

MOOTER MEDIA LIMITED

ABN 26 059 081 293

**Interim Financial Report
For the half year ended 31 December 2011**

MOOTER MEDIA LIMITED

ABN 26 059 081 293

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Corporate Information

MOOTER MEDIA LIMITED

ABN 26 059 081 293

Directors

Peter Jermyn– Chairman
Simon Meadmore – Non Executive Director
Nicholas Stavropoulos – Non Executive Director
Trent Blacket – Non Executive Director

Special Advisory Board

Lord Anthony St John
Robert Moore
Jeannine Smith

Company Secretary

John F. Diddams

Registered Office

Level 6, 8 Help Street
Chatswood, NSW 2067

Mailing Address

PO Box 5159
West Chatswood, NSW 1515

Telephone

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Legal Advisors

Truman Hoyle
Level 11, 68 Pitt Street
Sydney, NSW 2000

Patent Attorneys

Shelston IP
Level 21, 60 Margaret Street
Sydney, NSW 2000

Auditors

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street
Sydney, NSW 2000

Share Register

Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000

Corporate Website www.mootermedia.com

Search Website www.mooter.com

ASX Code MMZ

OTCQX Code MOTMY

Directors' Report

MOOTER MEDIA LIMITED

ABN 26 059 081 293

The Directors' present their report on the consolidated entity consisting of Mooter Media Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2011.

Directors

The names of persons who were directors of Mooter Media Limited during the half-year and up to the date of this report are:

Peter Jermyn – Chairman
Simon Meadmore – Non Executive Director
Nicholas Stavropoulos – Non Executive Director
Trent Blacket – Non Executive Director
Paul Fullwood – Non Executive Director

The above mentioned Directors held office during and since the end of the half year except for:

Paul Fullwood – resigned 15 December 2011
Trent Blacket - appointed 23 November 2011

Company Secretary

John F Diddams

Special Advisory Board

Lord Anthony St John
Robert Moore
Jeannine Smith

Review of Operations

The past six months has seen the Company move into the final stages of development and pre-launch of the very exciting *Image Social* – the world's most comprehensive social photography, entertainment platform and social marketplace. The period has also seen the continued success and growth of the Company's online advertising and search engine marketing company, Project Search Pty Ltd.

Mooter, together with Hot Shot Media Ltd (its Singapore incorporated, co-venturer and revenue sharing partner), are the developers of a unique and exciting suite of interactive online entertainment products based on the revolutionary convergence of social gaming and networking wrapped around digital imagery and photography. The co-venturers will exclusively market and commercially exploit the full extent of the Hot Shot photo-networking platform, including its suite of games, gaming and competition-based products.

ImageSocial has been a research-focused, evidence-based and capital-intensive program but is now at its completion. The Hot Shot development team in San Francisco has architected a robust, engaging and immersive platform with a range of applications and possibilities centered on the unifying element of photography. *ImageSocial's* early development has already seen coverage in 'TechCrunch', 'VentureBeat', 'ZDNet' and other major tech media. That can only expand as the specific details of the platform's full capabilities and applications are released and become known to the tech and investment worlds.

In the coming weeks, the Company intends to commence an aggressively focused marketing and advertising program (led by Droga5 - the fastest growing independent agency in the United States) to maximize the launch momentum of *ImageSocial's* first release product. The product has demonstrated, through an extensive and comprehensive research and evaluation study that it has the potential to impressively monetize and generate substantial early revenue while complimenting a long-term vision to aggregate photographic content from around the web and providing for it to become the online destination for the world to monetize, communicate and engage with their photos.

Project Search, continued to expand the various global search agreements that Mooter had in place and to monetize the Mooter search engine, such that this division is now consistently contributing to group revenue and cash flow on a monthly basis. Project Search has generated revenue of \$426,000 and \$244,000 net contribution for the period.

Last year the Company established a joint venture, Knowledge Nation (ESN:60%, Mooter;20%, Hot Shot: 20%), to jointly develop an international educational games and derivatives entity. Pursuant to the agreement, ESN will provide the first \$2.5 million of development and marketing funds to Knowledge Nation. The Joint Venture is now operating and the directors believe it has exciting prospects.

