

Appendix 4D

Half yearly report

Name of Entity	DataDot Technology Limited
ACN	091 908 726
Half Year Ended	31 December 2011
Previous Corresponding Reporting Period	31 December 2010

Results for Announcement to the Market

	31 Dec 11	31 Dec 10	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	3,317,772	4,137,264	(20%)
Profit / (loss) after tax attributable to members (1)	(1,093,818)	490,756	N/A
Dividends (distributions)	Amount per security	Franked amount per security	
Final Dividend	Nil	N/A	
Interim Dividend	Nil	N/A	
Previous corresponding period	Nil	N/A	
Record date for determining entitlements to the dividends (if any)	N/A		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			
<p>For the six months to 31 December 2011, total revenues for DataDot Technology Limited (DataDot) were \$3,317,772, in line with the prior six months revenues (January to June 2011) of \$3,350,161 but a decrease of \$819,492 (20%) from \$4,137,264 for the six months to 31 December 2010, reflecting flat trading conditions throughout calendar 2011.</p> <p>The consolidated net loss after income tax for the half-year was \$1,196,072, broadly in line with the immediately prior half year loss of \$1,064,929, but down against the corresponding prior half year earnings of an adjusted loss of \$70,604 (which excludes the \$552,134 one-off gain for the revaluation of DataDot's investment in DataTrace DNA Pty Limited).</p> <p>(1) The loss after tax attributable to members of \$1,093,818 differs from the \$1,196,072 shown as Net Profit for the period on the Statement of Comprehensive Income. This difference is due to the share of profit/(loss) attributable to the non-controlling interest.</p>			

The half-yearly report is to be read in conjunction with 2011 Annual Report and the December 2011 half-year Financial Report including the Directors' Report.

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	0.8¢	1.3¢

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	N/A

Details of Associates and Joint Venture Entities


Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
N/A	N/A	N/A	N/A	N/A
Aggregate Share of Net Profits	N/A	N/A	N/A	N/A

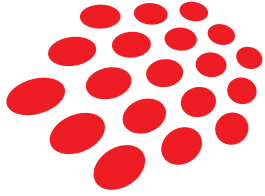
Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not Applicable			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: Not Applicable			

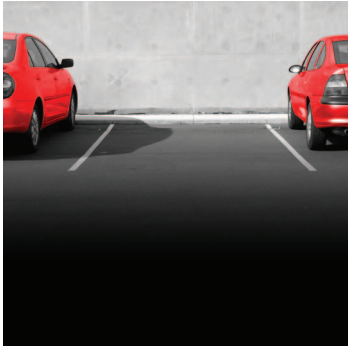
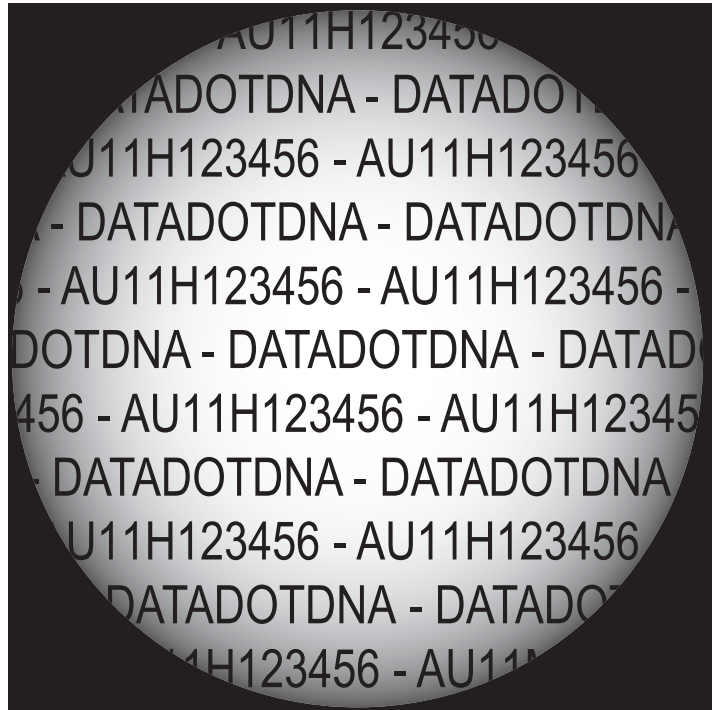
Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Financial Report for the half-year ended 31 December 2011

