Appendix 4D & Half-Yearly Financial Report

LaserBond Limited

ABN 24 057 636 692

Half Year Information given to the ASX under Listing Rule 4.2A

For half-year ended 31st December 2013

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CHAIRMAN'S LETTER

Dear Shareholder,

On the following pages you will find LaserBond Limited's Financial Report for the half year. During the half year to December 2013 the Board made the decision to sell the assets of the Queensland Division and discontinue operations in central Queensland. The underlying performance of the continuing operations are showing significant improvement as detailed below:

	Half Year To 31st December 2013		Half Year To 31st December 2012
Revenues from continuing operations	$4,851,589	**Up 11.3% from**	$4,360,452
Underlying Profit before Tax from continuing operations	$394,154	**Up 363.1% from**	$85,109
Underlying EBITDA from continuing operations	$633,178	**Up158.6% from**	$244,837
Underlying NPAT from continuing operations	$274,516	**Up 460.1% from**	$49,015
Underlying Earnings per share from continuing operations (cents)	0.32	**Up 3100% from**	0.01

The results above are based on continuing operations only, being the New South Wales and South Australia divisions. Queensland results have been excluded to give a clearer understanding of LaserBond's position. The underlying results for the prior corresponding period (half year to December 2012) also exclude the one off impairment loss for the goodwill in consideration for the original purchase of the Queensland operations.

I am pleased to advise that the Board has declared a 2014 interim dividend of 0.2 cents per share.

As announced earlier this week, I have tendered my resignation from the Board of LaserBond effective 31st March 2014. I would like to take this opportunity to sincerely thank fellow Board members, shareholders and the staff of LaserBond for their support during my tenure.

Yours sincerely

TMcCauley

Tim McCauley
Chairman
LaserBond Limited

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half Year To 31st December 2013		Half Year To 31st December 2012
Revenues from ordinary activities	$6,095,418	**Down 15.6% from**	$7,225,106
Net Profit / <Loss> from Ordinary Operating Activities after Tax Attributable to Members	$135,723	**Up 104.3% from**	<$3,120,163>
Net Profit / <Loss> Attributable to Members	$135,723	**Up 104.3% from**	<$3,120,163>
Earnings per share (cents) from profit attributable to members	0.16	**Up 104.4% from**	<3.66>
Net Tangible Assets per Ordinary Share (NTA Backing - cents)	6.76	**Down 11.2% from**	7.61

Ordinary activities is comprised of the following results:

From Continuing Operations

Revenues from continuing operations	$4,851,589	**Up 11.3% from**	$4,360,452
Net Profit / <Loss> Attributable to Members from continuing operations	$274,516	**Up 109.3% from**	<$2,950,985>
Earnings per share (cents) from continuing operations	0.32	**Up 109.2% from**	<3.46>

From Discontinued Operations

Revenues from discontinued operations	$1,243,829	**Down 56.6% from**	$2,864,654
Net Profit / <Loss> Attributable to Members from continuing operations	<$138,793>	**Up 18.0% from**	<$169,178>

Dividend Information

Dividends	Amount Per Share (cents)	Total	Franked Amount	Record Date	Payment Date
2013 Final	0.2	$172,182	100%	11 October 13	25 October 13
2014 Interim	0.2	$173,418	100%	28 March 14	4 April 14

The Board has resolved to pay a 0.2 cent per share fully franked interim dividend. With the forecasted continued growth, the Board expects to be able to continue to pay dividends. As the Board resolution regarding dividends was made after 31st December 2013, the dividend will be paid from retained earnings but is not recognized as a liability in the half-year financial statements.

Dividend Reinvestment Plans

LaserBond Limited continues to have a Dividend Reinvestment Plan (DRP) in operation. Under the DRP shareholders may elect to have dividends on some or all of their ordinary shares automatically reinvested in to additional LaserBond shares, at a discount to the market price. Full details of the operation of the DRP are contained in the Terms and Conditions available on the LaserBond website: www.laserbond.com.au.

The Board has resolved to offer the DRP for the 2014 Interim Dividend. The discount applied to determine the Market Price in accordance with the DRP Terms and Conditions will be 5%.

In order to participate in the DRP for this dividend, shareholders that have not already done so must return a completed DRP Application Form to arrive at the share registry (Boardroom Pty Ltd) by 28th March 2014. The form will be mailed shortly to all shareholders that have not already submitted a completed form. The form is also available on our website: www.laserbond.com.au. Shareholders that have already returned the form need not complete another, unless a change in the level of participation is being requested.

