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**RXP SERVICES LIMITED**

(ABN 30 146 959 917)

Web: [www.rxp.services.com.au](http://www.rxp.services.com.au) Email: [info@rxpservices.com.au](mailto:info@rxpservices.com.au)

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**Company Announcement**

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27 February 2013

**RXP Services – Half Year Financial Results to 31 December 2012**

RXP Services Limited (RXP) is pleased to announce to the market the following results and highlights for the half year ended 31 December 2012.

- ❖ First half revenue of \$11.36M
- ❖ First half Profit before providing for tax of \$1.24M
- ❖ Staff numbers have grown by over 50% to 177 in the first half and have grown a further 20% to 212 post 31 December 2012
- ❖ Raised \$8.2M in capital
- ❖ Completed the acquisition of NSI Technology adding key “in demand” service offerings
- ❖ Completed preparatory work and due diligence for the subsequent successful acquisition of Zenith Solutions (Aust) on 7 January 2013, adding further “in demand” service offerings

**Outlook**

- ❖ Information and Communication Technologies (ICT) continues to be an enabler for clients in terms of productivity improvement and revenue growth and RXP notes that there is still significant spend on ICT.
- ❖ On track to deliver full year Revenue of \$26 - \$30M and EBITDA of \$4.5 - \$6.0M
- ❖ Improvement in top-line/bottom-line performance driven by strong organic growth and high margin acquisitions while holding overheads costs steady

**For further information contact:**

Ross Fielding, Chief Executive Officer

Chris Shearer, Chief Financial Officer

+61 3 8256 4855 [info@rxpservices.com.au](mailto:info@rxpservices.com.au)

**About RXP**

RXP Services Limited (RXP) is an ICT professional services company providing services to clients in both the private and public sectors. RXP provides consulting and professional services to a number of S&P/ASX 200 corporations and government bodies here in Australia and in Asia. With over 200 staff and offices in Melbourne, Canberra, Sydney and Hong Kong, RXP have been providing expert consulting services to clients for over 20 years. Our focus is on ensuring clients maximise the benefits they receive from both their existing and future ICT investments.

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## **RXP SERVICES LIMITED AND CONTROLLED ENTITIES**

**APPENDIX 4D AND  
CONSOLIDATED INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2012**

**ABN: 30 146 959 917**

**ASX CODE: RXP**

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2012.

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**Details of the reporting period and the previous corresponding period**

Reporting period: Half year ended 31 December 2012

Previous corresponding period: Half year ended 31 December 2011

**Results for announcement to the market**

RXP Services Limited (RXP) and its controlled entities (the RXP Group or Group) Results for Announcement to the Market are detailed below.

	Dec 2012 (\$'000)	Dec 2011 (\$'000)	Change (\$'000)	Change (%)
Revenue and other income	11,360	2,104	9,256	440
Profit after tax	853	(316)	1,169	n.m.
Profit after tax attributable to members of RXP	853	(316)	1,169	n.m.
Profit before tax	1,237	(452)	1,689	n.m.

**Dividends**

No interim dividend will be paid in relation to the half-year ended 31 December 2012.

**Explanation of results**

Please refer to the 'Directors Report' for an explanation of the results.

This information should be read in conjunction with the Consolidated Annual Financial Report of the RXP Group for the year ended 30 June 2012.

This report should also be read in conjunction with any public announcements made by RXP in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing Rule 4.2A.

**Net tangible assets**

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary security	(2) cents	(18) cents

**Details of entities over which control has been gained or lost during the period**

On 2 July 2012, the Company acquired 100% of the share capital of Stonewell Consulting Pty Ltd. Details of the acquisition are set out at Note 6 in this financial report.,

On 2 July 2012 the Company acquired 100% of the share capital of PL Consulting Pte Ltd. Details of the acquisition are set out at Note 6 in this financial report.

On 30 November 2012, the Company acquired 100% of the share capital of NSI Technology Pty Ltd. Details of the acquisition are set out at Note 6 in this financial report.

