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ABN 78 008 947 813

18 February 2013

ASX Limited
Company Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

BY ELECTRONIC LODGEMENT

Dear Sirs

ASX APPENDIX 4D AND INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012.

Please find attached Imdex Limited's Appendix 4D and Interim Financial Report for the Half Year Ended 31 December 2012, inclusive of the Auditors Review Report and Independence declaration.

Yours faithfully
Imdex Limited

A handwritten signature in blue ink, appearing to read "P. Evans", with a long horizontal flourish extending to the right.

Paul Evans
Company Secretary





IMDEX LIMITED

ABN 78 008 947 813

ASX Appendix 4D “Half Year” Report and Interim Directors’ Report & Financial Report

for the Half Year ended 31 December 2012

The ASX Appendix 4D “Half Year” Report is provided to ASX in accordance with Listing Rule 4.2A for announcement to the market.

Current Reporting Period:	31 December 2012
Previous Corresponding Reporting Period:	31 December 2011

The Financial Report had been subject to review and is not subject to dispute or qualification. The auditors review report is included herein.

The interim Financial Report has been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The interim Financial Report does not include all the notes of the type normally included in an annual Financial Report and hence should be read in conjunction with the latest annual report of Imdex Limited, being for the financial year ended 30 June 2012.

In addition, reference should be made to any public announcements made by Imdex Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth).

IMDEX LIMITED

and its controlled entities

APPENDIX 4D HALF YEAR REPORT 31 DECEMBER 2012

			Consolidated	
		% Change Notes up / (down)	Half Year Ended 31 Dec 2012 \$ 000's	Half Year Ended 31 Dec 2011 \$ 000's
Revenue from ordinary activities	(i),(iv)	(8%)	<u>127,612</u>	<u>138,574</u>
Profit from ordinary activities after tax attributable to members	(i),(iv)	(27%)	<u>16,573</u>	<u>22,665</u>
Net profit for the period attributable to members	(i),(iv)	(27%)	<u>16,573</u>	<u>22,665</u>
Interim dividend (cents per share)	(ii)		<u>2.50</u>	<u>3.25</u>
Final dividend (cents per share)	(iii)		<u>4.00</u>	<u>2.75</u>
Net tangible assets per ordinary security (cents)	(iv)		<u>56.40</u>	<u>40.43</u>

(i) The announcement made to ASX on 18 February 2013 by the Chairman of Imdex Limited provides an explanation of the Group's financial results and operating performance for the half year ended 31 December 2012.

(ii) The FY13 interim fully franked dividend was declared on 15 February 2013 with a record date of 8 March 2013 and a payment date of 22 March 2013. There are no dividend reinvestment plans in operation.

(iii) The FY12 final fully franked dividend was declared on 17 August 2012 with a record date of 12 October 2012 and a payment date of 26 October 2012.

(iv) Includes the results of ioGlobal Pty Ltd and ioAnalytics Pty Ltd (ioGlobal) acquired 1 November 2012 - (Refer to note 9(a)).

IMDEX LIMITED

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DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

The Directors of Imdex Limited submit herewith the financial report of Imdex Limited and its subsidiaries (the Group) for the half year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The Directors of the Company during or since the end of the Half Year are:

Name	Period of Directorship
Mr Ross Kelly AM, Non Executive Chairman	Appointed as Non Executive Director on 14 January 2004 and appointed as Non Executive Chairman on 15 October 2009
Mr Bernie Ridgeway, Managing Director	Appointed 23 May 2000
Mr Magnus Lemmel, Non Executive Director	Appointed 19 October 2006
Mr Kevin Dundo, Non Executive Director	Appointed 14 January 2004
Ms Elizabeth Donaghey, Non Executive Director	Appointed 28 October 2009

Review of Operations

	Consolidated	
	Half Year Ended 31 Dec 2012 \$'000	Half Year Ended 31 Dec 2011 \$'000
Total Revenue	127,612	138,574
Profit after tax for the half year	16,573	22,665
Basic earnings per share - continuing operations	7.93 ¢	11.14 ¢

The Consolidated Entity's profit after tax was \$16.6 million for the half year ended 31 December 2012 (prior period: \$22.7 million). The result was achieved on total revenue of \$127.6 million (prior period: \$138.6 million).

Earnings per share from total operations was 7.93 cents per share (prior period: 11.14 cents per share)

Further details on the operations and overall results are contained in the Financial Report and the announcement made to the ASX on 18 February 2013 by the Chairman of Imdex Limited regarding the Group's financial results and operating performance for the half year ended 31 December 2012.