The Company announced in October that it has signed a funding agreement with San Francisco-based investment firm La Jolla Cove Investors, Inc. to assist Mooter and its technical development partner Hot Shot Media to rapidly commercialise, market and launch its proprietary ImageSocial platform, the web's first comprehensive social photography platform. The Agreement with La Jolla is in the form of five (5) committed, sequential and non-renounceable convertible notes of US\$3 million each and provides the Company with continuous monthly capital injections. The initial drawdown facility was US\$200,000 per month, with the capacity to increase to US\$1 million per month in line with the Company's improving share price. The notes carry an interest rate of 4.75% per annum, paid in arrears. A total of \$684,000 has been drawn down under the facility and the amount owing under the facility at balance date after conversions is \$484,000.

The Company's shares continue to trade on both ASX under the code "MMZ" and OTCQX International in the US under the code 'MOTMY', which allows US brokers to deal either directly in Mooter shares on the ASX, in the ADRs, or both.

Mr. Trent Blacket was appointed to the Board on 23 November 2011 and Mr. Paul Fullwood resigned as a director on 15 December 2011. Lord Anthony St John and Robert Moore were both appointed to the Special Advisory Board on 23 November 2011, joining Jeannine Smith.

Equity Structure

On 21 November 2011, the Company announced a Non- renounceable Rights Issue at \$0.005 per share which closed on 19th December 2011 with 154,200,000 valid acceptances, including applications for additional shares having been received for an amount of \$772,000.

At the same time, the Company announced a Share Placement to sophisticated investors at \$0.005 per share which raised a total of \$940,000 for the issue of 188 million shares.

At the AGM in November 2011, 100 million fully paid ordinary shares in the Company were allotted to The Hot Shot Media, Inc. Nonqualified Equity Incentive Plan, as an incentive for the Hot Shot Media Group's technology development team.

During the period from initial funding to 31 December 2011, La Jolla Cove Investors converted \$200,000 of the Convertible Loan Note Facility into 51.1 million shares.

As at 31 December 2011, the Company had a total of 3,089,725,959 fully paid, ordinary shares on issue, of which 2,739,564,668 were listed on the ASX and a further 350,161,291 remained unlisted.

No options over ordinary shares were issued during the period and 401,250 options expired during the period. The Company has a total of 800,856,031 share options on issue as at 31 December 2011. 720,288,107 of these options have an exercise price of \$0.015 any time before 30 June 2012; 30,567,924 options have an exercise price of \$0.05 any time before 30 June 2012 and 50,000,000 options have an exercise price of \$0.05 any time before 31 December 2012.

Directors' Report

MOOTER MEDIA LIMITED

ABN 26 059 081 293

Financial Position

The net assets of the Consolidated Group have increased by \$801,000, from \$5,759,000 at 30 June 2011 to \$6,560,000 at 31 December 2011. This increase has largely resulted from the increase in issued capital of \$2,417,000, offset by the loss for the period of \$1,613,000.

Cash on hand at 31 December 2011 was \$1,165,000.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the parent entity during the financial year, other than as stated elsewhere in this Report.

Post Balance Date Events

There are no events subsequent to balance date.

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is set out on page 6 of this half-year financial report.

Rounding of Amounts to the Nearest Thousand Dollars

As in previous years, the company has relied on Class Order 98/0100 issued by the Australian Investments and Securities Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Accordingly, amounts have been rounded off in the directors' report financial report and accompanying notes. Amounts included in the directors report have not been rounded off.

This report is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



Peter Jermyn

Director

SYDNEY

29th February 2012

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 9233 8933 F +61 2 9233 8521

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Mooter Media Limited for the half year ended 31 December 2011, 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.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants


G N SHERWOOD
Partner

Sydney, NSW
Dated: 29 February 2012

**Consolidated Statement of Comprehensive Income
For the Half-Year Ended 31 December 2011**

MOOTER MEDIA LIMITED

ABN 26 059 081 293

	Economic Entity Half Year ended	
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Revenue from ordinary activities	426	1,107
Other revenue	248	28
Listing fees	(101)	(148)
Depreciation and amortisation expense	(1)	(5)
Share registry expenses	(57)	(124)
Consultancy expenses	3 (479)	(197)
Directors emoluments	(84)	(83)
Legal expenses	(189)	(195)
Rental expenses	(30)	(27)
Traveling expenses	(70)	(39)
Distribution costs	(182)	(635)
Share based payments	3 (525)	(800)
Impairment of investment	(87)	-
Foreign exchange loss	3 (247)	-
Interest expense	(120)	-
Audit fee	(35)	(21)
Other expenses from ordinary activity	(80)	(72)
Loss before income tax expense	(1,613)	(1,211)
Income tax expense	-	-
Loss after tax from continuing operations	(1,613)	(1,211)
Other comprehensive income	-	-
Total comprehensive loss for the half-year	(1,613)	(1,211)
Loss for the half year attributable to:		
Owners of parent	(1,613)	(1,211)
Non controlling interest	-	-
	(1,613)	(1,211)
Comprehensive loss for the half-year attributable to:		
Owners of parent	(1,613)	(1,211)
Non controlling interest	-	-
	(1,613)	(1,211)
	Cents	Cents
Basic loss per share	(0.00)	(0.00)
Diluted loss per share	(0.00)	(0.00)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position
For the Half-Year Ended 31 December 2011**

