Continuing Operations			
Basic earnings per share (cents per share)	4	(0.0001)	(0.01)
Diluted earnings per share (cents per share)	4	(0.0001)	(0.01)

The accompanying notes form part of these financial statements.

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BALANCE SHEET AS AT 30 JUNE 2010

	Note	2010 \$000	2009 \$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,719	99
Trade and other receivables		2	18
Other current assets		182	7
TOTAL CURRENT ASSETS		1,903	124
NON-CURRENT ASSETS			
Trade and other receivables		-	-
Property, plant and equipment		20	20
Deferred tax assets		-	-
Intangible assets		35	-
TOTAL NON-CURRENT ASSETS		55	20
TOTAL ASSETS		1,958	144
CURRENT LIABILITIES			
Trade and other payables		137	234
Short-term provisions		-	36
Unsecured Convertible Note		-	375
TOTAL CURRENT LIABILITIES		137	645
NON-CURRENT LIABILITIES			
Trade and other payable		-	-
Other long-term provisions		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		137	645
NET ASSETS		1,821	(501)
EQUITY			
Issued capital	6	24,878	20,977
Reserves		1,205	1,205
Accumulated losses		(24,262)	(22,683)
TOTAL EQUITY		1,821	(501)

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2010

	Note	Share Capital \$000	Retained Earnings \$000	Other Reserves \$000	Minority Interest \$000	Total \$000
Balance at 30 June 2008		19,636	(21,095)	1,080	-	(379)
Issue of shares		1,130				1,130
Listing expenses - cash		(392)				(392)
Listing expenses – share based payment		603				603
Employee Options – Share based payments				125		125
Loss for period			(1,588)			(1,588)
Balance at 30 June 2009		20,977	(22,683)	1,205	-	(501)
Issue of shares		4,005				4,005
Listing expenses - cash		(104)				(104)
Loss for period			(1,580)			(1,580)
Balance at 30 June 2010		24,878	(24,262)	1,205	-	1,821

The accompanying notes form part of these financial statements.

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CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2010

	Note	2010 \$000	2009 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		624	67
Receipts from government grants		-	504
Payments to suppliers and employees		(1,447)	(1,482)
Dividends received		-	-
Interest received		32	3
Finance costs		(38)	(28)
Income tax paid		-	-
Net cash provided by (used in) operating activities	7	(829)	(936)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	-
Purchase of investments		-	-
Purchase of other non-current assets		-	-
Loans to related parties		-	-
Disposal of a controlled entity		-	-
Net cash provided by (used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,880	1,130
Listing expense		(56)	(392)
Repayment of borrowings		(375)	-
Proceeds from Borrowings		-	375
Net cash provided by (used in) financing activities		2,449	1,113
Net increase in cash held		1,620	177
Cash at beginning of financial year		99	276
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash at end of financial year		1,719	99

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the economic entity of **Mooter Media Limited** and controlled entities, and **Mooter Media Limited** as an individual parent entity. **Mooter Media Limited** is a listed public company, incorporated and domiciled in Australia.

The financial report of **Mooter Media Limited** and controlled entities, and **Mooter Media Limited** as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. **Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Mooter Media Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity.

b. **Impairment of Assets**

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

c. Intangibles

Goodwill

Goodwill represents the excess of the cost of the business combination over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is not amortised but is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Impairment losses on goodwill cannot be reversed.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development expenses consist primarily of compensation and related costs for personnel responsible for the research and development of new products and services, as well as significant improvements to existing products and services.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

d. Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of balance sheet date are recognised in respect of employees' services rendered up to balance sheet date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual leave are included as part of Employee Benefit Provisions. Employee benefits payable later than the next twelve months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the balance sheet date using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at balance sheet date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Equity-settled compensation

The group operates an employee share option plan that all employees participate. The bonus element over the exercise price of the employee services rendered in exchange for the grant of options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

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e. **Business Combinations**

The parent entity acquired 100% (including 100% of the voting rights) of Project Search Pty Ltd on 25 September 2009, a joint venture company primarily engaged in the digital media and advertising industry. Project Search is a search-advertising distributor (or online advertising broker) to large publishers and publisher networks allowing advertisers to place advertising on matched websites (or a network of matched websites) with the ability to connect their products and services to prospective buyers. Revenue is generated from commissions on advertising sold on each of the matched websites.