IMDEX LIMITED

and its controlled entities

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Auditor's Independence Declaration

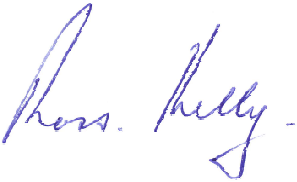
Section 307C of the Corporations Act 2001 requires the auditor, Deloitte Touche Tohmatsu, to provide the Directors of Imdex Limited with an Independence Declaration in relation to the review of the Half Year Financial Report. The Independence Declaration is on the next page.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Investments and Exchange Commission dated 10 July 1998 and in accordance with that Class Order, amounts in the Financial Report and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors pursuant to s.306(3) of the Corporations Act 2001.

Dated at Perth, 15 February 2013

A handwritten signature in blue ink that reads "Ross Kelly". The signature is written in a cursive style with a horizontal line extending from the end.

Ross Kelly AM
Chairman

The Board of Directors
Imdex Limited
8 Pitino Court
Osborne Park WA 6017

15 February 2013

Dear Directors

Imdex Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Imdex Limited.

As lead review partner for the audit of the financial statements of Imdex Limited for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



AT Richards
Partner
Chartered Accountants

Independent Auditor's Review Report to the members of Imdex Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Imdex Limited, which comprises the condensed statement of financial position as at 31 December 2012, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 22

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 half-year 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 Imdex 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Imdex Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 Imdex 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 the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



AT Richards

Partner

Chartered Accountants

Perth, 15 February 2013

IMDEX LIMITED

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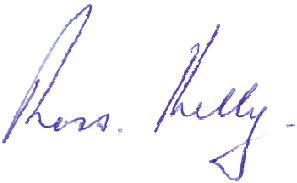
DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached Financial Report and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity.

Signed in accordance with a resolution of the Directors made pursuant to s. 303(5) of the Corporations Act 2001.

Dated at Perth, 15 February 2013



Ross Kelly AM
Chairman

IMDEX LIMITED

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Notes	Half Year Ended 31 Dec 2012 \$'000	Half Year Ended 31 Dec 2011 \$'000
Continuing operations			
Revenue from sale of goods and operating lease rental		127,583	138,516
Other revenue from operations		29	58
Total revenue		127,612	138,574
Other income	2	83	49
Raw materials and consumables used		(53,789)	(54,112)
Employee benefit expense		(26,417)	(21,729)
Depreciation expense		(3,447)	(3,274)
Amortisation expense		(1,510)	(2,940)
Finance costs		(1,849)	(769)
Share of profit/(loss) of associate	5	1,389	(1,238)
Other expenses	2	(19,209)	(19,930)
Profit before tax		22,863	34,631
Income tax expense		(6,290)	(11,966)
Profit for the period		16,573	22,665
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value adjustment on investment in Sino Gas and Energy Holdings Ltd (SEH)		11,337	(7,304)
Exchange differences arising on the translation of foreign operations		(1,999)	(6,081)
Income tax relating to items that may be reclassified subsequently		(3,401)	2,191
Other comprehensive income for the period, net of income tax		5,937	(11,194)
Total comprehensive income for the period		22,510	11,471
Profit attributable to:			
Owners of the parent		16,573	22,665
Non-controlling interests		-	-
Total comprehensive income attributable to:		22,510	11,471
Owners of the parent		22,510	11,471
Non-controlling interests		-	-
Earnings per share			
Basic earnings per share (cents)		7.93	11.14
Diluted earnings per share (cents)		7.79	10.86

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Notes	31 Dec 2012 \$'000	30 Jun 2012 \$'000
Current Assets			
Cash and Cash Equivalents		10,048	11,232
Trade and Other Receivables		51,758	59,689
Inventories		49,550	52,106
Other		8,460	11,295
Total Current Assets		119,816	134,322
Non Current Assets			
Property, Plant and Equipment		34,057	19,730
Deferred Tax Assets		11,334	13,700
Goodwill	3	61,016	54,577
Other Intangible Assets	4	6,997	6,556
Investments in Associates	5	25,644	24,255
Other Financial Assets		32,748	21,412
Total Non Current Assets		171,796	140,230
Total Assets		291,612	274,552
Current Liabilities			
Trade and Other Payables		32,410	33,349
Borrowings	6	17,360	12,880
Current Tax Liabilities		1,466	9,547
Provisions		3,335	2,896
Total Current Liabilities		54,571	58,672
Non Current Liabilities			
Borrowings	6	48,882	46,549
Provisions		1,442	1,265
Total Non Current Liabilities		50,324	47,814
Total Liabilities		104,895	106,486
Net Assets		186,717	168,066
Equity			
Issued Capital	7	89,269	86,069
Shares Reserved for Performance Rights Plan	7	(1,117)	(3,740)
Foreign Currency Translation Reserve		(19,702)	(17,703)
Investment Revaluation Reserve		18,163	10,227
Employee Equity-Settled Benefits Reserve		6,136	6,385
Mandatory Issuable Capital		990	990
Retained Earnings		92,978	85,838
Total Equity		186,717	168,066