**Details of individual and total dividends and payment dates**

No dividends have been declared by the Company.

**Details of dividend reinvestment plan**

Not applicable.

**Details of associates and joint venture entities**

Not applicable.

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**For foreign entities, accounting standards used in compiling the report**

Not applicable.

**A description of any modified opinion, emphasis of matter or other matter paragraph contained in the independent auditor's review report**

Not applicable. The independent auditor's review report does not contain any modified opinion, emphasis of matter or other matter paragraph.

The independent auditor's review report is included in the attached Interim Financial Report.

Date: 27 February 2013



Chris Shearer  
Company Secretary

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## Directors Report

The directors of RXP Services Limited ("the Company") present their report, together with the financial report of the Company and its controlled entities (collectively "the Group") for the six months ended 31 December 2012 and independent auditor's review report thereon.

This financial report has been prepared in accordance with Australian Accounting Standards.

## Directors

The names of the directors in office at any time during or since the end of the half-year are:

Name	Period of Directorship
<b>Non-Executive Directors</b>	
Lloyd Roberts (Chairperson)	Director since 21 October 2010
Kenneth Stout	Director since 21 October 2010
<b>Executive Director</b>	
Ross Fielding (CEO)	Director since 21 October 2010

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

## Review of operations

The consolidated result for the half-year ending 31 December 2012 amounted to \$11,359,671 revenue, \$1,236,755 profit before tax and a profit of \$853,058 after providing for income tax.

The recent acquisitions of NSI Technology, 30 November 2012 and Zenith Solutions, 6 January 2013, have added a number of important capabilities; a number of new clients and at the same time expanded our geographic presence in Australia. Further, these acquisitions together with organic growth in the existing operations have more than doubled the consultant pool since the start of November 2012.

The integration of both of these businesses into RXP Services has gone extremely well and is already proving to be a source of further growth as we head into the second half of FY 2013.

RXP now have offices in Melbourne, Sydney, Canberra and Hong Kong. The business is structured around 8 Technology Practices including our new Cloud Services, Applications Development (including Mobility) and Information Management & Data Analytics.

RXP remains on track to deliver against the guidance previously provided to the Australian Stock Exchange under the continuous disclosure rules.

### **Significant changes in the state of affairs**

On 2 July 2012 the Company acquired 100% of the share capital of Stonewell Consulting Pty Ltd and PL Consulting Pte Ltd. Details of this acquisition are set out at Note 6 in this financial report.

On 28 November 2012 the Company completed a share placement to sophisticated investors that raised a total of \$5,000,000 prior to payment of capital raising expenses.

On 30 November 2012, the Company acquired 100% of the share capital of NSI Technology Pty Ltd. Details of this acquisition is set out at Note 6 in this financial report.

On 24 December 2012 the Company completed a share placement to sophisticated investors that raised a total of \$3,200,000 prior to payment of capital raising expenses.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporation Act 2001 in relation to the review for the half-year is provided with this report.

### Rounding of amounts to nearest thousand dollars

The amounts contained in the report and in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:



Ross Fielding  
CEO & Managing Director

Date: 27 February 2013

## AUDITOR'S INDEPENDENCE DECLARATION

### To the Directors of RXP Services Limited

In relation to the half-year independent review for the six months to 31 December 2012, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.
- (ii) No contraventions of any applicable code of professional conduct.