Brief Explanation of Results:

For commentary on our half yearly results please refer to the Directors' Report on pages 5 to 7.

Details of Subsidiaries

During the period from 1st July 2013 to 31st December 2013, LaserBond Limited has not gained or lost control over any entities.

Details of Associates and Joint Venture Entities

During the period from 1st July 2013 to 31st December 2013, LaserBond Limited has no interest in any Associates or Joint Venture Activities

Accounting Standards

Australian Accounting Standards have been used in compiling the information contained in this Appendix 4D.

Audit Modified Opinion, Emphasis of Matter or other matter

None.

Directors Report

Your directors present their report on the consolidated entity for the half-year ended 31st December 2013.

Directors

The names of directors who held office during or since the end of the half-year:

Mr Wayne Hooper
Mr Gregory Hooper
Mr Timothy McCauley
Mr Philip Suriano

Results for Half Year Dec 2013

a) Discontinued Operations

The Gladstone, Queensland subsidiary, Peachey's Engineering Pty Ltd, formally ceased trading on 22nd October 2013. The cessation of trading was after settlement of funds and transfer of assets to Berg Engineering Pty Ltd as per the Asset Sale Agreement signed at close of business on 21st October 2013.

Results for Gladstone for the December 2013 half year period has provided a loss before tax of <$198,276>. This loss is after providing for:

- Continuing trading losses up to the date of cessation of trading.
- Payout of all terminated employees, including annual and long service leave entitlements, notice on termination, redundancy payments and associated on-costs.
- "Make good" requirements on the leased premises..
- Net profit on sale of assets either through the Asset Sale Agreement with Berg Engineering, sale at auction, transfer to our NSW and South Australia operations or by disposal to other parties.

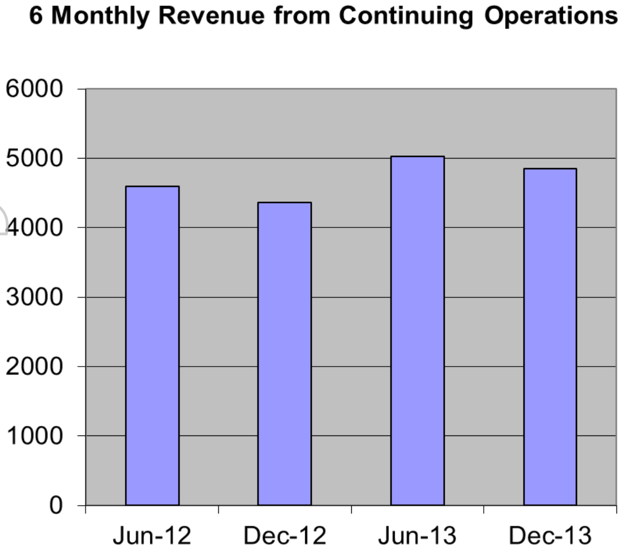
As at 31st December two overhead cranes were reported as assets held for sale.. At the time of release of this report one of these overhead cranes has been sold at a rate that provides essentially no gain or loss. It is expected the final overhead crane will be sold shortly at a similar rate.

The decision to discontinue the operations of Peachey's Engineering was based on financial results being both unacceptable and unsustainable. However the intent is to continue to provide LaserBond® cladding and thermal spray services to our Queensland client base from our New South Wales operations, providing additional growth for NSW.

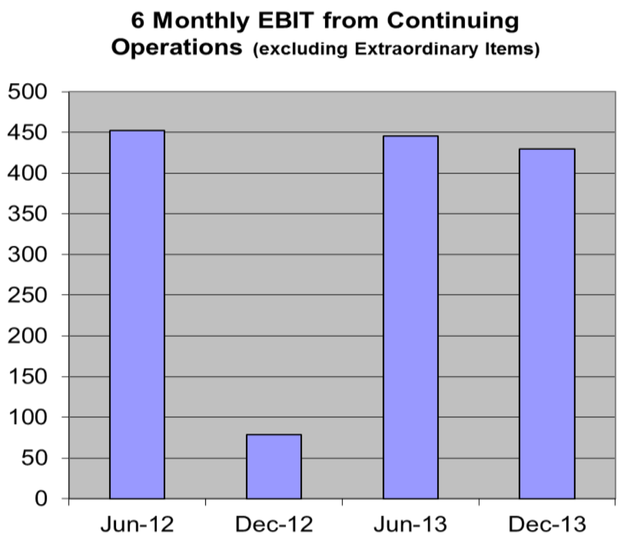
The sale and closure of the Queensland operations will allow greater focus by LaserBond management on the core profitable business, including greater emphasis on research and development of new applications and techniques for our surface engineering technologies.

b) Continuing Operations

LaserBond's continuing operations relate to the New South Wales and South Australian operations. Results from these operations for the half year to December 2013 are described below.