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

INDEX LIMITED

and its controlled entities

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

		Fully Paid Ordinary Shares	Shares reserved for Performance Rights Plan	Foreign Currency Translation Reserve	Investment Revaluation Reserve	Employee Equity-Settled Benefits Reserve	Mandatory Issuable Capital	Retained Earnings	Total Attributable to Equity Holders of the Parent
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011		70,059	-	(11,441)	6,524	7,158	-	53,109	125,409
Exchange differences on translation of foreign operations after taxation		-	-	(6,081)	-	-	-	-	(6,081)
Fair value adjustment on available for sale financial instrument net of taxation		-	-	-	(5,113)	-	-	-	(5,113)
Profit for the period		-	-	-	-	-	-	22,665	22,665
Total comprehensive income for the period		-	-	(6,081)	(5,113)	-	-	22,665	11,471
Issue of shares as part consideration for the acquisition of Australian Drilling Specialties	7	6,000	-	-	-	-	-	-	6,000
Share based payments - performance rights		-	-	-	-	1,397	-	-	1,397
Shares purchased on market to satisfy performance rights		-	-	-	-	(1,850)	-	-	(1,850)
Issue of shares under staff option plan		1,900	-	-	-	-	-	-	1,900
Dividend Paid	8	-	-	-	-	-	-	(5,622)	(5,622)
Balance at 31 December 2011		77,959	-	(17,522)	1,411	6,705	-	70,152	138,705
Balance at 1 July 2012		86,069	(3,740)	(17,703)	10,227	6,385	990	85,838	168,066
Exchange differences on translation of foreign operations after taxation		-	-	(1,999)	-	-	-	-	(1,999)
Fair value adjustment on available for sale financial instrument net of taxation		-	-	-	7,936	-	-	-	7,936
Profit for the period		-	-	-	-	-	-	16,573	16,573
Total comprehensive (expense)/income for the period		-	-	(1,999)	7,936	-	-	16,573	22,510
Issue of shares as part consideration for the acquisition of ioGlobal	7	3,200	-	-	-	-	-	-	3,200
Share based payments - performance rights		-	-	-	-	1,270	-	-	1,270
Granting/settlement of performance rights		-	2,623	-	-	(1,519)	-	(1,104)	-
Dividend Paid	8	-	-	-	-	-	-	(8,329)	(8,329)
Balance at 31 December 2012		89,269	(1,117)	(19,702)	18,163	6,136	990	92,978	186,717

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

IMDEX LIMITED

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

	Notes	Half Year Ended 31 Dec 2012 \$'000	Half Year Ended 31 Dec 2011 \$'000
Cash Flows From Operating Activities			
Receipts from customers		148,755	151,003
Payments to suppliers and employees		(110,985)	(116,967)
Interest and other costs of finance paid		(1,849)	(870)
Income tax paid		(14,214)	(15,144)
Net cash provided by Operating Activities		<u>21,707</u>	<u>18,022</u>
Cash Flows From Investing Activities			
Interest received		29	58
Payment for property, plant and equipment		(17,191)	(4,340)
Payment for development costs capitalised	4	(758)	(595)
Investment in Associate		-	(1,283)
Payment for shares in ioGlobal net of cash acquired	9(a)(ii)	(3,874)	-
Payment for shares in Australian Drilling Specialties Pty Ltd net of cash acquired	9(b)(ii)	-	(7,077)
Net cash used in Investing Activities		<u>(21,794)</u>	<u>(13,237)</u>
Cash Flows From Financing Activities			
Cash received on exercise of options		-	1,900
Shares purchased on market to satisfy performance rights		-	(1,850)
Hire purchase and lease payments		(290)	(345)
Proceeds from borrowings		13,924	37,854
Repayment of borrowings		(6,146)	(34,696)
Dividend paid to owners of the Company	8	(8,329)	(5,622)
Net cash used in Financing Activities		<u>(841)</u>	<u>(2,759)</u>
Net (decrease)/increase in Cash and Cash Equivalents Held		<u>(928)</u>	<u>2,026</u>
Cash and Cash Equivalents At The Beginning Of The Period		11,232	18,388
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		(256)	(131)
Cash and Cash Equivalents At The End Of The Period		<u>10,048</u>	<u>20,283</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

IMDEX LIMITED

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NOTES TO THE FINANCIAL REPORT

1. Summary of Significant Accounting Policies

Statement of Compliance

The half year report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

This financial report comprises the consolidated financial report of Imdex Limited ("Company") and the entities it controlled at the end of, or during, the period (together, "the Group").

