

30 September 2009

Teleset Networks ("Teleset" or "the Company"), a leading alternative fixed-line telecom operator in the Volga region of the Russian Federation, today announces its unaudited Interim Results for the six months ended 30 June 2009.

Financial Highlights

Teleset achieved an excellent financial performance for the first half of 2009 despite generally unfavourable economic circumstances. During the period, the Company's operating revenue grew by 43 per cent compared to RUR 502 million (H1 2008: RUR 351 million) with EBITDA margin increasing substantially to 62 per cent (H1 2008: 59 per cent). Net profit margin also increased to 31 per cent compared to 29 per cent for the same period last year.

The functional currency of the subsidiaries of Teleset Networks is the Russian ruble, while the presentation currency is the US dollar. As a result of the substantial depreciation of the ruble, the presentation of the Company's results in US dollars does not reflect the true underlying performance of Teleset Networks which has been very positive when compared to its peers.

- Operating revenue grew by 43 per cent to RUR 502 million (H1 2008: RUR 351 million)
- EBITDA margin increased substantially to 62 per cent (H1 2008: 59 per cent)
- Net profit margin also increased to 31 per cent compared to 29 per cent for the same period last year
- Net debt reduced from USD 8 million to USD 4 million

6 months ended June, 30	1H 2009	1H 2008	Change
Operating revenue, RUR	502,052,585	351,248,598	43%
Operating revenue, USD	15,127,304	14,754,081	2.5%
Operating profit, USD	6,635,099	6,549,610	1.3%
EBITDA, USD	9,350,090	8,667,207	7.9%
EBITDA margin	62%	59%	
Net profit, USD	4,714,034	4,349,851	8.4%
Net margin	31%	29%	
Earnings per share, cent	2.99	2.91	2.7%

Operational Highlights

- Successful completion of STS (Ulyanovsk) integration with a significant contribution to revenue and profit
- Broadband base growth of 32 per cent to 34,600 subscribers
- Successful zonal network operation
- Launch of a unified call-centre for our customers in Tatarstan
- Strong underlying development of the enlarged business

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Non-executive Chairman's statement

The economic landscape has changed dramatically since the middle of 2008 with the decline in the global economy and turmoil in the financial markets creating exceptionally challenging business conditions all over the world.

Against this background, the performance of Teleset Networks has been most encouraging and all four operational companies within the Group (Teleset in Kazan, TNPKO, Teleset in Naberezhnye Chelny and STS in Ulyanovsk) have been delivering strong results.

Management's main priority has been focused on continuing the organic development of the Company whilst successfully completing the integration of STS, as planned, in March 2009. As expected, STS contributed significantly to profitability for the 6 months ended 30 June 2009 and we are now starting to realise synergies from the enlarged business.

Building the customer base

At 30 June 2009, the total number of Teleset Networks telephone subscribers was 161,600 with broadband users increasing by 32 per cent to 34,600 since the end of 2008. This in turn reflects continuing growth in broadband penetration in Tatarstan which, at 32 per cent, compares favourably with the average penetration of 25 per cent for Russia as a whole*.

The investment we made in our digital network is enabling Teleset to take full advantage of this situation by actively promoting DSL with the offer of complementary services, such as IPTV, WiFi connection and many others.

Another important step in the development of Teleset is the zonal network, which has already become an important contributor to the Company's overall revenue.

Board of directors

In April 2009 Mr. Georgui Horozov, a Non-executive Director representing the Black Sea Trade and Development Bank, resigned from the Board. His vast experience has been of great value to us and I would like to thank him for his valuable input to the Company.

I would also like to thank my Board colleagues for their hard work during the last challenging months and to pay tribute to employees, at all levels, for their commitment and loyalty to the Company.

Future prospects

Teleset Networks is continuing to build the business and shareholder value for the long-term, investing in the infrastructure of the Volga region and building strong relationships with our customers and property developers that are based on excellent service and on our commitment to helping them thrive in this fast changing world.

We are confident that 2009 will be another year of significant and profitable progress.

Philippos Vatiliotis, Non-executive Chairman

*Data from the report of the Ministry of Informatization and Communications of Tatarstan on the results of the first half 2009 and goals for the second half 2009, <http://mcrt.tatar.ru/rus/pressa/relizy/press-release/108921.htm>

Chief Executive's statement

The results of Teleset Networks for the first half of 2009 provide a solid basis for optimism about the future. Despite the fact that 2009 has so far been tough for the economy and for the business generally, the results we have achieved have met all our expectations with all areas delivering resilient performances.