M W PRINGLE

Partner

27 February 2013



PITCHER PARTNERS

Melbourne

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**RXP SERVICES LIMITED AND CONTROLLED ENTITIES**

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2012

**CONDENSED CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	HALF-YEAR	
	2012 \$'000	2011 \$'000
<b>Revenue</b>		
Sales revenue	11,360	2,104
Other income	13	6
	11,373	2,110
<b>Less: Expenses</b>		
Cost of sales	(7,700)	(1,587)
Employee benefits	(1,510)	(671)
Acquisition expense	(16)	(219)
Other expenses	(910)	(84)
	(10,136)	(2,562)
<b>Profit/(Loss) before income tax benefit</b>	1,237	(452)
Income tax	(384)	135
<b>Net Profit/(Loss) for the half-year</b>	853	(316)
Other comprehensive income	-	-
<b>Total comprehensive loss for the period</b>	853	(316)
<b>Profit/(Loss) attributable to:</b>		
Members of the parent	853	(316)
Non-Controlling Interest	-	-
	853	(316)
<b>Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:</b>		
Basic earnings per share (cents)	1.7	(1.9)
Diluted earnings per share (cents)	1.7	(1.9)

The accompanying notes form part of these financial statements.

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**RXP SERVICES LIMITED AND CONTROLLED ENTITIES**

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2012

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

	31 Dec 2012 \$'000	31 June 2012 \$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	5,236	781
Receivables	4,800	3,212
Other current assets	496	430
<b>TOTAL CURRENT ASSETS</b>	<b>10,532</b>	<b>4,423</b>
<b>NON-CURRENT ASSETS</b>		
Deferred tax assets	851	780
Property, plant and equipment	119	6
Intangible assets	30,652	19,732
<b>TOTAL NON-CURRENT ASSETS</b>	<b>31,622</b>	<b>20,518</b>
<b>TOTAL ASSETS</b>	<b>42,154</b>	<b>24,941</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,892	3,220
Deferred consideration	6,698	5,458
Provisions	726	417
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,316</b>	<b>9,095</b>
<b>NON-CURRENT LIABILITIES</b>		
Payables	690	549
Provisions	331	88
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,021</b>	<b>637</b>
<b>TOTAL LIABILITIES</b>	<b>12,337</b>	<b>9,732</b>
<b>NET ASSETS</b>	<b>29,817</b>	<b>15,209</b>
<b>EQUITY</b>		
Contributed capital	28,941	15,186
Retained earnings	876	23
<b>TOTAL EQUITY</b>	<b>29,817</b>	<b>15,209</b>

The accompanying notes form part of these financial statements.

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**RXP SERVICES LIMITED AND CONTROLLED ENTITIES**

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2012

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Contributed equity \$'000	Retained Earnings \$'000	Total equity \$'000
<b>Consolidated</b>			
<b>Balance as at 1 July 2011</b>	<b>200</b>	<b>(348)</b>	<b>(148)</b>
Loss for the half year	-	(316)	(316)
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>(316)</b>	<b>(316)</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares Issued During Period	16,391	-	16,391
Share Issue Expenses	(1,405)	-	(1,405)
	<b>14,986</b>	<b>-</b>	<b>14,986</b>
<b>Balance as at 31 December 2011</b>	<b>15,186</b>	<b>(664)</b>	<b>14,522</b>
<b>Consolidated</b>			
<b>Balance as at 1 July 2012</b>	<b>15,186</b>	<b>23</b>	<b>15,209</b>
Profit for the half year	-	853	853
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>853</b>	<b>853</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares Issued During Period	14,349	-	14,349
Share Issue Expenses	(594)	-	(594)
	<b>13,755</b>	<b>-</b>	<b>13,755</b>
<b>Balance as at 31 December 2012</b>	<b>28,941</b>	<b>876</b>	<b>29,817</b>

The accompanying notes form part of these financial statements.

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**RXP SERVICES LIMITED AND CONTROLLED ENTITIES**

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2012

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Note	31 Dec 2012 \$'000	31 Dec 2011 \$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		12,174	1,656
Payments to suppliers and employees		(12,020)	(2,073)
Interest received		13	6
<b>Net cash used in operating activities</b>		<b>167</b>	<b>(411)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(18)	(4)
Payment for business acquisition	6	(3,340)	(4,162)
<b>Net cash used in investing activities</b>		<b>(3,358)</b>	<b>(4,166)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from share issue	5	8,100	7,501
Proceeds from borrowings		140	(937)
Capital raising expenses		(594)	(1,176)
<b>Net cash used in financing activities</b>		<b>7,646</b>	<b>5,388</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of half-year		781	23
<b>CASH AND CASH EQUIVALENTS AT END OF HALF-YEAR</b>		<b>5,236</b>	<b>834</b>

The accompanying notes form part of these financial statements.