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2012 annual financial report for the financial year ended 30 June 2012, other than as detailed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and interpretations effective for the current half-year that are relevant to the Group include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'.

The adoption of new and revised Standards and Interpretations has not affected the amounts reported for the current or prior year. However the application of AASB 2011-9 has resulted in a change to the Group's presentation of, or disclosure in, its half year report.

IMDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

2. Other Income and Other Expenses

	Half Year Ended 31 Dec 2012 \$'000	Half Year Ended 31 Dec 2011 \$'000
Other Income		
Other income	83	49
	<hr/>	<hr/>
Other Expenses		
Auditors and other accounting fees	1,017	575
Commissions	1,302	1,824
Communication	801	620
Consultancy fees	1,119	2,055
Electricity	227	262
Freight	1,156	1,501
Foreign exchange gain	(292)	(411)
Hire of plant and equipment	271	176
Insurance	698	445
Legal and professional fees	2,834	2,697
Rent and premises costs	2,531	2,075
Repairs and maintenance	363	295
Travel and accommodation	2,672	2,184
Vehicle expenses	1,226	904
Other expenses	3,284	4,728
	<hr/>	<hr/>
	19,209	19,930

IMDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

3. Goodwill

	Notes	31 Dec 2012 \$'000	30 Jun 2012 \$'000
Gross Carrying Amount			
Balance at beginning of the financial year		77,075	61,203
Recognised on acquisition of ioGlobal Pty Ltd and ioAnalytics Pty Ltd (ioGlobal)	(i)	6,357	-
Recognised on acquisition of Australian Drilling Specialties Pty Ltd	(ii)	-	10,513
Recognised on acquisition of System Mud Industria e Comercio Ltda (System Mud)	(iii)	-	6,808
Reclassified to Investment in Associate		-	(1,416)
Reassessment of AMC Germany GmbH	(iv)	-	152
Effect of foreign exchange movements		82	(185)
Balance at end of the period		<u>83,514</u>	<u>77,075</u>
Accumulated Impairment Losses			
Balance at beginning of the financial year		(22,498)	(22,498)
Impairment losses for the period		-	-
Balance at end of the period		<u>(22,498)</u>	<u>(22,498)</u>
Net Book Value			
At the beginning of the financial year		54,577	38,705
At the end of the period		<u>61,016</u>	<u>54,577</u>
Goodwill is allocated to cash-generating units (CGU) as follows:			
Reflex/Imdex Technology UK		29,194	29,112
AMC/ADS/Fluidstar/Ecospin	(ii)	18,360	18,360
System Mud	(iii)	6,808	6,808
ioGlobal	(i)	6,357	-
AMC Germany	(iv)	297	297
		<u>61,016</u>	<u>54,577</u>

- (i) Goodwill arose during the period on the acquisition of ioGlobal by Imdex Limited effective 1 November 2012 - (Refer note 9(a)). The goodwill of ioGlobal is considered to be a separate cash generating unit since it operates independently from other Imdex operations providing innovative cloud-based data management solutions for the mining and mineral exploration industries.
- (ii) Goodwill arose in the prior period on the acquisition of Australian Drilling Specialties Pty Ltd (ADS) by Imdex Limited effective 1 July 2011 - (Refer note 9(b)). The goodwill of ADS has been absorbed into the AMC/ADS/Fluidstar/Ecospin CGU and has been assessed for impairment as part of that CGU.
- (iii) Goodwill arose in the prior year on the acquisition of System Mud Industria e Comercio Ltda (System Mud) by Imdex Limited. System Mud is considered to be a separate cash generating unit since it operates independently from other Imdex operations in a separate geographical area being the Latin America region concentrating on the supply of drilling fluids and chemical supplies.
- (iv) A true up of AMC Germany (AMC Germany GmbH) goodwill of \$0.2m occurred in the prior period on finalisation of the acquisition accounting. AMC Germany is considered to be a separate cash generating unit since it operates independently from other Imdex operations in a separate geographical area being the greater European region and in a separate market, being the oil & gas and geothermal markets.

IMDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

4. Intangibles

	Patents	Intellectual Property	Technology Based	Contract Based	Customer Based	Development Costs	Trade Name	TOTAL
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Carrying Value								
Balance at 30 June 2011	761	1,505	14,080	5,229	10,945	8,092	3,895	44,507
Capitalised during the year	-	-	-	943	-	1,254	-	2,197
Reclassified to Investment in Associate	-	(904)	-	-	-	(1,980)	-	(2,884)
Amounts derecognised (i)	-	-	-	(3,914)	-	-	-	(3,914)
Impact of exchange rate changes	-	-	-	-	(52)	-	(8)	(60)
Balance at 30 June 2012	761	601	14,080	2,258	10,893	7,366	3,887	39,846
Capitalised during the period	-	-	-	-	-	758	-	758
Recognition on acquisition of ioGlobal 9(a)	-	1,300	-	-	-	-	-	1,300
Impact of exchange rate changes	-	-	-	-	-	(126)	-	(126)
Balance at 31 December 2012	761	1,901	14,080	2,258	10,893	7,998	3,887	41,778
Accumulated Amortisation and Impairment								
Balance at 30 June 2011	634	526	10,389	1,569	8,611	2,362	3,270	27,361
Amortisation expense/(writeback)	127	75	2,102	(254)	1,901	1,403	603	5,957
Impact of exchange rate changes	-	-	-	-	(24)	-	(4)	(28)
Balance at 30 June 2012	761	601	12,491	1,315	10,488	3,765	3,869	33,290
Amortisation expense	-	43	733	-	405	311	18	1,510
Impact of exchange rate changes	-	-	-	-	-	(19)	-	(19)
Balance at 31 December 2012	761	644	13,224	1,315	10,893	4,057	3,887	34,781
Net Book Value								
As at 30 June 2012	-	-	1,589	943	405	3,601	18	6,556
As at 31 December 2012	-	1,257	856	943	-	3,941	-	6,997

- (i) Intangible assets previously provisionally recognised during the 30 June 2011 financial year in connection with the AMC Germany acquisition were reassessed and derecognised during the prior period and the associated amortisation reversed.

IMDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

5. Investment in Associate

On 1 July 2011, Imdex Limited acquired 50% of the issued share capital of DHS Services (DHS) in exchange for granting an exclusive global licence over its oil and gas surveying instruments and technology. DHS is registered in the British Virgin Islands and operates an oil and gas services business based in Dubai using the technology licensed to it by Imdex Limited. Imdex Limited accounted for its investment in DHS as an associate as it was deemed to have a significant influence over but not control of DHS since it held 50% of the issued capital but only 2 out of 5 board positions.

Effective 1 January 2012, DHS shares were rolled over into a newly created entity, DHS Energy Services (DHSES). On 23 January 2012 Imdex Limited announced that, effective 1 January 2012, DHSES purchased the business of Vaughn Energy Services (VES), a US based oil & gas services provider, for US\$100 million. To fund the purchase DHSES increased its share capital. On 19 January 2012 Imdex Limited raised additional debt of \$25 million from its banking club facility and applied approximately USD\$22.5 million of this debt to purchase additional shares in DHSES. Following this transaction Imdex Limited's shareholding in DHSES decreased from 50% to 30%. The numbers presented below in relation to the acquisition of VES have been accounted for using the acquisition method of accounting and as at 31 December 2012 the acquisition accounting remains provisional, pending finalisation of a detailed valuation report. Accordingly certain assumptions have been made in recording Imdex's share of DHSES's result.

Financial information in respect of the Associate is set out below:

	Notes	Half Year Ended 31 Dec 2012 \$'000	Half Year Ended 31 Dec 2011 \$'000
Total Revenue	(iii)	26,604	2,628
Total Loss for the Period	(ii),(iii)	(5,801)	(2,476)

	31 Dec 2012 \$'000	30 Jun 2012 \$'000
Total Assets	148,760	139,961
Total Liabilities	(38,376)	(20,125)
Net Assets	110,384	119,836
Share of Net Assets of Associate	33,115	35,951

The Investment in Associate comprises the following:

Cumulative share of loss of Associate	(iv)	(71)	(1,460)
Cost of Investment in Associate	(i)	25,715	25,715
		25,644	24,255

- (i) Cost of investment in associate comprises goodwill and intangible assets transferred to the associate in the prior period totalling \$4.3 and \$21.4 million of cash paid.
- (ii) Includes \$6.0 million of amortisation on intangibles expected to arise on the acquisition of VES effective 1 January 2012. This amount is an estimate only and will be trued up once the audit of this transaction is complete.
- (iii) The prior period comparative numbers disclosed relate to the financial information for the DHS only, prior to the creation of DHSES and the acquisition of VES.
- (iv) Imdex's cumulative share of losses includes the effect of adjustments to eliminate unrealised intercompany profits, align the accounting policies of the associate to those of the Group and to reflect the accounting entries related to the acquisition by DHSES of VES.

IMDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

6. Borrowings

	Notes	31 Dec 2012 \$'000	30 Jun 2012 \$'000
Current borrowings			
Secured			
At amortised cost			
Club Facility - AUD Tranche	(i)	10,380	5,580
Club Facility - USD Tranche	(i)	4,726	4,961
Club Facility - CAD Tranche	(i)	1,930	1,943
Hire purchase liabilities	(ii)	324	396
		<u>17,360</u>	<u>12,880</u>
Non-current borrowings			
Secured			
At amortised cost			
Club Facility - AUD Tranche	(i)	20,555	22,595
Club Facility - USD Tranche	(i)	22,600	17,406
Club Facility - CAD Tranche	(i)	5,467	6,478
Hire purchase liabilities	(ii)	260	70
		<u>48,882</u>	<u>46,549</u>

- (i) On 7 October 2011 a clubbed banking facility with Westpac Banking Corporation and HSBC was put in place. This facility replaced commercial bills and Canadian bank loans in existence at that date. At inception this facility allowed the Imdex Group access debt of \$50 million split equally between the two club participants. Westpac Banking Corporation provided AUD denominated borrowings in Australia while HSBC provided CAD and USD denominated borrowings in Chile, South Africa, Canada and Australia. This facility was extended from \$50 million to \$75 million on 19 January 2012 and on 21 September 2012 Westpac Banking Corporation provided an additional capex facility of USD20 million to allow for Imdex's expansion into the solids removal market.

As at 31 December 2012:

- AUD denominated borrowings bear interest at floating rates (currently 5.61% per annum). A total of \$4.8 million of which was repayable on 31 March 2013 with the balance being repayable in equal monthly installments of \$0.5 million to 31 October 2014 on which date the remainder is repayable.
- USD denominated borrowings bear interest at floating rates (currently between 2.70% and 4.06% per annum depending on the borrowing country). Included in these borrowings are USD8.8 million drawn under the Westpac Banking Corporation capex facility. This capex facility, originally approved at USD20 million, stepped down in limit by USD1 million on 31 December 2012 and then steps down in limit by USD2 million at the end of each calendar quarter thereafter until 31 October 2014 when the balance of the facility is repayable. Repayments are required on this capex facility to keep borrowing levels below the quarterly reducing limit. No such repayments are expected to be made in the next 12 months. The balance of USD borrowings are repayable in equal monthly installments of USD 0.4 million to 31 October 2014 on which date the balance is repayable.
- CAD denominated borrowings bear interest at floating rates (currently 4.50% per annum). These borrowings are repayable in equal monthly installments of CAD 0.2 million to 31 October 2014 on which date the balance is repayable.

The club facility is secured by the assets of entities in Australia, Canada, Chile and South Africa.

- (ii) Hire purchase liabilities are secured over the assets to which they relate, the carrying value of which exceeds the value of the hire purchase liability. The Group does not hold title to the equipment under the hire purchase pledged as security. The weighted average interest rate applicable to these liabilities is 7.47% (30 June 2012: 9.67%).

IMDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

7. Issued Capital and Shares reserved for Performance Rights Plan

	Notes	31 Dec 2012 \$'000	30 Jun 2012 \$'000
Issued and Paid Up Capital - Fully paid ordinary shares	(i)	89,269	86,069

	Notes	31 Dec 2012		30 Jun 2012	
		Number	\$'000	Number	\$'000
Ordinary shares					
Balance at beginning of the period		208,235,426	86,069	199,699,165	70,059
Issue of shares as part consideration for the acquisition of ioGlobal Pty Ltd and ioAnalytics Pty Ltd	9(a)	2,237,762	3,200	-	-
Issue of shares as part consideration for the acquisition of Australian Drilling Specialties Pty Ltd	9(b)	-	-	3,206,770	6,000
Issue of shares as part consideration for the acquisition of System Mud Industria e Comercio Ltda		-	-	1,306,324	3,840
Issue of shares as part consideration for the acquisition of Mud Systems Pte Ltd		-	-	500,000	1,200
Issue of shares under Staff Option Plan		-	-	3,523,167	4,970
Closing balance at end of the period		210,473,188	89,269	208,235,426	86,069

(i) Fully paid ordinary shares carry one vote per share and the right to dividends.