As a consequence, we are confident that Teleset will emerge from this recession a strong business with significantly better prospects than our competitors.

New opportunities

Teleset's success in difficult economic circumstances is the result of reacting quickly to changes in market conditions and offering business and residential users new and improved products and services at competitive prices.

This approach has been key in Teleset continuing the rapid expansion of its broadband customer base which increased by 32 per cent in the first half of 2009 to 34,600 subscribers.

As a result of an active marketing and sales programme, Teleset is continuing to grow its broadband customer base which will benefit the financial performance in the second half of 2009 and beyond.

Another significant contributor to the Company's growth has been the zonal network. We anticipate that this will become an increasingly significant source of revenue.

Following the vast investment made in its digital network, Teleset Networks has a significant edge over many of its local competitors. This will enable the Company to continue to be successful, and increase share, in a rapidly changing market.

Meeting the customers' needs

We have made major advances in customer service which will continue to be crucial to our success. In January 2009, we launched a unified call-center for our subscribers in Kazan and Naberezhnye Chelny. Now all our customers, whether residential or corporate, fixed-line or broadband subscribers, can access comprehensive advice on our services, tariffs and modern technologies.

Our goal is to make Teleset Networks a leader in customer service in the region. For this purpose we have introduced a client satisfaction program, including various measures to increase the loyalty of our clients. Our approach to customer service will be to deliver products and service to suit their individual needs.

Since this summer, our clients have been able to subscribe to our services both separately and in a range of tailor-made packages on which they can benefit from significant financial incentives.

We are proud that many new customers joined us in the first half 2009. They include state and municipal institutions (Administration of the Ministry of industry and trade of the Russian Federation for Tatarstan), educational establishments (Kazan state technical university), numerous banks and a big number of SMEs.

Results

Despite the financial downturn, the results we have achieved in the first half of 2009 are in line with the budget and with the management's expectations.

It needs to be noted, that the functional currency of the subsidiaries of Teleset Networks is the Russian ruble, while the presentation currency is the US dollar. As a result of the substantial depreciation of the ruble, the presentation of the Company's results in US dollars does not reflect the true underlying performance of Teleset Networks which we believe is both excellent and reflects a significantly better operational performance than our peers.

In the 6 months ended 30 June 2009, Teleset's operating revenue was USD 15.1 million. This means 2.5 per cent growth since last year. In ruble equivalent the operating revenue growth rate is 43 per cent.

Net profit is USD 4.71 million, which means an increase on the first half of 2008 of 8.4 per cent (H1 2008: USD 4.34 million). In terms of the functional currency, the increase was 51 per cent to RUR 156.5 million (H1 2008: RUR 103.5 million).

Another key figure is the EBITDA margin which was 62 per cent for the period (H1 2008 – 59 per cent).

Internet services continue to generate sustainable income which was USD 4.7 million or 35.8 per cent of total revenues (net of zonal revenues) for the first half of 2009.

An important contributor to the Group's income remains telephony rental fees which were USD 4.5 million, constituting 34.8 per cent of total income for the period.

	H1 2009, USD	Share of revenue
Connection fees	124,241	1.0%
Rental fees	4,534,071	34.8%
Traffic fees	1,188,327	9.1%
ISDN: Connection fees	54,202	0.4%
ISDN: Traffic fees	959,767	7.4%
Internet Services	4,669,725	35.8%
IP Services	220,348	1.7%
Sundry Income	1,296,878	9.9%

Outlook for full year 2009

Teleset is weathering the global economic storm quite well. It is also benefiting from the low penetration of broadband services in Tatarstan and its superior operating efficiency and consequent ability to win market share.

We continue to balance our rapid growth with strong business organisation and a focus on optimising costs.

With sustainable growth coming from both an expanding product portfolio and from selective expansion outside the region, all supported by a strong, cash-heavy balance sheet, the future prospects of the Company seem very promising.