Signed By (Company Secretary)	
Print Name	Graham Loughlin
Date	22 February 2012



DataDot
TECHNOLOGY LTD



Financial Report

for the half-year ended 31 December 2011

ABN 54 091 908 726

DataDot Technology Limited

For Half-Year Ended 31 December 2011

CONTENTS

	<u>Page</u>
Corporate Information	1
Directors' Report	2
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	17
Independent Auditor's Review Report	18

Corporate Information

ABN 54 091 908 726

This half-year report covers the consolidated entity comprising DataDot Technology Limited (the "Company" or the "Parent entity") and its subsidiaries ("DataDot" or the "Consolidated entity"). DataDot's functional and presentation currency is AUD (\$).

A description of DataDot's operations and of its principal activities is included in the review of operations and activities in the directors' report. The directors' report is not part of the financial report.

Directors

Mr B. Rathie (Executive Chairman)
Mr B. Bootle (resigned 16 Jan 2012)
Mr G. Flowers
Ms A. Coutts

Company Secretary

Mr G. Loughlin

Registered Office

Unit 9
19 Rodborough Road
Frenchs Forest NSW 2086
Phone +61 2 8977 4900
Fax +61 2 9975 4700

Auditors

PKF
Level 10
1 Margaret Street
Sydney NSW 2000

Bankers

Commonwealth Bank
Forestway Shopping Centre
Forestway, Frenchs Forest
Sydney NSW 2086

Share Register

Boardroom Pty. Limited
Level 7
207 Kent Street
Sydney NSW 2000
Phone +61 2 9290 9600
Fax +61 2 9279 0664

Stock Exchange

DataDot Technology Limited is listed on the Australian Securities Exchange. The Home Exchange is Sydney.

Other Information

DataDot Technology Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Company website

www.datadotdna.com

Directors' Report

For the Half-Year Ended 31 December 2011

Your directors submit their report, together with the financial statements of the consolidated entity (referred to hereafter as DataDot) consisting of DataDot Technology Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2011.

1. Directors

The directors of the Company at any time during or since the end of the half-year are as follows:

Directors were in office for this entire period unless otherwise stated.

Mr B Rathie (Executive Chairman)
Mr B W Bootle (resigned 16 January 2012)
Mr G Flowers
Ms A Coutts

2. Principal activities

The principal activities of DataDot during the year were:

(a) to manufacture and distribute asset identification solutions that include:

- DataDotDNA[®] - polymer and metallic microdots containing etched data that is unique to the assets to which the microdots are attached;
- DataThreadDNA - a continuous strand of DataDotDNA integrated into fine thread;
- DataBaseDNA - a global database that records asset identification data and is accessible by law enforcement agencies and insurance investigators;

(b) to manufacture and distribute high security DataTraceDNA[®] authentication solutions;

(c) to develop and distribute agricultural asset and IP protection solutions through AgTechnix Pty Limited.

There has been no significant change in the nature of these activities during the year.

3. Review of results and operations

For the six months to 31 December 2011, total revenues for DataDot Technology Limited (DataDot) were \$3,317,772, in line with the prior six months revenues (January to June 2011) of \$3,350,161 but a decrease of \$819,492 (20%) from \$4,137,264 for the six months to 31 December 2010, reflecting flat trading conditions throughout calendar 2011.

The consolidated net loss after income tax for the half-year was \$1,196,072 broadly in line with the immediately prior half-year loss of \$1,064,929, but down against the corresponding prior half-year earnings of an adjusted loss of \$70,604 (which excludes the \$552,134 one-off gain for the revaluation of DataDot's investment in DataTrace DNA Pty Limited (DataTrace)).