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**NOTE 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.

It is recommended that this half-year financial report be read in conjunction with the financial report for the year ended 30 June 2012 and any public announcements made by RXP Services Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

The following is a summary of the accounting policies applied in this half year financial report:

**(a) Basis of preparation of the Financial Information**

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

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2012 and the corresponding half-year.

**(b) Principles of consolidation**

The consolidated Financial Information is that of the consolidated entity, comprising the Financial Information of the parent entity and of all entities, which the parent has the power to control the financial and operating policies so as to obtain benefits from its activities.

The Financial Information of subsidiaries is 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. Subsidiaries are fully consolidated from the date on which control is established. They are de-consolidated from the date that control ceases.

Non-controlling interests in the results of subsidiaries are shown separately in the consolidated income statement and consolidated statement of financial position respectively.

**(c) Rounding amounts**

The Company is a kind referred to in ASIC class order 98/0100 and in accordance with the class order amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases nearest dollar.

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**NOTE 2: DIVIDENDS**

There were no dividends paid during the period.

**NOTE 3: SEGMENT INFORMATION**

**Operating segments**

RXP Services Limited and its controlled entities, develop, manage and implement information and communication technology solutions. There is only one reportable segment based on the aggregation criteria in AASB 8.

**NOTE 4: BORROWINGS**

As at 31 December 2012, the following loans were payable to unrelated parties:

JMN Services Pty Ltd - Balance: \$690,399

**Terms and conditions of the loan with JMN Services are as follows:**

- The term of the facility is 5 years from 1 December 2010.
- Interest is calculated at 8.5% on monthly closing balance
- No assets have been pledged as security for the loan.
- The total drawdown facility available to RXP Services Limited is \$800,000.
- JMN Services Pty Ltd agrees that RXP Services Limited, at its sole discretion, can repay the drawdown loan facility amount at anytime with 7 days written notice.

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## NOTE 5: SHARE CAPITAL

## Movements in ordinary share capital

	\$'000	Number of Shares
<b>Balance as at 30 June 2012</b>	<b>15,186</b>	<b>42,981,935</b>
1. Share Issue	1,601	3,201,750
2. Share Issue	250	500,000
3. Share Issue	1,864	3,418,704
4. Share Issue	5,000	10,000,000
5. Share Issue	2,184	4,200,000
6. Share Issue	250	481,000
7. Share Issue	3,200	6,400,000
Capital raising expenses	(594)	-
	<b>13,755</b>	<b>28,201,454</b>
<b>Balance as at 31 December 2012</b>	<b>28,941</b>	<b>71,183,389</b>

1. 2 July 2012: Part consideration for the acquisition of Stonewell Consulting Pty Ltd
2. 2 July 2012: Part consideration for the acquisition of PL Consulting Pte Ltd
3. 28 November 2012: Final share consideration for the acquisition of Vanguard Integration International
4. 28 November 2012: Share placement to sophisticated investors
5. 5 December 2012: Part consideration for the acquisition of NSI Technology Pty Ltd
6. 5 December 2012: Settlement of accrued wage to Ross Fielding
7. 24 December 2012: Share placement to sophisticated investors

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**NOTE 6: BUSINESS COMBINATIONS****Acquisition of Controlled Entities****a) Stonewell Consulting Pty Ltd**

On 2 July 2012, the consolidated entity acquired 100% of the share capital of Stonewell Consulting Pty Ltd. Details of the transaction were:

		\$'000
Consideration and costs paid		-
Shares issued as consideration	(i)	1,601
Deferred consideration	(ii)	2,460
<b>Total cost of consideration</b>		<b>4,061</b>

(i) 3,201,750 shares were issued as part of the consideration. The issue price of \$0.50 represents fair value in the view of the Directors based on the listing price in November 2011 and subsequent trading to 30 June 2012.

