



BEYOND SPORTSWEAR INTERNATIONAL LIMITED
(ASX: BSI)

ASX and Media Release

31 August 2010

Appendix 4E Preliminary final report

- **Results EBIT and NPAT significantly up on last year**

The Directors of Beyond Sportswear International Limited (BSI or the company) report Earnings before Interest and Tax (EBIT) of \$0.9m which compares with a loss of (\$1.2m) in FY2009.

Net Profit after Tax was reported at \$0.58m which compares with a Net Loss after Tax of (\$0.57m) in FY2009.

This is a significant improvement on last year and these results also include \$630k of non-recurring event costs and write-downs (of which \$518k has already been booked in the Company's first half results for the FY10 financial year).

The business environment in which the businesses are operating remains challenging; however a recovery to previous historical sales levels is expected to occur in the remaining three quarters along with a release of new products. Further, costs of \$740k included the above results related to depreciation, insurance and occupancy costs are not expected to reoccur in FY11.

The Company has made significant progress in reduction of borrowings during the period, having reduced its debt under its facility with the National Australia Bank by \$1.9m since May 2009. Notwithstanding this significant debt reduction, the Company has received indications from the bank that further accelerated debt reduction is required. The Company is presently reviewing the options available to it in order to best accommodate these requirements and will continue to keep all shareholders and stakeholders advised of developments as they occur.

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**BEYOND SPORTSWEAR INTERNATIONAL
LIMITED
A.B.N. 41 108 042 593
AND CONTROLLED ENTITIES**

**PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2010
PROVIDED TO THE ASX UNDER LISTING RULE 4.3A**

Appendix 4E Preliminary Report

Name of entity

BEYOND SPORTSWEAR INTERNATIONAL LIMITED

ABN or equivalent company reference:

41 108 042 593

1. Reporting period

Preliminary report for the financial year ended	30 June 2010
Previous corresponding period is the financial year ended	30 June 2009

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities (<i>item 2.1</i>)	down	17.8%	to	24,958
Profit from ordinary activities after tax attributable to members (<i>item 2.2</i>)	up	201%	to	581
Net profit for the period attributable to members (<i>item 2.3</i>)	up	201%	to	581
Dividends (<i>item 2.4</i>)		Amount per security		Franked amount per security
Interim dividend		Nil		Nil
Final dividend		Nil		Nil
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	Not Applicable			
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):				
Refer attached Preliminary Financial Report for the year ended 30 June 2010.				

3. **Income Statement (item 3)**

Refer attached Preliminary Financial Report for the Year ended 30 June 2010

4. **Balance Sheet (item 4)**

Refer attached Preliminary Financial Report for the Year ended 30 June 2010

5. **Statement of Cash Flows (item 5)**

Refer attached Preliminary Financial Report for the Year ended 30 June 2010

6. **Dividends (item 6)**

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2010	Not Applicable	Not Applicable
Final dividend – year ended 30 June 2010	Not Applicable	Not Applicable

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	0¢	0¢	0¢
Previous year	0¢	0¢	0¢

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities (each class separately)	N/A	N/A
Preference securities (each class separately)	N/A	N/A
Other equity instruments (each class separately)	N/A	N/A
Total	N/A	N/A

7. **Details of dividend or distribution reinvestment plans in operation are described below (item 7):**

There is no dividend reinvestment plan in place	
The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	N/A

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8. Statement of retained earnings (*item 8*)

	Consolidated	
	2010	2009
	\$'000	\$'000
Balance at the beginning of year	(27,939)	(27,362)
Net profit attributable to members of the parent entity	581	(577)
Total available for appropriation	(27,358)	(27,939)
Dividends paid	0	0
Balance at end of year	(27,358)	(27,939)

9. Net tangible assets per security (*item 9*)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$(0.01)	\$(0.01)

10. Details of entities over which control has been gained or lost during the period: (*item 10*)

Control gained over entities

Name of entities (*item 10.1*)

None

Date(s) of gain of control (*item 10.2*)

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (*item 4.3*)

Loss of control of entities

Name of entities (*item 10.1*)

None

Date(s) of loss of control (*item 10.2*)

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (*item 10.3*).

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (*item 4.3*)

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11. Details of associates and joint venture entities (item 11)

Name of associate or joint venture entity (item 11.1)

%Securities held (item 11.2)

Name of associate or joint venture entity (item 11.1)	%Securities held (item 11.2)

Aggregate share of profits (losses) of associates and joint venture entities (item 11.3)

Group's share of associates' and joint venture entities':

Profit (loss) from ordinary activities before tax

Income tax on ordinary activities

Net profit (loss) from ordinary activities after tax

Adjustments

Share of net profit (loss) of associates and joint venture entities

	2010 \$	2009 \$
Profit (loss) from ordinary activities before tax	Nil	Nil
Income tax on ordinary activities		
Net profit (loss) from ordinary activities after tax	Nil	Nil
Adjustments		
Share of net profit (loss) of associates and joint venture entities	Nil	Nil

12. Significant information relating to the entity's financial performance and financial position.

Refer attached Preliminary Financial Report for the year ended 30 June 2010.

13. The financial information provided in the Appendix 4E is based on the preliminary financial report (attached), which has been prepared in accordance with Australian accounting standards (item 13).

14. Commentary on the results for the period.

Refer attached preliminary Financial Report for the year ended 30 June 2010.