These results are due primarily to slower than anticipated rebuilding of the DataDot auto business as it recovers from the impact of natural disasters in Asia Pacific (in the past quarter, there has also been an unexpected rationing of Japanese motor vehicles delivered into our key customers in Asia Pacific and USA which has also impacted results this half) and economic uncertainty in Europe, particularly in Italy, our largest market.

Directors' Report

For the Half-Year Ended 31 December 2011

Total expenses for the six months to 31 December 2011 of \$3,075,797 were \$273,572 (10%) higher than in the same period of the prior year despite the expenses in the current year including 100% of DataTrace expenses (with the prior year only including one month of DataTrace expenses). Expenses in the current half-year were \$60,554 lower than expenses in the immediately prior half-year due to cost containment measures entered into during the current period. Within these contained expenses were investments in business development personnel in key expansion markets.

Operating cash flows were markedly lower in the December 2011 half-year compared with the December 2010 half-year, with cash outflows from operating activities for the period being \$1,048,438 due to reduced sales, increased investment in strategic business development personnel and the associated net loss. In 2010, cash inflows from operating activities were \$75,454. As at 31 December 2011, cash balances held by the company amounted to \$2.2 million.

Asia Pacific

Product sales in Asia Pacific of \$2,345,094 were consistent with both the prior half-year of \$2,371,173 and the immediately prior half-year of \$2,283,091. These results reflect reduced sales from automotive OEM customers as they recover from the impact of the earthquakes, tsunamis and flooding in Asia Pacific. Net profit decreased to \$442,826 in the six months to 31 December 2011 from \$445,875, a decrease of \$3,049.

Americas

Revenues in the Americas were flat against the immediately prior half-year and down by 11% to \$431,923 from \$497,254 in the prior year. The half-year loss for the Americas was \$66,319, a slight worsening from the prior half-year loss of \$23,609 in line with lower revenues.

Europe

In Europe, better financial performance was largely dependent on an improvement in the trading conditions in Europe, particularly Italy. It was disappointing that this improvement did not materialise during this half-year and as such, revenues for the six months to 31 December 2011 of \$562,651 were \$436,311 lower than in the same period in the prior year of \$998,962. Revenues were also lower against the immediately prior six month period revenues of \$835,294. The increasing appreciation of the Australian Dollar against the Pound Sterling and the Euro also continued to exacerbate this negative performance. Lower sales led to Europe making a loss of \$156,975 in the six months to 31 December 2011, compared to a profit of \$82,279 in the prior year six month period.

AgTechnix Pty Limited

AgTechnix's revenues for the six months to 31 December 2011 were greatly impacted by a reduction in overall cotton seed production in certain key India growing sectors due to a below average Kharif season (India is a market identified as significant to AgTechnix). Product mix was directly impacted in the first half which traditionally would attract more basic coating material sales. In the half-year to 31 December 2011, revenues were \$7,116 compared to the prior year revenues of \$55,384 and the net loss was \$203,685. The IntelliSeed™ technology continues in various stages of trial use with a number of key trials completed with very good results. Seasonality will dictate successful technology rollout for these customers.

Directors' Report

For the Half-Year Ended 31 December 2011

DataTrace DNA Pty Limited

DataTrace revenues have continued to improve over both the prior year and the immediately prior six months, with current revenues of \$685,584 being \$258,482 (61%) higher than the revenues reported in December 2010 and \$422,087 (160%) greater than revenues in the immediately prior half-year. This revenue growth is in line with Board and management expectations. Net profit from the DataTrace business of \$272,672 increased by \$40,697 compared to the prior year six month of \$231,975.

Strategically, DataTrace continues to be important as the technology underpins many of the products that DataDot has been developing and full ownership of DataTrace is providing the company access to additional growth markets from which it was previously excluded.

Going Forward

Since the end of the period, approximately \$500,000 per annum of costs have been taken out or have been identified to be taken out of the business in the short term. These cost savings initiatives will continue.

The Annual Distributor Conference was held in Sydney in January 2012. This conference facilitated considerable sale initiatives and a number of opportunities are in the process of being executed.