- Revenue from continuing operations was up by 11% over the previous corresponding period to $4.85 million.



- Underlying half year EBIT from continuing operations up 446% over the previous corresponding period to $429,954.
- LaserBond (NSW) underlying half year EBIT up 560% over the previous corresponding period to $519,248, with an increase of 4% compared to the January to June 2013 second half.
- The underlying results are after discounting the $3 million write down of goodwill in consideration affecting the December 2012 half year.
- LaserBond (SA) half year EBIT represented a loss of <$89,293>.

LaserBond (NSW)

The New South Wales division achieved revenue for the December 13 half year of $4.6 million, a 5% increase over the previous corresponding period. However due to the slowdown in the mining sector the spending from clients involved in the mining industries remained subdued, yet stable in most areas. This resulted in a slight decline in revenue in comparison to the January to June 2013 second half.

Despite reduced sales between the January to June 2013 and July to December 2013 periods, the New South Wales division has achieved an increase in EBIT of 4%. This can be directly attributed to gross profit improvements from increased shop floor efficiencies since the move to Smeaton Grange was successfully completed in April 2013.

For the balance of the 2013-2014 fiscal year, the New South Wales division is expecting continuing stable revenue. However, with further lean management principles being implemented across operations, gross profits are expected to continue to improve, resulting in profit results improving relative to revenue.

Strategies in place, combined with the increased focus on our core operations and the increasing development and exploitation of new applications, should see our New South Wales division profits return to the historical levels previously reported for this division in the next fiscal year.

LaserBond (SA)

Our new “greenfield” operation in South Australia has delivered as forecast, with a small loss for the December 2013 half year before tax of <$89,293>.

For the balance of the 2013-2014 fiscal year, the South Australian division is forecast to be profitable based on the growing demand for our specialised services in the area. This demand over the last few months has increased noticeably due to successful in-roads into Olympic Dam and other mines in South Australia, which are now benefiting from our unique cutting-edge surface engineering technology.

Olympic Dam remains a large and expanding underground mine despite the proposed open pit expansion being postponed in 2012. With costs to produce increasing and commodity prices decreasing BHP is seeking productivity improvements. LaserBond has shown that our technology and applications can provide BHP with improvements to costs relative to their productivity.

With the relocation of some plant and equipment from our Queensland facility to South Australia, we now have the ability to provide clients with a more expansive service offering.

Dividends

Dividends details are discussed in the Results for Announcement to Market on page 3 of this report

Auditor's Independence Declaration

The lead auditor’s independence declaration under section 307C of the Corporations Act 2001 is included on page eight (8) for the half-year ended 31 December 2013.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the director’s by:

Wayne Hooper	Gregory Hooper
Director	Director

Dated this 28th Day of February 2014

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS LASERBOND LIMITED

As lead auditor for the review of Laserbond Limited, I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been no contraventions of:

a. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

b. any applicable code of professional conduct in relation to the review.

Lachlan Nielson Partners Pty Limited

Robert Nielson
Director
Sydney

Dated 28 February 2014

DIRECTORS' DECLARATION

The directors of the group declare that:

1. The financial statements and notes, as set out on pages 12 to 21::

    a. comply with Accounting Standards AASB 134: Interim Financial Reporting; and

    b. give a true and fair view of the consolidated entity's financial position as at 31st December 2013 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 group 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.

Wayne Hooper Director	Gregory Hooper Director

Dated this 28th Day of February 2014

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
LASERBOND LIMITED AND CONTROLLED ENTITIES

TO THE MEMBERS OF LASERBOND LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of LaserBond Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of profit or loss and other comprehensive income, and condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors LaserBond Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view LaserBond Limited's financial position as at 31 December 2013 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 LaserBond 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 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 LaserBond Limited, would be in the same terms if provided 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 LaserBond Limited is not in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of LaserBond Limited's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Lachlan Nielson Partners

Robert Nielson
Director
Sydney

Dated 28 February 2014

Condensed Consolidated Statement Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2013