(ii) Shares issued in satisfaction of Performance Rights

No shares were issued in the current or prior years in satisfaction of performance rights. Performance rights obligations were settled by the purchase of existing shares on market.

	31 Dec 2012 \$'000	30 Jun 2012 \$'000
Shares reserved for Performance Rights Plan		
Balance at beginning of the period	(3,740)	-
Allocation/(purchase) of shares	2,623	(3,740)
Balance at the end of the period	(1,117)	(3,740)

Through a corporate trustee, the Company holds certain shares in Trust for employees under the Performance Rights Plan (PRP or Plan).

INDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

8. Dividends

Notes	Half Year Ended 31 Dec 2012		Half Year Ended 31 Dec 2011		
	Cents per share	Total \$'000	Cents per share	Total \$'000	
Recognised amounts					
Fully paid ordinary shares - final dividend franked to 30%	(i)	4.00	8,329	2.75	5,622
Unrecognised amounts					
Fully paid ordinary shares - interim dividend franked to 30%	(ii)	2.50	5,262	3.25	6,664

(i) The FY12 final fully franked dividend was declared on 17 August 2012 with a record date of 12 October 2012 and a payment date of 26 October 2012.

(ii) The FY13 interim fully franked dividend was declared on 15 February 2012 with a record date of 8 March 2013. The financial effect of the dividend has not been recognised in the financial statements at 31 December 2012.

	Half Year Ended 31 Dec 2012		Half Year Ended 31 Dec 2011	
	\$'000		\$'000	
Adjusted franking account balance	55,381		41,672	
Impact on franking account of dividends not recognised	2,255		2,856	

IMDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

9. Acquisitions

(a) Acquisition of entity - ioGlobal Pty Ltd and ioAnalytics Pty Ltd

With effect from 1 November 2012, Imdex Limited acquired 100% of the issued share capital of ioGlobal Pty Ltd and ioAnalytics Pty Ltd (together ioGlobal). ioGlobal provides innovative cloud-based data management solutions for the mining and mineral exploration industries. The provisional numbers presented below have been accounted for using the acquisition method of accounting.

Details of the assets, liabilities and goodwill:

	Notes	Book value \$'000	Fair value adjustments \$'000	Fair value on acquisition \$'000
Trade and other receivables		1,441	-	1,441
Property, plant and equipment		175	-	175
Intangibles	(iii)	-	1,300	1,300
Trade and other payables		(1,654)	-	(1,654)
Deferred tax	(iii)	-	(390)	(390)
Provisions		(155)	-	(155)
Fair value of net identifiable assets acquired		(193)	910	717
Goodwill on acquisition	(i)			6,357
Total purchase consideration				7,074
Total purchase consideration comprises				
Consideration in cash and cash equivalents	(ii)			4,800
Less: Cash and cash equivalents acquired	(ii)			(926)
Issue of ordinary shares	7			3,200
				7,074

**2 months to
31 Dec 2012
\$'000**

Operating results of ioGlobal included in the Consolidated Income Statement of Imdex Limited from acquisition on 1 November 2012 to 31 December 2012:

Revenue		856
Total expenses (including income tax)		(943)
Profit after tax for the period	(iv)	(87)

(i) Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire ioGlobal. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of ioGlobal. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured. There were no acquisition provisions created, nor were there any contingent liabilities assumed in the acquisition.

(ii) The Consolidated Cash Flow Statement for the half year ended 31 December 2012 records the payment for the acquisition of ioGlobal as \$3.9 million being the cash purchase consideration of \$4.8 million paid net of the \$0.9 million of cash acquired.

(iii) Intangible assets of \$1.3 million comprise the fair value of the intellectual property and know-how associated with ioGlobal. The discounted present value of expected future cash flows on a relief from royalty method has been used to determine the fair value of this intangible asset. This intangible asset is being amortised over its expected useful life of 5 years. Deferred tax of \$0.4 million was raised on this asset.

(iv) Had the acquisition of ioGlobal been effected on 1 July 2012, the beginning of the current year, the ioGlobal financial results included in the Imdex consolidated results would have been revenue of approximately \$2.6 million with breakeven profit. The results of ioGlobal are included in the Minerals segment. The Board considers these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

IMDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

9. Acquisitions (continued)

(b) Acquisition of entity - Australian Drilling Specialties Pty Ltd

With effect from 1 July 2011, Imdex Limited acquired 100% of the issued share capital of Australian Drilling Specialties Pty Ltd (ADS), incorporated in Australia and operating out of premises located in Western Australia. ADS is a drilling fluids and chemical manufacturer that owns the formulations and intellectual property for the products it manufactures. The numbers presented below have been accounted for using the acquisition method of accounting.