Consideration Paid	Group 31/12/09 \$'000
The purchase consideration consisted of:	
- Cash	Nil
- Equity (300 million Fully Paid Shares)	795
- Equity (300 million Share Options)	330
	1,125

The shares and options are subject to escrow arrangements until 25 September 2010. The value of the ordinary shares and options issued to the vendors were determined by directors as being equal to the low range of values included in the Independent Expert Report in the Explanatory Memorandum provided to Shareholders to approve the acquisition and the issue of the shares and options at the general meeting convened for this purpose on 25 September 2009.

Net Assets Acquired

Fair values of Net Assets acquired were \$35,000. The Independent Expert, engaged by the Independent Directors to provide an opinion as to whether the transaction was fair and reasonable to the Non-Associated Shareholders, concluded that whilst the transaction was not fair it was reasonable as, on balance, the advantages outweighed the disadvantages.

Goodwill on Acquisition

Goodwill on acquisition of Project Search amounted to \$1,127,235 and an impairment write down of \$1,092,235 has been recognised to reflect the fair value of underlying assets of Project search Pty Limited at the date of acquisition. This is considered appropriate as no reliable estimates of future cash flows can be made to permit a discounted cash flow valuation to be made.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2: REVENUE

	Note	2010 \$000	2009 \$000
Operating activities			
— interest received third parties		29	3
— government subsidies received		-	142
— services revenue		490	67
— license fee revenue		-	-
Total Revenue		519	212

NOTE 3: NET PROFIT / (LOSS) FOR THE YEAR

	Note	2010 \$000	2009 \$000
a. Revenue			
Revenue from ordinary activities		490	209
Other revenue		29	3
b. Expenses			
Cost of sales		(257)	(165)
Employee benefits expense		-	(928)
Depreciation and amortisation expense		-	(70)
Impairment expense		(1092)	(200)
Marketing expense		-	-
Consultancy expense		(250)	(176)
Director emoluments		(182)	(211)
Legal expenses		(11)	(37)
Rental expenses		(26)	(282)
Travelling expenses		(75)	(58)
Other expenses from ordinary activities		(206)	(35)
Profit/(Loss) before income tax		(1,580)	(1,950)
Income tax expense		()	362
Profit/(Loss) for the year		(1,580)	(1,588)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 4: EARNINGS PER SHARE

	2010	2009
	\$000	\$000
a. Reconciliation of earnings to profit or loss		
Profit/Loss from operations	(1,580)	(1,588)
Earnings used to calculate basic EPS	(1,580)	(1,588)
Dividends on converting preference shares	-	-
Earnings used in the calculation of dilutive EPS	(1,580)	(1,588)
b. Reconciliation of earnings to profit or loss from continuing operations		
Profit/(Loss) from continuing operations	(1,580)	(1,588)
Earnings used to calculate basic EPS from continuing operations	(1,580)	(1,588)
Earnings used in the calculation of dilutive EPS from continuing operations	(1,580)	(1,588)
c. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,750,000,000	225,765
Weighted average number of options outstanding	500,000,000	10,041
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	2,250,000,000	235,806

NOTE 5: CONTROLLED ENTITIES

a. Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)*	
		2010	2009
Parent Entity:			
Mooter Media Limited	Australia		
<i>Subsidiaries of Mooter Media Limited</i>			
Mooter Pty Limited	Australia	100%	100%
Project Search Pty Limited	Australia	100%	100%
Mooter Holdings Limited	Australia	100%	100%
<i>Subsidiaries of Mooter Holdings Limited</i>			
Mooter Media Hong Kong Limited	Hong Kong	100%	100%

* Percentage of voting power is in proportion to ownership

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 6: ISSUED CAPITAL

	2010	2009
	\$000	\$000
387,264,959 (2008: 64,267,626) fully paid ordinary shares	-	20,897
1,905,233,608 (2009: 387,264,959) fully paid ordinary shares	24,878	-
Nil (2008: 80,000,000) partly paid ordinary shares	-	80
	<u>24,878</u>	<u>20,977</u>