The Board and Management expect that with growth being experienced in the DataTrace DNA Pty Limited business, continuing build of forward orders from key auto customers and revenues expected from new business identified in the quarterly update announcement in October 2011, DataDot will, in the second half of this financial year, be profitable and the business will return to positive cash generation.

We have confidence in DataDot's future where our technology and products will be providing security and brand protection in many high value product markets around the world.

4. Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half-year ended 31 December 2011 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



B Rathie
Executive Chairman

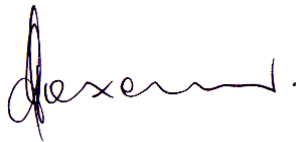
22 February 2012

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001***

To the directors of DataDot Technology Limited and the entities it controlled during the year.

As lead auditor for the review of DataDot Technology Limited for the financial half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**PKF**

Grant Saxon
Partner

Sydney
22 February 2012

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia

The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Financial Position

As at 31 December 2011

	Note	31 Dec 2011 \$	30 Jun 2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,243,195	3,528,593
Trade and other receivables		1,401,522	1,672,123
Inventories		1,075,653	1,084,729
Total Current Assets		4,720,370	6,285,445
Non-Current Assets			
Plant and equipment		902,239	867,455
Intangible assets		2,979,572	2,805,860
Total Non-Current Assets		3,881,811	3,673,315
TOTAL ASSETS		8,602,181	9,958,760
LIABILITIES			
Current Liabilities			
Trade and other payables		667,185	965,110
Interest bearing loans and borrowings		55,215	52,285
Income tax payable		78,616	78,223
Provisions		417,558	357,650
Other current liabilities		358,301	141,873
Total Current Liabilities		1,576,875	1,595,141
Non-Current Liabilities			
Interest bearing loans and borrowings		31,053	58,542
Provisions		8,084	8,274
Other non-current liabilities		245,151	456,471
Total Non-Current Liabilities		284,288	523,287
TOTAL LIABILITIES		1,861,163	2,118,428
NET ASSETS		6,741,018	7,840,332
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity		33,102,482	33,102,482
Accumulated losses		(26,951,523)	(25,857,705)
Reserves		785,974	689,216
Parent interests		6,936,933	7,933,993
Non-controlling interests		(195,915)	(93,661)
TOTAL EQUITY		6,741,018	7,840,332

The accompanying notes form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the Half-year Ended 31 December 2011

	Note	31 Dec 2011 \$	31 Dec 2010 \$
Continuing Operations			
Sale of goods		3,006,358	3,703,490
Rendering of services		447	275,829
Licence fees		75,185	28,242
Royalties		182,397	106,415
Finance revenue	3	53,385	23,288
Revenue		3,317,772	4,137,264
Cost of sales		(1,430,648)	(1,289,938)
Gross Profit		1,887,124	2,847,326
Other income	3	-	552,134
Employee benefits expenses		(1,844,957)	(1,426,371)
Administrative expenses		(440,243)	(557,205)
Advertising and promotional expenses		(83,091)	(237,775)
Occupancy expenses		(219,250)	(242,274)
Travel expenses		(181,349)	(146,498)
Finance costs	3	(11,143)	(15,261)
Depreciation and amortisation expenses		(176,937)	(176,841)
Bad and doubtful debts		(118,827)	-
Share of loss of joint venture		-	(111,716)
Profit/(loss) from continuing operations before income tax		(1,188,673)	485,519
Income tax expense	3	(7,399)	(3,989)
Net Profit/(loss) for the period		(1,196,072)	481,530
Other comprehensive income:			
Foreign currency translation		(32,578)	2,914
Other comprehensive income for the period, net of tax		(32,578)	2,914
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(1,228,650)	484,444

The accompanying notes form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the Half-Year Ended 31 December 2011

	31 Dec 2011	31 Dec 2010
	\$	\$
PROFIT/(LOSS) FOR THE PERIOD IS ATTRIBUTABLE TO:		
Owners of the parent entity	(1,093,818)	490,756
Non-controlling interest	(102,254)	(9,226)
	<u>(1,196,072)</u>	<u>481,530</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD IS ATTRIBUTABLE TO:		
Members of the parent entity	(1,126,396)	493,670
Non-controlling interest	(102,254)	(9,226)
	<u>(1,228,650)</u>	<u>484,444</u>
	Cents	Cents
Earnings per share attributable to the ordinary equity holders of the parent:		
Basic (loss)/earnings per share	(0.23)	0.14
Diluted (loss)/earnings per share	(0.23)	0.14