(ii) Deferred consideration of \$2,460,000 is payable under the Sale and Purchase Agreement. This payment is not contingent upon performance and has been recognised in the provisional accounting for the cost of the acquisition.

The deferred liability is payable by way of both cash and shares within twelve months of the acquisition date being 2 July 2012. As at the date of this report, payment of \$305,000 has been settled against this liability. A further \$305,000 is scheduled for payment between the present date and 2 July 2013. The remaining liability of \$1,850,000 will be settled by way of shares on or around the 2<sup>nd</sup> of July 2013.

**Assets and liabilities acquired**

No assets and liabilities were acquired as a result of this business combination and as such the value of goodwill is equal to the consideration paid being \$4,061,000.

The goodwill on acquisition arises as a result of a premium being paid in excess of the fair value of the net assets acquired. The value of goodwill represents the future benefit arising from the expected future earnings and specialist personnel assumed via the acquisition.

**Contribution since acquisition**

Since the acquisition date the operations of Stonewell Consulting Pty Ltd have been fully incorporated into that of RXP Services Limited and as such it is not possible to provide the contribution.

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**Transaction costs**

Transaction costs of \$7,940 were incurred in relation to the acquisition of both Stonewell and PL Consulting. These costs are included with acquisition expenses in the statement of comprehensive income.

**b) PL Consulting Pte Ltd**

On 2 July 2012, the consolidated entity acquired 100% of the share capital of PL Consulting Pte Ltd. Details of the transaction were:

		\$'000
Consideration and costs paid		-
Shares issued as consideration	(iii)	250
Deferred consideration	(iv)	500
<b>Total cost of consideration</b>		<b>750</b>

(iii) 500,000 shares were issued as part of the consideration. The issue price of \$0.50 represents fair value in the view of the Directors based on the listing price in November 2011 and subsequent trading to 30 June 2012

(iv) Deferred consideration of \$500,000 is payable under the Sale and Purchase Agreement. This payment is not contingent upon performance and has been recognised in the provisional accounting for the cost of the acquisition.

The deferred liability is payable by way of both cash and shares within twelve months of the acquisition date being 2 July 2012. As at the date of this report, payment of \$160,109 has been settled against this liability. A further \$89,891 is scheduled for payment between the present date and 2 July 2013. The remaining liability of \$250,000 will be settled by way of shares on or around the 2nd of July 2013.

**Assets and liabilities acquired**

No assets and liabilities were acquired as a result of this business combination and as such the value of goodwill is equal to the consideration paid being \$750,000.

The goodwill on acquisition arises as a result of a premium being paid in excess of the fair value of the net assets acquired. The value of goodwill represents the future benefit arising from the expected future earnings and specialist personnel assumed via the acquisition.

**Contribution since acquisition**

Since the acquisition date the operations of PL Consulting Pte Ltd have been fully incorporated into that of RXP Services Limited and as such it is not possible to provide the contribution.

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**Transaction costs**

Transaction costs of \$7,940 were incurred in relation to the acquisition of both Stonewell and PL Consulting. These costs are included with acquisition expenses in the statement of comprehensive income.

**c) NSI Technology Pty Ltd**

On 30 November 2012, the consolidated entity acquired 100% of the share capital of NSI Technology Pty Ltd. Details of the transaction were:

		<b>\$'000</b>
Consideration and costs paid		2,400
Shares issued as consideration	(v)	2,184
Deferred consideration	(vi)	1,836
<b>Total cost of consideration</b>		<b>6,420</b>

(v) 4,200,000 shares were issued as part of the consideration. The issue price was \$0.52 was based on the weighted average price for the preceding 30 days to share issue.