	Note	31 Dec 13 $	31 Dec 12 $
Revenue from continuing operations		4,851,589	4,360,452
Cost of Sales		(2,454,756)	(2,364,322)
Gross Profit from continuing operations		**2,396,833**	**1,996,130**
Other Income		35,346	73,186
Depreciation & Amortisation		(203,224)	(166,118)
Employment Expenses		(641,777)	(653,211)
Property Rental & Rates Expenses		(313,964)	(276,193)
Administration Expenses		(599,566)	(595,071)
Operating Lease Expenses		(87,301)	(105,225)
Borrowing Costs		(57,538)	(58,264)
Impairment Loss	2	-	(3,000,000)
Other Expenses		(134,655)	(130,125)
Profit before income tax from continuing operations		**394,154**	**(2,914,891)**
Income tax expense		(119,638)	(36,094)
Profit from continuing operations	3	**274,516**	**(2,950,985)**
Profit from discontinued operations	4	**(138,793)**	**(169,178)**
Total comprehensive income for the period		-	-
Net profit attributable to members of LaserBond Limited		**135,723**	**(3,120,163)**

Earnings per share for profit from continuing operations attributable to members:

Earnings per share (cents)	0.32	(3.46)
Diluted earnings per share (cents)	0.32	(3.46)

Earnings per share for profit attributable to members:

Earnings per share (cents)	0.16	(3.66)
Diluted earnings per share (cents)	0.16	(3.66)

These Financial Statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position
for the Half-Year Ended 31 December 2013

	Note	31 Dec 13 $	30 Jun 13 $
CURRENT ASSETS			
Cash and cash equivalents		1,994,647	1,989,096
Trade and Other Receivables		2,557,601	2,915,320
Inventories		1,241,503	1,497,765
Total Current Assets		**5,793,751**	**6,402,181**
NON-CURRENT ASSETS			
Property, plant and equipment		2,311,026	2,675,967
Deferred tax assets		489,631	549,786
Intangible Assets		12,993	18,294
Other Non-Current Assets		-	500
Total Non-Current Assets		**2,813,650**	**3,244,547**
TOTAL ASSETS		**8,607,401**	**9,646,728**
CURRENT LIABILITIES			
Trade and Other Payables		799,135	1,387,640
Provisions		533,607	564,872
Interest-bearing liabilities		494,069	518,420
Current tax liabilities		-	-
Total Current Liabilities		**1,826,811**	**2,470,932**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		880,530	1,279,252
Provisions		36,374	48,851
Total Non-Current Liabilities		**916,904**	**1,328,103**
TOTAL LIABILITIES		**2,743,715**	**3,799,035**
NET ASSETS		**5,863,686**	**5,847,693**
EQUITY			
Issued Capital	5	5,753,490	5,701,090
Retained earnings		110,196	146,603
TOTAL EQUITY		**5,863,686**	**5,847,693**

These Financial Statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows
for the Half-Year Ended 31 December 2013

	31 Dec 2013 $	31 Dec 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,645,715	7,845,197
Payments to suppliers and employees	(6,678,799)	(7,427,957)
Interest paid	(63,473)	(98,159)
Interest received	21,738	64,654
Income taxes paid	-	-
Net cash provided by operating activities	**(74,819)**	**383,735**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds – sale of property, plant & equipment	608,263	-
Proceeds – disposal of other assets	250,000	-
Payments for plant and equipment	(27,909)	(15,332)
Loans to employees	(5,593)	3,100
Net cash (used in) / provided by investing activities	**824,761**	**(12,232)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(625,557)	(157,541)
Dividends paid	(118,834)	(96,565)
Net cash used in financing activities	**(744,391)**	**(254,106)**
NET (DECREASE) / INCREASE IN CASH HELD	5,551	117,397
Cash at beginning of period	1,989,096	2,782,949
CASH AT END OF PERIOD	**1,994,647**	**2,900,346**

These Financial Statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity
for the Half-Year Ended 31 December 2013

	Issued ordinary capital $	Retained earnings $	Total equity $
Opening Balance at 1st July 2012	**5,410,011**	**4,815,015**	**10,225,026**
(Loss) attributable to members of parent entity	-	(3,120,163)	(3,120,163)
Dividends Paid	-	(192,397)	(192,397)
Issue of Share Capital (net of transaction costs)	191,290	-	191,290
Closing Balance at 31st December 2012	**5,601,301**	**1,502,455**	**7,103,756**
Opening Balance at 1st July 2013	**5,701,090**	**146,603**	**5,847,693**
Profit attributable to members of parent entity	-	135,723	135,723
Dividends Paid	-	(172,130)	(172,130)
Issue of Share Capital (net of transaction costs)	52,400	-	52,400
Closing Balance at 31st December 2013	**5,753,490**	**110,196**	**5,863,686**

These Financial Statements should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

Note 1: Significant Accounting Policies

a) *Summary of Significant Accounting Policies*

The condensed consolidated financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and activities of the consolidated entity as the full financial report. It is recommended this condensed consolidated financial report be read in conjunction with the most recent annual financial report.