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2011

2011

	Ordinary Shares \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Employee Equity Benefits Reserve \$	Total attributable to equity holders of the parent \$	Non-controlling Interests \$	Total Equity \$
Balance at 1 July 2011	33,102,482	(25,857,705)	540,360	148,856	7,933,993	(93,661)	7,840,332
Loss for the period	-	(1,093,818)	-	-	(1,093,818)	(102,254)	(1,196,072)
Other comprehensive income	-	-	(32,578)	-	(32,578)	-	(32,578)
Total comprehensive income for the year	-	(1,093,818)	(32,578)	-	(1,126,396)	(102,254)	(1,228,650)
Transactions with owners in their capacity as owners							
Employee share-based payment options	-	-	-	129,336	129,336	-	129,336
Balance at 31 December 2011	33,102,482	(26,951,523)	507,782	278,192	6,936,933	(195,915)	6,741,018
Balance at 1 July 2010	28,034,195	(25,368,066)	505,232	-	3,171,361	-	3,171,361
Loss for the period	-	490,756	-	-	490,756	(9,226)	481,530
Other comprehensive income	-	-	2,914	-	2,914	-	2,914
Total comprehensive income for the year	-	490,756	2,914	-	493,670	(9,226)	484,444
Transactions with owners in their capacity as owners							
Issue of share capital	5,352,451	-	-	-	5,352,451	99	5,352,550
Transaction costs on shares issued	(278,228)	-	-	-	(278,228)	-	(278,228)
Balance at 31 December 2010	33,108,418	(24,877,310)	508,146	-	8,739,254	(9,127)	8,730,127

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2011

	31 Dec 2011	31 Dec 2010
Note	\$	\$
Cash flows from operating activities:		
Receipts from customers (inclusive of GST)	3,050,974	4,297,802
Payments to suppliers and employees (inclusive of GST)	(4,080,870)	(4,203,098)
Interest paid	(11,143)	(15,261)
Income taxes paid	(7,399)	(3,989)
Net cash flows (used in)/from by operating activities	(1,048,438)	75,454
Cash flows from investing activities:		
Interest received	53,384	23,288
Purchase of property, plant and equipment	(118,120)	(128,719)
Purchase of intangible assets	(274,926)	(167,375)
Contributions to investment accounted for using the equity method	-	(416,742)
Payment for acquisition of subsidiary, net of cash acquired	-	189,963
Net cash flows used in investing activities	(339,662)	(499,585)
Cash flows from financing activities:		
Proceeds from the issue of shares	-	3,970,000
Transaction costs from issues of shares	-	(33,228)
Repayment of borrowings	(23,302)	(21,193)
Payment of finance lease liabilities	-	(7,044)
Proceeds from other loans	125,000	-
Net cash flows from financing activities	101,698	3,908,535
Net cash (decrease)/increase in cash and cash equivalents	(1,286,402)	3,484,404
Cash and cash equivalents at beginning of period	3,528,593	1,796,406
Effect of exchange rate on cash holdings in foreign currencies	1,004	(43,412)
Cash and cash equivalents at end of period	2,243,195	5,237,398

5

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2011

The financial report of DataDot Technology Limited and its subsidiaries (DataDot), for the half-year ended 31 December 2011 was authorised for issue in accordance with a resolution of the Board of Directors on 22 February 2012.

DataDot Technology Limited (the parent entity) is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

The nature of the operations and principal activities of DataDot are described in the directors' report.

1 Summary of Significant Accounting Policies

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2011 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period.

The half-year financial report does not include all notes of the information required in annual financial statements in accordance with International Financial Reporting Standards.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2011 and considered together with any public announcements made by DataDot during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations of the ASX listing rules.