(vi) Deferred consideration of \$1,836,000 is payable under the Sale and Purchase Agreement. This payment is not contingent upon performance and has been recognised in the provisional accounting for the cost of the acquisition. It is payable on the 31st of October 2013 and payment will consist of the following:

- a) Payment of \$900,000 in cash
- b) The issue of 1,800,000 ordinary shares at the greater of \$0.50 or the 30 day weighted average for the 30 day period prior to 31 October 2013

**RXP SERVICES LIMITED AND CONTROLLED ENTITIES**

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2012

**Assets and liabilities acquired**

Assets and liabilities acquired as a result of the business combination were:

	Fair Value at acquisition \$'000
<b>Assets and Liabilities Acquired</b>	
Cash	749
Trade receivables	557
Accrued income	857
Fixed assets	100
Deferred tax asset	233
Other assets	74
Trade creditors	(111)
Accrued expenses	(534)
Dividend payable	(789)
Provisions	(618)
Other liabilities	(208)
<b>Net assets acquired</b>	<b>310</b>
<b>Goodwill</b>	<b>6,110</b>

The goodwill on acquisition arises as a result of a premium being paid in excess of the fair value of the net assets acquired. The value of goodwill represents the future benefit arising from the expected future earnings and specialist personnel assumed via the acquisition.

**Contribution since acquisition**

Since the acquisition date the operations of NSI Technology Pty Ltd has contributed a net profit of \$59,135.

**Transaction costs**

Transaction costs of \$7,577 were incurred in relation to the acquisition. These costs are included with acquisition expenses in the statement of comprehensive income.

**d) Prior period**

On 21 November 2011, the consolidated entity acquired 100% of the share capital of Vanguard Integration International Pty Ltd. On the 18 November the consolidated entity acquired the support and maintenance business of Indigo Pacific Pty Ltd and Indigo Pacific Pte Ltd. Details of the business combinations were disclosed in note 20 of the consolidated entity's annual financial statements for the year ended 30 June 2012.

**NOTE 7: CONTINGENT LIABILITIES**

As at the date of this report there are no contingent liabilities other than that disclosed in Note 9 Subsequent Events below.

**NOTE 8: SUBSEQUENT EVENTS**

On the 7th of January 2013, the Company announced to the Australian Stock Exchange the successful completion of the acquisition of Zenith Solutions Pty Ltd.

The details of the acquisition are as follows:

<b>Zenith Solutions Pty Ltd</b>	<b>\$'000</b>
Consideration paid	2,000
Shares issued as consideration (i)	3,000
Deferred consideration (ii)	1,400
Total consideration	6,400

- (i) 5,617,042 shares were issued as part of the consideration. The issue price was \$0.534 being the weighted average price for the preceding 30 days.
- (ii) The deferred consideration is contingent upon attained profit for the period 1 January 2013 to 31 December 2013. The maximum payable is \$1,400,000 to be settled 50% cash and 50% shares. As at the date of this report, it is not yet possible to determine whether this is likely to be achieved.

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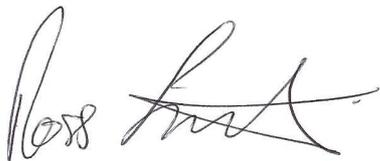
**DIRECTORS' DECLARATION**

The directors declare that the financial statements and notes set out on pages 10 to 21 in accordance with the Corporations Act 2001:

- a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2012 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that *RXP Services 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.



.....  
Ross Fielding  
CEO & Managing Director  
Melbourne

Date: 27 February 2013

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**RXP SERVICES LIMITED  
ABN 30 146 959 917  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
RXP SERVICES LIMITED**

We have reviewed the accompanying half-year financial report of RXP Services Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2012, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*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 a Financial Report 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 2012 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 RXP Services Limited, 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*.

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**RXP SERVICES LIMITED  
ABN 30 146 959 917  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
RXP SERVICES LIMITED**

*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 RXP Services Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



M W PRINGLE  
Partner

27 February 2013



PITCHER PARTNERS  
Melbourne

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