Details of the assets, liabilities and goodwill:

	Notes	Book value \$'000	Fair value adjustments \$'000	Fair value on acquisition \$'000
Trade and other receivables		2,408	-	2,408
Inventory		352	-	352
Property, plant and equipment		778	-	778
Trade and other payables		(901)	-	(901)
Provisions		(73)	-	(73)
Fair value of net identifiable assets acquired		2,564	-	2,564
Goodwill on acquisition	(i)			10,513
Total purchase consideration				13,077
Total purchase consideration comprises				
Consideration in cash and cash equivalents	(ii)			6,000
Overdraft acquired	(ii)			1,077
Issue of ordinary shares	7			6,000
				13,077
			6 months to 31 Dec 2012 \$'000	6 months to 31 Dec 2011 \$'000

Operating results of ADS included in the Consolidated Income Statement of Imdex Limited for the following periods:

Revenue		3,963	6,307
Total expenses (including income tax)		(3,596)	(4,925)
Profit after tax for the period		367	1,382

(i) Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire ADS. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of ADS. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured. There were no acquisition provisions created, nor were there any contingent liabilities assumed in the acquisition.

(ii) The Consolidated Cash Flow Statement for the half year ended 31 December 2011 records the payment for the acquisition of ADS as \$7.1 million being the cash purchase consideration of \$6.0 million shown above plus \$1.1 million overdraft acquired.

(iii) In addition to the above purchase consideration, \$0.1 million of direct costs were incurred. These costs comprised primarily of legal costs and were expensed as incurred.

IMDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

10. Segment Information

The Group comprises the following reportable segments which are based on the Group's internal management reporting system:

(i) Minerals Division: This segment comprises the manufacture, sale and rental of down hole instrumentation, the manufacture and sale of drilling fluids and chemicals and related equipment and the provision of innovative cloud-based data management solutions to the mining and mineral exploration industry globally; and

(ii) Oil & Gas Division: This segment comprises the manufacture and sale of down hole instrumentation and manufacture and sale of drilling fluids and chemicals and related equipment to the oil & gas and geothermal industries globally;

(a) Segment Revenues

	Total	
	Half Year	Half Year
	31 Dec 12	31 Dec 11
	\$'000	\$'000
Minerals	102,051	124,012
Oil & Gas	25,532	14,504
Total of all segments	<u>127,583</u>	<u>138,516</u>
Eliminations	-	-
Interest income	29	58
Total revenue	<u>127,612</u>	<u>138,574</u>

(b) Segment Profit

Minerals	25,508	41,126
Oil & Gas (i)	904	(3,923)
Total of all segments	<u>26,412</u>	<u>37,203</u>
Central administration costs (ii)	<u>(3,549)</u>	<u>(2,572)</u>
Profit before income tax expense	22,863	34,631
Income tax expense	<u>(6,290)</u>	<u>(11,966)</u>
Profit attributable to ordinary equity holders of Imdex	<u>16,573</u>	<u>22,665</u>

(i) Includes the share of profit of Associate of \$1.6 million (31 December 2011: loss of \$1.2 million)

(ii) Central administration costs comprise net financing costs for the Group and the corporate portion of head office costs. Head office costs attributable to operations are allocated to reportable segments in proportion to the revenues earned from those segments.

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, net finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(c) Segment Assets

	Assets	
	31 Dec 12	30 Jun 12
	\$'000	\$'000
Minerals	209,923	201,185
Oil & Gas	48,941	51,955
Total of all segments	<u>258,864</u>	<u>253,140</u>
Unallocated (i)	32,748	21,412
Consolidated	<u>291,612</u>	<u>274,552</u>

(i) Unallocated assets comprise the investment in Sino Gas & Energy Holdings Ltd.

INDEX LIMITED

and its controlled entities

NOTES TO THE FINANCIAL REPORT

11. Contingent Liabilities and Contingent Assets

There are no contingent assets or liabilities at the current or prior balance dates.

12. Subsequent Events

Subsequent to half year end the Directors declared a 2.5 cent per share fully franked interim dividend with a record date of 8 March 2013 and a payment date of 22 March 2013. The effect of this dividend has not been reflected in this financial report.