2 Operating Segments

Identification of reportable segments

DataDot has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

Three of the operating segments are identified by management based on the location of the selling segment. Two of the operating segments are identified by management based on the product offerings. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

Types of products and services by segment

The three geographical regions of Asia Pacific, Americas and Europe each manufacture and distribute an asset identification system that includes:

- **DataDotDNA®** - polymer and metallic microdots containing etched data that is unique to the assets to which the microdots are attached;
- **DataThreadDNA** - a continuous strand of DataDotDNA integrated into fine thread; and
- **DataBaseDNA** - a global database that records asset identification data and is accessible by law enforcement agencies and insurance investigators.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2011

2 Operating Segments (continued)

Types of products and services by segment (continued)

The two operating segments that are identified by product offerings managed on a global basis are:

- **DataTraceDNA®** – a high speed, high security, machine readable system for authenticating materials, products and assets; and
- **AgTechnix** - IntelliSeed™ by AgTechnix is a frontier patent pending technology, supporting global agriculture and protecting investments in intellectual property across a diverse spectrum of agricultural activities, including seed and plant genetics.

Accounting Policies and Inter-Segment Transactions

The accounting policies used by DataDot in reporting segments internally are the same as those contained in the prior period. Inter segment pricing is determined on an arm's length basis.

The following tables present the revenue, profit/(loss) before tax, assets and liabilities information regarding operating segments for the half-year periods ended 31 December 2011 and 31 December 2010.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2011

2 Operating Segments (continued)

Segment Performance

Half-year ended 31 Dec 2011	Asia Pacific \$	Americas \$	Europe \$	AgTechnix \$	DataTraceDNA \$	Total \$
Revenue						
Sales to external customers	1,434,825	381,756	562,651	7,116	620,010	3,006,358
Other revenues from external customers	257,582	448	-	-	-	258,030
Inter-segment sales	652,687	49,719	-	-	65,574	767,980
Total segment revenue	2,345,094	431,923	562,651	7,116	685,584	4,032,368
Inter-segment elimination						(767,980)
Other revenue						53,384
Total revenue per the statement of comprehensive income						3,317,772
Result						
Segment Results	442,826	(66,319)	(156,975)	(203,685)	272,672	288,519
Unallocated Revenue & Expenses						(1,477,192)
Loss before tax and finance costs						(1,188,673)
Loss before income tax per statement of comprehensive income						(1,188,673)
Income tax expense						(7,399)
Loss after income tax per statement of comprehensive income						(1,196,072)
Assets and liabilities						
Segment Assets	2,612,277	413,160	707,343	96,449	2,245,850	6,075,079
Unallocated assets						2,527,102
Total assets						8,602,181
Segment Liabilities	872,059	49,129	114,782	28,087	127,349	1,191,406
Unallocated liabilities						669,757
Total liabilities						1,861,163

Notes to the Financial Statements

For the Half-Year Ended 31 December 2011

2 Operating Segments (continued)

Segment Performance (continued)

Half -year ended 31 Dec 2010	Asia Pacific \$	Americas \$	Europe \$	AgTechnix \$	DataTraceDNA \$	Total \$
Revenue						
Sales to external customers	1,793,490	428,552	998,962	55,384	427,102	3,703,490
Other revenues from external customers	407,861	2,625	-	-	-	410,486
Inter-segment sales	169,822	66,077	-	-	-	235,899
Total segment revenue	2,371,173	497,254	998,962	55,384	427,102	4,349,875
Inter-segment elimination	-	-	-	-	-	(235,899)
Other revenue	-	-	-	-	-	23,288
Total revenue per the statement of comprehensive income						4,137,264
Result						
Segment Results	445,875	(23,609)	82,279	(18,828)	231,975	717,692
Unallocated expenses	-	-	-	-	-	(105,196)
Profit before tax and finance costs						612,496
Finance costs	-	-	-	-	-	(15,261)
Share of loss of joint venture	-	-	-	-	-	(111,716)
Profit before income tax per statement of comprehensive income						485,519
Income tax expense	-	-	-	-	-	(3,989)
Profit after income tax per statement of comprehensive income						481,530
Assets and liabilities						
Segment assets	1,588,116	404,491	833,873	98,218	1,808,331	4,733,029
Unallocated assets	-	-	-	-	-	6,510,945
Total assets						11,243,974
Segment liabilities	492,820	115,214	399,732	81,697	415,205	1,504,668
Unallocated liabilities	-	-	-	-	-	1,009,179
Total liabilities						2,513,847