15. Information on Audit.

The full year report is based on accounts which are in the process of being audited.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	2010	2009
	\$'000	\$'000
Continuing Operations		
Revenue	24,958	30,366
Changes in inventories of finished goods and work in progress	(171)	526
Raw materials and consumables used	(13,411)	(18,107)
Royalty expenses	(350)	(527)
Employee benefits expense	(3,722)	(4,052)
Occupancy expenses	(418)	(556)
Event expenses	(71)	(945)
Advertising expenses	(260)	(280)
Freight expenses	(485)	(705)
Travel expenses	(283)	(357)
Depreciation and amortisation expenses	(1,326)	(741)
Professional fees	(1,233)	(1,546)
Finance costs	(690)	(1,020)
Write down of related party loan	0	(20)
Other expenses	(1,707)	(1,747)
Restructuring costs relating to Event Business	(630)	(2,466)
Profit/ (Loss) before tax	201	(2,177)
Income tax benefit	380	1,600
Profit / (Loss) for the year from Continuing Operations	581	(577)
PROFIT/(LOSS) FOR THE YEAR	581	(577)
Other comprehensive income		
Exchange differences on translating foreign operations	0	(259)
Other comprehensive income for the year, net of tax	0	(259)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	581	(836)
Earnings per share		
Basic (cents per share)	0.17	(0.23)
Diluted (cents per share)	0.17	(0.22)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	2010	2009
	\$'000	\$'000
Assets		
Current assets		
Cash and bank balances	221	388
Trade and other receivables	5,068	5,016
Inventories	3,027	3,327
Other assets	332	233
Total current assets	<u>8,648</u>	<u>8,964</u>
Non-current assets		
Deferred tax assets	4,380	4,000
Other financial assets	75	75
Property plant and equipment	2,529	3,191
Goodwill	4,745	4,184
Other intangible assets	8,719	8,178
Total non-current assets	<u>20,448</u>	<u>19,628</u>
Total assets	<u>29,096</u>	<u>28,592</u>
Current liabilities		
Trade payables	5,145	4,882
Other payables and accruals	3,530	4,091
Bank overdraft	803	600
Secured loans	4,775	5,455
Shareholder loans	141	378
Finance lease liabilities	327	267
Provisions	431	528
Total current liabilities	<u>15,152</u>	<u>16,201</u>
Non-current liabilities		
Bank term loan	0	600
Shareholder loans	2,977	1,071
Finance lease liabilities	173	439
Provisions	122	107
Total non-current liabilities	<u>3,272</u>	<u>2,217</u>
Total liabilities	<u>18,424</u>	<u>18,418</u>
Net assets	<u>10,672</u>	<u>10,174</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010 (Continued)

	2010	2009
	\$'000	\$'000
Equity		
Issued capital	38,258	38,312
Reserves	(228)	(199)
Accumulated losses	(27,358)	(27,939)
	<u>10,672</u>	<u>10,174</u>
Equity attributable to owners of the Company	10,672	10,174
Non-controlling interests	0	0
Total equity	<u>10,672</u>	<u>10,174</u>

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010

	Share Capital \$'000	Share Option Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Attributable to equity holders of the parent \$'000	Total \$'000
Balance at 1 July 2008	35,283	161	(101)	(27,362)	7,981	7,981
Loss for the year	0	0	0	(577)	(577)	(577)
Other comprehensive income/ (loss)for the year	0	0	(259)	0	(259)	(259)
Total comprehensive loss for the year	0	0	(259)	(577)	(836)	(836)
Issue of shares	3,029	0	0	0	3,029	3,029
Balance at 30 June 2009	38,312	161	(360)	(27,939)	10,174	10,174
Balance at 1 July 2009	38,312	161	(360)	(27,939)	10,174	10,174
Profit for the year	0	0	0	581	581	581
Other comprehensive income/ (loss)for the year	0	0	0	0	0	0
Total comprehensive income for the year	0	0	0	581	581	581
Share based payments	0	(29)	0	0	(29)	(29)
Share transaction costs	(54)	0	0	0	(54)	(54)
Balance at 30 June 2010	38,258	132	(360)	(27,358)	10,672	10,672

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2010

	2010	2009
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	27,507	31,813
Payments to suppliers and employees	(25,559)	(33,733)
Interest received	9	19
Finance costs	(690)	(1,020)
Other income	26	65
Net cash provided by / (used in) operating activities	<u>1,293</u>	<u>(2,856)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(829)	(419)
Proceeds from sale of plant and equipment	165	0
Payments for intangible assets	(541)	0
Purchase of businesses	(561)	(441)
Net cash used in investing activities	<u>(1,766)</u>	<u>(860)</u>
Cash flows from financing activities		
Proceeds from issue of shares	0	417
Payment for share issue costs	(54)	0
Repayment of bank term loan	(600)	(600)
(Repayment of)/Proceeds from secured loans	(680)	3,234
Proceeds from shareholder loans	1,643	311
Payments for finance lease liabilities	(206)	(226)
Net cash provided by financing activities	<u>103</u>	<u>3,136</u>
Net increase in cash and cash equivalents	(370)	(580)
Cash and cash equivalents at the beginning of financial year	(212)	627
Effect of exchange rate changes on the balance of cash held in foreign currencies	0	(259)
Cash and cash equivalents at end of financial year	<u>(582)</u>	<u>(212)</u>