MOOTER MEDIA LIMITED

ABN 26 059 081 293

Economic Entity

	31 December 2011 \$'000	30 June 2011 \$'000
CURRENT ASSETS		
Cash and cash equivalents	1,165	1,256
Trade and other receivables	604	796
Other financial assets	1,093	764
Total Current Assets	2,862	2,816
NON-CURRENT ASSETS		
Other financial assets	2,051	1,518
Property, plant and equipment	4	5
Intangible assets	2,536	2,086
Total Non-Current Assets	4,591	3,609
TOTAL ASSETS	7,453	6,425
CURRENT LIABILITIES		
Trade and other payables	342	639
Other financial liability	67	27
Convertible notes	6 484	-
Total Current Liabilities	893	666
TOTAL LIABILITIES	893	666
NET ASSETS	6,560	5,759
EQUITY		
Issued capital	7 32,764	30,347
Reserves	1,212	1,215
Retained earnings	(27,416)	(25,803)
TOTAL EQUITY	6,560	5,759

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

**Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2011**

MOOTER MEDIA LIMITED

ABN 26 059 081 293

	Economic Entity Half Year ended	
	31 Dec 2011 \$'000	31 Dec 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	618	751
Payments to suppliers and employees	(1,849)	(1,412)
Interest received	12	28
Interest paid	(3)	-
Net cash provided by operating activities	<u>(1,222)</u>	<u>(633)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash utilized in development of intellectual property	(450)	-
Loans to related entities	(862)	(662)
Net cash used in investing activities	<u>(1,312)</u>	<u>(662)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	47	-
Proceeds from issue of shares	1,712	-
Proceeds from issue of convertible notes	684	-
Net cash provided by financing activities	<u>2,443</u>	<u>-</u>
Net decrease in cash and cash equivalents	(91)	(1,295)
Cash and cash equivalents at beginning of period	1,256	1,716
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>1,165</u></u>	<u><u>421</u></u>

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

**Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2011**

MOOTER MEDIA LIMITED

ABN 26 059 081 293

	Share capital \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
At 1 July 2010	24,878	(24,339)	1,215	1,754
Issue of share capital	3,856	-	-	3,856
Loss for the period	-	(1,211)	-	(1,211)
Employee options - share based payment	800	-	-	800
At 31 December 2010	29,534	(25,550)	1,215	5,199
Issue of share capital	813	-	-	813
Loss for the period	-	(253)	-	(253)
At 1 July 2011	30,347	(25,803)	1,215	5,759
Issue of share capital	1,912	-	-	1,912
Loss for the period	-	(1,613)	-	(1,613)
Share issue expenses	(20)	-	-	(20)
Employee options - share based payment	525	-	-	525
Foreign exchange reserve	-	-	(3)	(3)
At 31 December 2011	32,764	(27,416)	1,212	6,560

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

Notes to the Financial Statements For the Half-Year Ended 31 December 2011

MOOTER MEDIA LIMITED

ABN 26 059 081 293

Note 1: Statement of Significant Accounting Policies

Basis of Preparation of Half-Year Financial Statements

These general purpose financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Mooter Media Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2011 together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the 30 June 2011 financial statements.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business

As disclosed in the financial statements, the consolidated entity incurred losses of \$1,613,000 and had net consolidated cash outflows from operating and investing activities of \$1,222,000 and \$1,312,000 respectively for the half year ended 31 December 2011. As at that date the consolidated entity had net current assets of \$1,969,000 and net assets of \$6,560,000.