	2010	2009
	No. Shares	No. Shares
a. Ordinary shares		
At the beginning of reporting period	387,264,959	64,267,626
Fully paid ordinary shares issued pursuant to a Share Placement on 3 July 2008		5,000,000
Fully paid ordinary shares issued pursuant to a Share Placement on 29 July 2008		5,000,000
Fully paid ordinary shares issued pursuant to a Services Agreement on 29 July 2008		464,000
Fully paid ordinary shares issued pursuant to an underwriting mandate in July 2008		9,000,000
Fully paid ordinary shares issued pursuant to a Share Placement on 23 October 2008		80,000,000
Fully paid ordinary shares issued pursuant to Fee for Placement arrangement on 23 October 2008		20,000,000
Fully paid ordinary shares issued pursuant to an Option Fee for Project Search Acquisition on 10 March 2009		50,000,000
Fully paid ordinary shares issued pursuant to a Share Placement on 27 March 2009		153,533,333
Fully paid ordinary shares issued pursuant to an Underwritten Pro-rata Rights Issue in September 2009	775,529,918	
Fully paid ordinary shares issued pursuant to a Share Placement on 26 October 2009	100,000,000	
Fully paid ordinary shares issued pursuant to an Acquisition Agreement in September 2009 (unlisted, in escrow)	300,000,000	
Fully paid ordinary shares issued pursuant to a Share Placement on 18 December 2009	200,000,000	
Fully paid ordinary shares issued pursuant to Conversion of Partly Paid Shares in February 2010	80,000,000	
Fully paid ordinary shares issued pursuant to Conversion of a Secured Convertible Note in February 2010	14,393,955	
Fully paid ordinary shares issued pursuant to Exercise of Options during February & March 2010	48,044,776	
At reporting date	1,905,233,608	387,264,959

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b. Share Options	2010 No. Options	2009 No. Options
At the beginning of reporting period:		
- Share Options with Exercise Price of \$0.85 before 20/12/10	4,201,662	4,201,662
- Share Options with Exercise Price of \$0.85 before 30/06/11	528,335	528,335
- Share Options with Exercise Price of \$0.85 before 12/12/11	401,250	401,250
- Share Options with Exercise Price of \$0.30 before 01/12/10	4,960,000	4,960,000
	10,041,247	10,041,247
Share Options issued during the reporting period:		
- Share Options with Exercise Price of \$0.015 before 30/06/12	687,764,959	
Share Options exercised during the reporting period:		
- Share Options with Exercise Price of \$0.015 before 30/06/12	(48,044,776)	
At the end of reporting period:		
- Share Options with Exercise Price of \$0.85 before 20/12/10	4,201,662	4,201,662
- Share Options with Exercise Price of \$0.85 before 30/06/11	528,335	528,335
- Share Options with Exercise Price of \$0.85 before 12/12/11	401,250	401,250
- Share Options with Exercise Price of \$0.30 before 01/12/10	4,960,000	4,960,000
- Share Options with Exercise Price of \$0.015 before 30/06/12	639,720,183	
	649,761,430	10,041,247

For information relating to the **Mooter Media Limited** employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 8 Share-based Payments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 7: CASH FLOW INFORMATION

	2010	2009
	\$000	\$000
Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax		
Profit/(loss) after income tax	(1,580)	(1,588)
Cash flows excluded from profit attributable to operating activities		
Finance costs on debentures	-	
Non-cash flows in profit		
Amortisation & Depreciation	-	70
Impairment	1,092	200
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	17	252
(Increase)/decrease in current assets	(176)	-
Increase/(decrease) in intangible assets		-
Increase/(decrease) in trade payables and accruals	(146)	(89)
Increase/(decrease) in income taxes payable	-	-
Increase/(decrease) in deferred taxes payable	-	-
Increase/(decrease) in provisions	(36)	219
Cash flow from operations	(829)	(936)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 8: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2010:

	Economic Entity		Parent Entity	
	2010	2009	2010	2009
	Number of Options	Number of Options	Number of Options	Number of Options
Outstanding at the beginning of the year	10,041,247	10,041,247	10,041,247	10,041,247
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	10,041,247	10,041,247	10,041,247	10,041,247
Exercisable at year end	10,041,247	10,041,247	10,041,247	10,041,247

No options have been exercised during the year ended June 30, 2010.

The options outstanding at June 30, 2010 had a weighted average exercise price of \$0.58 and a weighted average remaining contractual life of 0.5 years.

The weighted average fair value of the options granted during the year was nil, as no options were issued.

Included under employee benefits expense in the income statement is nil (2009: 36,000) and relates, in full, to equity-settled share-based payment transactions.

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COMPLIANCE STATEMENT

1. This Report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX
2. This report and the accounts upon which the report is based use the same accounting policies
3. This report does give a true and fair view of the matters disclosed
4. This report is based on accounts to which one of the following applies
- | | | | |
|-------------------------------------|--|--------------------------|---|
| <input checked="" type="checkbox"/> | The accounts have been audited
The accounts are in the process of being audited | <input type="checkbox"/> | The accounts have been subject to review
The accounts have not yet been audited or reviewed. |
|-------------------------------------|--|--------------------------|---|
5. The entity has a formally constituted audit committee



John Diddams
Company Secretary

27 August 2010