Yiannis Demetriou, Chief Executive Officer

Condensed consolidated statement of financial position

30 June 2009

	Note	30 June 2009 US\$	31 December 2008 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	4	30,877,259	32,209,568
Intangible assets	5	<u>27,082,000</u>	<u>28,559,091</u>
		<u>57,959,259</u>	<u>60,768,659</u>
Current assets			
Inventories		2,982,024	3,185,603
Trade and other receivables	6	7,570,463	6,826,416
Refundable taxes	11	-	370,120
Cash at bank and in hand		<u>20,704,457</u>	<u>22,588,307</u>
		<u>31,256,944</u>	<u>32,970,446</u>
Total assets		<u>89,216,203</u>	<u>93,739,105</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		4,335,361	4,335,361
Other reserves	7	25,729,135	28,084,984
Retained earnings		<u>22,487,435</u>	<u>17,773,401</u>
		<u>52,551,931</u>	<u>50,193,746</u>
Minority interest		<u>4,371,904</u>	<u>4,023,233</u>
Total equity		<u>56,923,835</u>	<u>54,216,979</u>
Non-current liabilities			
Borrowings	8	19,776,106	22,770,642
Deferred tax liabilities		2,479,113	3,107,243
Deferred income	10	<u>84,679</u>	<u>90,013</u>
		<u>22,339,898</u>	<u>25,967,898</u>
Current liabilities			
Trade and other payables	9	4,874,100	5,737,582
Deferred income	10	12,982	13,707
Borrowings	8	5,000,000	7,802,939
Current tax liabilities	11	<u>65,388</u>	<u>-</u>
		<u>9,952,470</u>	<u>13,554,228</u>
Total liabilities		<u>32,292,368</u>	<u>39,522,126</u>
Total equity and liabilities		<u>89,216,203</u>	<u>93,739,105</u>

Condensed consolidated income statement
Period from 1 January 2009 to 30 June 2009

	Note	30 June 2009 US\$	30 June 2008 US\$
Revenue	12	15,127,304	14,754,081
Operating expenses		(8,644,708)	(8,452,544)
Other income		152,503	278,442
Other expenses		-	(30,369)
Operating profit		6,635,099	6,549,610
Finance income	14	644,895	735,076
Finance costs	14	(818,276)	(914,533)
Profit before tax		6,461,718	6,370,153
Tax	15	(1,356,110)	(2,020,302)
Net profit for the period		5,105,608	4,349,851
Attributable to:			
Owners of the parent		4,714,034	4,349,851
Minority interest		391,574	-
		5,105,608	4,349,851
Earnings per share (cent)	16		
Basic earnings per share		2.99	2.91
Diluted earnings per share		2.76	2.60

Condensed consolidated statement of comprehensive income

Period from 1 January 2009 to 30 June 2009

	30 June 2009	30 June 2008
	Note	US\$
	US\$	US\$
Net profit for the period	<u>5,105,608</u>	<u>4,349,851</u>
Comprehensive income		
Exchange difference on the translation of foreign operations	(3,036,859)	2,972,049
Deferred tax on the translation of foreign operations	<u>598,791</u>	<u>(675,326)</u>
Other comprehensive income, after tax	<u>(2,438,068)</u>	<u>2,296,723</u>
Total comprehensive income for the period	<u><u>2,667,540</u></u>	<u><u>6,646,574</u></u>
Attributable to:		
Owners of the parent	2,318,869	6,646,574
Minority interest	<u>348,671</u>	<u>-</u>
	<u><u>2,667,540</u></u>	<u><u>6,646,574</u></u>