The Directors believe that it is reasonably foreseeable that the company and consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- a) Mooter Media Limited entered into an agreement on 30 September 2011 with La Jolla Cove Investors Inc, in which Mooter Media Limited has agreed to issue convertible notes up to a value of \$15,000,000 to be used as working capital and for business expansion. Mooter Media Limited has accessed less than \$1,000,000 of this facility. (see note 6 for more information)
- b) The Directors regularly monitor the company and consolidated entity cash position and they are also considering a number of strategic and operational plans and initiatives on an on-going basis, to ensure that adequate funding continues to be available for consolidated entity, to meet their business objectives.
- c) The company has the ability to continue to raise additional funds on a timely basis, pursuant to the Corporations Act 2001.

Notes to the Financial Statements For the Half-Year Ended 31 December 2011

MOOTER MEDIA LIMITED

ABN 26 059 081 293

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

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in the Group's presentation of, or disclosure in, its half-year financial statements.

Interest in Joint Venture

Hot Shot Media Pty Ltd has a 50% interest in the joint venture entity HSM Ventures Pte Ltd. The Group's 50% share of the assets, liabilities, revenue & expenses of the jointly controlled operation have been included in the appropriate line items of the consolidated financial statements.

Note 2: Dividends

No Dividends have been declared or paid during this or any preceding period.

Note 3: Loss for the Period

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	Economic Entity Half Year ended	
	31 Dec 2011 \$'000	31 Dec 2010 \$'000
Share based payments(i)	525	800
Consultancy expenses	479	197
Foreign exchange loss (ii)	247	-

- (i) 100 million fully paid ordinary shares in the Company were allotted to The Hot Shot Media, Inc. Nonqualified Equity Incentive Plan, as an incentive for the Hot Shot Media Group's technology development team. The share price on the day of allotment was \$0.005 and the cost of \$500,000 has been expensed as a share based payment. A further 5,000,000 shares to a consultant as a share based payment for a value of \$25,000 based on the current company's share price of \$0.005 for the provision of consultancy services.
- (ii) Foreign Exchange Loss is an accounting loss on translation of period end USD balances.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2011**

MOOTER MEDIA LIMITED

ABN 26 059 081 293

Note 4: Operating Segments

Segment Information - Identification of reportable segments

The group has identified its operating segments based on internal reports that are viewed and used by the Board of Directors being the chief decision maker in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of service offerings.

The Group's risk and returns are affected predominately by differences in the geographical areas in which operates and differences in the operating segments it is involved in.

Mooter Media Limited engages in two operating segments being online advertising and digital media solutions and online photography and gaming.

The operational result of the business activity is dissected and reviewed by management based on the markets in which it sells and in the operating segments it is involved in.

Geographical Segments

	2011 (\$'000)			2010 (\$'000)		
	Australia	Japan	Total	Australia	Japan	Total
Revenue	426	-	426	294	813	1,107
Profit /(Loss) before Tax	(1,613)	-	(1,613)	(1,606)	395	(1,211)
Profit /(Loss) after Tax	(1,613)	-	(1,613)	(1,606)	395	(1,211)
Segment Assets	7,453	-	7,453	5,540	-	5,540
Segment Liabilities	893	-	893	341	-	341

Segment Performance

	Online Advertising \$000	Photo/Gaming \$000	Total \$000
Six months ended 31 December 2011			
Revenue	426	-	426
Distribution	(182)	-	(182)
Expenses	-	(485)	(485)
Segment profit / (loss)	244	(485)	(241)

Reconciliation of segment result to group net profit/(loss) before tax

Amounts not included in segment result but reviewed by the Board:

Unallocated items:

- Listing and registry costs	(158)
- Share based payments	(525)
- Other	(689)

Net loss before tax from continuing operations

(1,613)

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2011**

MOOTER MEDIA LIMITED

ABN 26 059 081 293

Note 4: Operating Segments (con't)

	Online Advertising \$000	Photo/Gaming \$000	Total \$000
Six months ended 31 December 2010			
Revenue	1,107	-	1,107
Distribution	(635)	-	(635)
Segment Profit	<u>472</u>	-	<u>472</u>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Unallocated items:			
- Professional & directors fees			(267)
- Legal costs			(195)
- Listing & Share Registry Costs			(272)
- Share based payments			(800)
- Other			<u>(149)</u>
Net loss before tax from continuing operations			<u><u>(1,211)</u></u>

Note 5: Business Combinations

There were no businesses or assets acquired or disposed of during the period.