Notes to the Financial Statements

For the Half-Year Ended 31 December 2011

3 Revenue, Income and Expenses

	31 Dec 2011	31 Dec 2010
	\$	\$
(i) Finance Revenue		
Bank interest from deposits	53,385	23,288
(ii) Other Income		
Gain on revaluation of investment in joint venture	-	552,134
(iii) Finance Costs		
Bank interest on loans and overdrafts	10,969	11,776
Interest in other loans	-	1,715
Finance charges under finance leases and hire purchase contracts	117	1,770
Other interest expense	57	-
	<u>11,143</u>	<u>15,261</u>
(iv) Income tax expense		
Income tax expense	<u>7,399</u>	<u>3,989</u>

As at 31 December 2011, no deferred tax assets in respect of losses have been recognised. Deferred tax assets and liabilities in respect of temporary differences have been offset against each other with nil impact on the profit and loss.

4 Dividends

No dividends were declared or paid during the half-year (2010: Nil).

5 Cash and Cash Equivalents

	31 Dec 2011	30 Jun 2011
	\$	\$
Cash at bank and on hand	<u>2,243,195</u>	<u>3,528,593</u>

6 Related Party Disclosures

Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the half-year ended 31 December 2011 and 2010.

	31 Dec 2011	31 Dec 2010
	\$	\$
Revenue from management fees from DataTraceDNA Pty Ltd	-	273,663

DataTraceDNA Pty Limited became a wholly owned subsidiary of DataDot on 1 December 2010 and thus the 2010 management fees to related parties are only for the period from 1 July 2010 to 30 November 2010.

Transactions between DataDot Technology Limited and its subsidiaries arise from granting loans, provision of management services, sale of inventory and royalties. Non-current loans to these entities are interest free, are unsecured and are required to be repaid once sufficient operating cash flows permit repayment.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2011

7 Events after balance date

Resignation of Chief Executive Officer (CEO)

On 16 January 2012, Ben Bootle, the Managing Director and CEO, advised the Board of his resignation.

Management Reorganisation

Mr Bruce Rathie, the Chairman of the Board, assumed an executive role working with and through an Executive Committee which he chairs comprising Mr Ross Hawkey (CFO, Administration and Manufacturing), Mr Gunther Schmidt (DataTraceDNA), Mr Ritchie Bloomfield (DataDotDNA/International), Mr Graham Loughlin (Strategy/Secretarial) and Mr Neil Mulcahy (AgTechnix). Mr Rathie's executive role can be terminated by either party on 30 days' notice. Appointment of a new CEO will be reviewed by the Board during the course of calendar 2012.

Apart from the matters disclosed above, no other matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

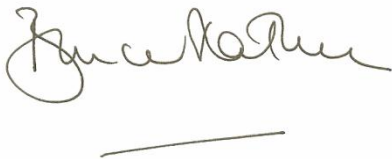
Directors' Declaration

In the directors' opinion:

- (i) the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (ii) the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the financial half-year ended on that date; and
- (iii) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Bruce Rathie', with a horizontal line underneath it.

Bruce Rathie
Executive Chairman

22 February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DataDot Technology Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of DataDot Technology Limited, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and 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. The consolidated entity comprises DataDot Technology Limited (the company) and the entities it controlled at 31 December 2011 or from time to time during the half-year ended on that date.

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 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 2011 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 DataDot Technology 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*.

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au

PKF | ABN 83 236 985 726

Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia

The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

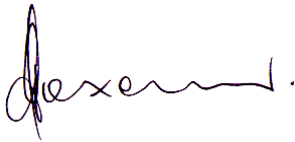
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the consolidated entity 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 2011 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*.



PKF



Grant Saxon
Partner

Sydney
22 February 2012