Teleset Networks Public Company Limited

Condensed consolidated statement of changes in equity

Period from 1 January 2009 to 30 June 2009

	Attributable to the owners of the parent						
	Note	Share capital US\$	Other reserves (Note 7) US\$	Retained earnings US\$	Total US\$	Minority interest US\$	Total US\$
At 1 January 2008		3,082,011	28,112,295	9,210,968	40,405,274	-	40,405,274
Comprehensive income							
Net profit for the period		-	-	4,349,851	4,349,851	-	4,349,851
Exchange difference arising on the translation of foreign subsidiaries		-	2,972,049	-	2,972,049	-	2,972,049
Deferred tax on the translation of foreign operations		-	(675,326)	-	(675,326)	-	(675,326)
Total comprehensive income for the period		-	2,296,723	4,349,851	6,646,574	-	6,646,574
Other equity changes							
Issue of share capital		630,725	9,240,291	-	9,871,016	-	9,871,016
Equity share based payments		-	65,076	-	65,076	-	65,076
		<u>630,725</u>	<u>9,305,367</u>	<u>-</u>	<u>9,936,092</u>	<u>-</u>	<u>9,936,092</u>
At 30 June 2008		<u>3,712,736</u>	<u>39,714,385</u>	<u>13,560,819</u>	<u>56,987,940</u>	<u>-</u>	<u>56,987,940</u>
At 1 January 2009		4,335,361	28,084,984	17,773,401	50,193,746	4,023,233	54,216,979
Comprehensive income							
Net profit for the period		-	-	4,714,034	4,714,034	391,574	5,105,608
Exchange difference arising on the translation of foreign subsidiaries		-	(2,993,956)	-	(2,993,956)	(42,903)	(3,036,859)
Deferred tax on the translation of foreign operations		-	598,791	-	598,791	-	598,791
Total comprehensive income for the period		-	(2,395,165)	4,714,034	2,318,869	348,671	2,667,540
Other equity changes							
Equity share based payments		-	39,316	-	39,316	-	39,316
		<u>-</u>	<u>39,316</u>	<u>-</u>	<u>39,316</u>	<u>-</u>	<u>39,316</u>
At 30 June 2009		<u>4,335,361</u>	<u>25,729,135</u>	<u>22,487,435</u>	<u>52,551,931</u>	<u>4,371,904</u>	<u>56,923,835</u>

Teleset Networks Public Company Limited

Condensed consolidated statement of cash flows

Period from 1 January 2009 to 30 June 2009

	Note	30 June 2009 US\$	30 June 2008 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		6,461,718	6,370,153
Adjustments:			
Depreciation of property, plant and equipment	4	2,593,880	2,033,591
Share based payment		39,316	65,076
Amortisation of intangible assets	5	121,111	84,006
Loss from the sale of property, plant and equipment		70,300	30,369
Interest income	14	(644,895)	(735,076)
Interest expense	14	528,878	872,321
Deferred income		90,451	-
		<u>9,260,759</u>	<u>8,720,440</u>
Changes in working capital:			
Inventories		201,845	(709,207)
Trade and other receivables		(1,086,895)	(1,139,932)
Trade and other payables		(623,166)	2,092,168
Cash flows from operations		<u>7,752,543</u>	<u>8,963,469</u>
Tax paid		<u>(916,041)</u>	<u>(1,920,534)</u>
Net cash from operating activities		<u>6,836,502</u>	<u>7,042,935</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	5	(85,935)	(2,852)
Payment for purchase of property, plant and equipment		(3,230,999)	(2,409,661)
Proceeds from disposal of property, plant and equipment	4	57,140	35,451
Interest received		644,895	735,076
Net cash used in investing activities		<u>(2,614,899)</u>	<u>(1,641,986)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	9,871,016
Repayments of borrowings		(5,537,214)	(1,109,190)
Proceeds from borrowings		-	10,000,000
Interest paid		(528,878)	(872,321)
Net cash (used in) / from financing activities		<u>(6,066,092)</u>	<u>17,889,505</u>
Cash and cash equivalents:			
At beginning of the period		22,588,318	15,024,993
Effect of exchange rate fluctuations on cash held		(39,372)	216,976
At end of the period		<u>20,704,457</u>	<u>38,532,423</u>

Notes to the interim condensed consolidated financial statements

Period from 1 January 2009 to 30 June 2009

1. Unaudited financial statements

The interim condensed financial statements for the period ended 30 June 2009 and from 1 January 2009 to 30 June 2009 respectively, have not been audited by the external auditors of the Company.

2. Incorporation and principal activities

The Company Teleset Networks Public Company Limited (the "Company") was incorporated in Cyprus on 19 June 2006 as a private company with limited liability under the Companies Law, Cap. 113. Its registered office is at 89 Lemesou, 2121 Aglantzia, Nicosia, Cyprus.

The principal activity of the Group, which is unchanged from last year, is to provide telecommunication services to residential and business customers through the operation of a local digital fixed-line network in Kazan, the capital of the Republic of Tatarstan in the Russian Federation, in Naberezhnye Chelny, the second largest city in the Republic and also in Ulyanovsk, the capital of Ulyanovsk region. The basic services that Teleset Networks offers to its customers are: traditional voice telephony, data transmission, value added business services, cable TV, and other specialised telecom services.