Note 6: Convertible Notes

The Company announced in October that it has signed a funding agreement with San Francisco-based investment firm La Jolla Cove Investors, Inc. to assist Mooter and its technical development partner Hot Shot Media to rapidly commercialise, market and launch its proprietary ImageSocial platform, the web's first comprehensive social photography platform. The Agreement with La Jolla is in the form of five (5) committed, sequential and non-renounceable convertible notes of US\$3 million each and provides the Company with continuous monthly capital injections. The initial drawdown facility was US\$200,000 per month, with the capacity to increase to US\$1 million per month in line with the Company's improving share price. The notes carry an interest rate of 4.75% per annum, paid in arrears.

A total of \$684,000 has been drawn down under the facility and the amount owing under the facility at balance sheet date after conversions is \$484,000.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2011**

MOOTER MEDIA LIMITED

ABN 26 059 081 293

Note 7: Equity Securities Issued

	Shares ('000)		Value (\$'000)	
	Half Year 31 December 2011	31 December 2010	Half Year 31 December 2011	31 December 2010
Opening Balance (at June)	2,591,369	1,905,234	30,347	24,878
Issue of ordinary shares by placement	188,000	-	940	-
Issue of ordinary shares for acquisitions	-	436,136	-	3,856
Issue of ordinary shares under rights issue	154,220	-	772	-
Issue of fully paid shares by conversion of convertible notes	51,136	-	200	-
Issue ordinary shares for share based payments	105,000	100,000	525	800
Issue costs	-	-	(20)	-
Issue of MMZ shares during Period	498,356	536,136	2,417	4,656
Closing Balance	3,089,725	2,441,370	32,764	29,534
Total Value of Equity Issued During Period (\$'000)			2,417	4,656

Note 8: Events Subsequent to Balance Date

There were no events subsequent to balance date.

Note 9: Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date, 30 June 2011.

Notes to the Financial Statements For the Half-Year Ended 31 December 2011

MOOTER MEDIA LIMITED

ABN 26 059 081 293

Note 10: Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

a. Inter-company loans

At 31 December 2011, the details for the inter-company loans are followed as below:

Mooter Media Limited holds the loan to

- Mooter Holdings Limited*
- Mooter Pty Limited*
- Hot Shot Media Pty Ltd

Mooter Holdings Limited holds the loan to

- Mooter Pty Limited*

*These loans have been impaired to reflect the net tangible asset value

b. Other Related Parties

- (i) During the six months to 31 December 2011, subsidiary company Project Search Pty Ltd utilised the services of Excite Digital Media Pty Ltd to provide internet traffic for a total of \$134,000 of which Company Director Mr Nicholas Stavropoulos has a relevant interest, which enabled Project search to monetise advertising feeds provided by 3rd parties.
- (ii) Peter Jermyn a director of Mooter Media Limited holds a loan through Consolidated Securities Pty Ltd which he is a director of \$67,000 with Hot Shot Media Pty Ltd
- (i) Messrs Peter Jermyn and Simon Meadmore, who are directors of the Company, hold a relevant interest in the shares of Hot Shot Media Limited, the joint venture partner of the company in HSM Ventures Pty Ltd. Mr Jermyn is also a director of Hot Shot Media Limited.
- (ii) Hot Shot Media Inc is a subsidiary of Hot Shot Media Limited. Mr Jermyn is a Director of Hot Shot Media Inc which is engaged to develop software for HSM Ventures Pte Ltd. Shot Media Inc. has received payment for funding software development to the value of \$1,160,000 from the Hot Shot Media joint venture partners for the six months period. Total payments of \$3.5m were made up to 30 June 2011 for software development.

c. Related Company Loans

At 31 December 2011, the details for related company loans are as follows:

Mooter Media Limited holds loans to:

Hot Shot Media Limited (Singapore)	\$85,000
HSM Ventures Pte Ltd	\$91,000

Hot Shot Media Pty Ltd holds loans to:

HSM Ventures Pte Ltd	\$4,435,000
Hot Shot Media Limited (Singapore)	\$1,386,000
ESN JV	\$ 1,000

HSM Ventures Pte Ltd holds loans to:

Hot Shot Media Inc.	\$ 141,000
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Declaration by Directors

MOOTER MEDIA LIMITED

ABN 26 059 081 293

The directors of the company declare that:

1. The financial statements, comprising the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flow, Consolidated Statement of Changes in Equity and the accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give 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.
2. 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



Peter Jermyn
Director

Date: 29th February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MOOTER MEDIA LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mooter Media Limited which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 half-year 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 control as the directors and those charged with governance 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 Mooter Media 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mooter Media 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 Mooter Media 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 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*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Chartered Accountants



G N SHERWOOD
Partner

Sydney NSW
Dated: 29 February 2012