3. Accounting policies

These interim condensed financial statements, which are presented in United States Dollars, have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and as adopted by the European Union. The interim condensed financial statements do not include all the information and disclosures that are required for the annual financial statements and must be read in conjunction with the annual financial statements for the year ended 31 December 2008.

The Group has adopted all applicable new and revised International Financial Reporting Standards (IFRS) and the Amendments to IFRS as issued by the International Accounting Standards Board and adopted by the European Union, as well as the Interpretations as issued by the International Financial Reporting Interpretations Committee and adopted by the European Union, that relate to the Group's operations.

The accounting policies and methods used in the preparation of the interim condensed financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2008.

As from 1 January 2009, the Group has adopted IAS 1 (Revised 2007): "Presentation of Financial Statements" for the presentation of its financial statements. The application of IAS 1 (Revised 2007): "Presentation of Financial Statements" has significantly changed the presentation of the financial statements including these interim condensed financial statements. The adoption of the standard does not affect the financial position or profits of the Group, but

Notes to the interim condensed consolidated financial statements

Period from 1 January 2009 to 30 June 2009

gives rise to additional disclosures, and also requires the preparation of a new statement 'Statement of comprehensive income'. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged, however some items that were recognised directly in equity are now recognised in other comprehensive income, such as for example revaluation of property, plant and equipment.

Accounting estimates and judgement

The preparation of financial statements requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Costs that are incurred during the financial year are anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

Corporation tax is calculated based on the expected tax rates for the whole financial year.

4. Property, plant and equipment

The main changes since last year-end are as follows:

	30 June 2009	30 June 2008
	US\$	US\$
Additions	3,230,999	2,409,661
Disposals	(127,440)	(65,820)
Exchange differences	(1,841,987)	1,402,590
Amortisation for the period	(2,593,880)	(2,033,592)

5. Intangible assets

The main changes since last year-end are as follows:

	30 June 2009	30 June 2008
	US\$	US\$
Additions	85,935	2,852
Exchange differences	(1,441,915)	1,318,369
Amortisation for the period	(121,111)	(84,004)

6. Trade and other receivables

Notes to the interim condensed consolidated financial statements

Period from 1 January 2009 to 30 June 2009

	30 June 2009	31 December 2008
	US\$	US\$
Trade receivables	6,570,759	5,546,135
Less: Provision for impairment of receivables	(342,605)	(342,605)
Trade receivables - net	6,228,154	5,203,530
Deposits and prepayments	426,645	301,660
Advances to subcontractors	100,040	224,313
Taxes paid in advance	815,624	1,096,913
	<u>7,570,463</u>	<u>6,826,416</u>

7. Other reserves

	Share premium US\$	Translatio n Reserve US\$	Share option reserve US\$	Merger Reserve US\$	Total US\$
At 1 January 2008	46,748,333	404,583	494,500	(19,535,126)	28,112,295
Deferred tax on the translation of foreign operations	-	(675,326)	-	-	(675,326)
Exchange difference arising on the translation of foreign subsidiaries	-	2,972,049	-	-	2,972,049
Issue of share capital	9,240,291	-	-	-	9,240,291
Equity share based payments	-	-	65,076	-	65,076
At 30 June 2008	<u>55,988,624</u>	<u>2,701,306</u>	<u>559,576</u>	<u>(19,535,126)</u>	<u>39,714,385</u>
At 1 January 2009	55,366,010	(8,370,552)	624,652	(19,535,126)	28,084,984
Deferred tax on the translation of foreign operations	-	598,791	-	-	598,791
Exchange difference arising on the translation of foreign subsidiaries	-	(2,993,956)	-	-	(2,993,956)
Equity share based payments	-	-	39,316	-	39,316
At 30 June 2009	<u>55,366,010</u>	<u>(10,765,717)</u>	<u>663,968</u>	<u>(19,535,126)</u>	<u>25,729,135</u>

Notes to the interim condensed consolidated financial statements

Period from 1 January 2009 to 30 June 2009

8. Borrowings

	30 June 2009	31 December 2008
	US\$	US\$
Current borrowings		
Bank loans	5,000,000	7,802,939
Non current borrowings		
Bank loans	<u>19,776,106</u>	<u>22,770,642</u>
Total	<u><u>24,776,106</u></u>	<u><u>30,573,581</u></u>

9. Trade and other payables

	30 June 2009	31 December 2008
	US\$	US\$
Trade payables	551,661	1,025,933
Advances from customers	1,223,976	941,613
VAT	178,710	206,617
Accruals	528,507	640,102
Other payables	<u>2,391,246</u>	<u>2,923,317</u>
	<u><u>4,874,100</u></u>	<u><u>5,737,582</u></u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

10. Deferred income

	30 June 2009	31 December 2008
	US\$	US\$
Government grants	<u>97,661</u>	<u>103,720</u>
	97,661	103,720
Deferred income after more than one year	<u>(84,679)</u>	<u>(90,013)</u>
Deferred income within one year	<u><u>12,982</u></u>	<u><u>13,707</u></u>

11. Current tax liabilities / (current tax assets)

	30 June 2009	31 December 2008
	US\$	US\$
Corporation tax	<u>65,388</u>	<u>(370,120)</u>
	<u><u>65,388</u></u>	<u><u>(370,120)</u></u>

Notes to the interim condensed consolidated financial statements

Period from 1 January 2009 to 30 June 2009

12. Revenue

	30 June 2009	30 June 2008
	US\$	US\$
Connection fees	124,241	323,499
Rental fees	4,534,071	4,754,942
Traffic fees	1,188,327	2,144,317
ISDN: Connection fees	54,202	110,191
ISDN: Traffic fees	959,767	1,228,024
Internet Services	4,669,725	4,673,801
IP Services	220,348	421,473
Zonal, LD, ILD fees	2,079,745	-
Sundry Income	1,296,878	1,097,834
	<u>15,127,304</u>	<u>14,754,081</u>

13. Staff costs

	30 June 2009	30 June 2008
	US\$	US\$
Wages and salaries	2,303,968	2,223,173
Share based payments	39,316	65,076
	<u>2,343,284</u>	<u>2,288,249</u>

14. Finance income / cost

	30 June 2009	30 June 2008
	US\$	US\$
Interest income	644,895	735,076
Finance income	<u>644,895</u>	<u>735,076</u>
Net foreign exchange transaction losses	252,275	-
Interest expense	528,878	872,321
Other finance expenses	37,123	42,212
Finance costs	<u>818,276</u>	<u>914,533</u>
Net finance costs	<u>(173,381)</u>	<u>(179,457)</u>

15. Tax

	30 June 2009	30 June 2008
	US\$	US\$
Corporation tax - current period	1,322,295	1,921,246
Deferred tax - charge	33,815	99,056
Charge for the period	<u>1,356,110</u>	<u>2,020,302</u>

16. Earnings per share

	30 June 2009	30 June 2008
Basic earnings per share		
Earnings attributable to shareholders (US\$)	<u>4,714,034</u>	<u>4,349,851</u>
Weighted average number of ordinary shares in issue during the year	<u>157,556,715</u>	<u>149,424,847</u>
Basic earnings per share (cent)	<u>2.99</u>	<u>2.91</u>
	2009	2008
Diluted earnings per share		
Earnings attributable to shareholders (US\$)	4,714,034	4,349,851
Effect of potentially dilutive shares (US\$)	<u>(89,027)</u>	<u>(193,418)</u>
	<u>4,625,007</u>	<u>4,156,433</u>
Weighted average number of ordinary shares in issue during the year	157,556,715	149,424,847
Effect of potentially dilutive shares	<u>10,094,838</u>	<u>10,140,686</u>
	<u>167,651,553</u>	<u>159,565,533</u>
Diluted earnings per share (cent)	<u>2.76</u>	<u>2.60</u>

17. Related party transactions

The following transactions were carried out with related parties:

17.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	30 June 2009	30 June 2008
	US\$	US\$
Non executive Directors	52,876	25,072
Executive Directors	223,564	273,412
Share based payments	<u>39,316</u>	<u>65,076</u>
	<u>315,756</u>	<u>363,560</u>

18. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2009.

19. Commitments

The Group had no capital or other commitments as at 30 June 2009.

20. Events after the end of the reporting period

There were no material events after the reporting date, which have a bearing on the understanding of these interim condensed financial statements.