It is also recommended that the condensed consolidated financial report be considered together with any public announcements made during the half year to 31 December 2013 in accordance with the continuous disclosure obligations within the Corporations Act 2001.

b) *Basis of Preparation*

The condensed consolidated financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001,* applicable Accounting Standards (including AASB 134 *Interim Financial Reporting)* and other mandatory professional reporting requirements.

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

c) *Changes in Accounting Policies*

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the group's 2013 annual financial report for the financial year ended 30 June 2013. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

d) *New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period*

i) Consolidated financial statements, joint arrangements and disclosure of interests in other entities.

The group has adopted the following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards:

- AASB 10: Consolidated Financial Statements ;
- AASB 127: Separate Financial Statements (August 2011);
- AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards; and
- AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments.

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. The group has applied these Accounting Standards retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the specific transition requirements in AASB 10 and AASB 11. The effects of initial application of these Standards in the current half-year reporting period are as follows:

- Consolidated financial Statements

AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. Revised AASB 127 facilitates the application of AASB 10 and prescribes requirements for separate financial statements of the parent entity. On adoption of AASB 10, the assets, liabilities and non-controlling interests related to investments in businesses that are now assessed as being controlled by the group, and were therefore not previously consolidated, are measured as if the investee had been consolidated (and therefore applied acquisition accounting in accordance with AASB 3: Business Combinations) from the date when the group obtained control of that investee on the basis of the requirements in AASB 10.

Upon the initial application of AASB 10, retrospective restatement of financial statements amounts of the year that immediately precedes the date of initial application (i.e. 2012-2013) is necessary. When control is considered to have been obtained earlier than the beginning of the immediately preceding financial year (i.e. pre-1 July 2012), any difference between the amount of assets, liabilities and non-controlling interests recognized and the previous carrying amount of the investment in that investee is recognized as an adjustment to equity as at 1 July 2012.

Although the first time application of AASB 10 (together with the associated Standards) caused certain changes to group's accounting policy for consolidation and determining control, it did not result in any changes to the amounts reported in the group's financial statements as the "controlled" status of the existing subsidiaries did not change, nor did it result in any new subsidiaries being included in the group as a consequence of the revised definition. However, the revised wording of accounting policy for consolidation has been set out in Note 1 (e).

e) Principles of Consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the parent LaserBond Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note 10.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealized gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Note 2: Impairment Loss	**31 Dec 2013 $**	**31 Dec 2012 $**
Related to Peachey's Engineering Pty Ltd	-	3,000,000

Note 3: Continuing Operations	**31 Dec 2013 $**	**31 Dec 2012 $**
Profit / (Loss) after Tax	274,516	(2,950,985)

Continuing operations are the Smeaton Grange, New South Wales and Cavan, South Australia operations of LaserBond Ltd. The significant loss as at 31 December 2012 was a result of the impairment loss related to our discontinued operation in Gladstone, Queensland – Peachey's Engineering Pty Ltd and the impact of the New South Wales move from the Ingleburn and Minto premises to Smeaton Grange.

Note 4: Discontinued Operations

(a) Description

On 14th October 2013 LaserBond announced the signing of an Asset Sale Agreement for the sale of part of the assets of our Queensland subsidiary, Peachey's Engineering Pty Ltd. The main points of this initial sale included $500,000 for five major pieces of plant and equipment and an additional $250,000 being an agreed fixed value for the purchase of the sales order book / client base (excluding those related to surface engineering).

Based on this asset sale, the Board agreed to cease its operations in Gladstone, Queensland, with the remaining assets incorporated into the New South Wales and South Australian operations or sold by other means. Trading in Gladstone formally ceased as at 22nd October 2013.

Financial information relating to the discontinued operation for the reporting period is set out below.

(b) Financial performance and cash flow information	31 Dec 2013 $	31 Dec 2012 $
Revenue	1,243,829	2,864,654
Expenses	(1,840,363)	(3,154,343)
(Loss) before Income Tax	(596,534)	(289,689)
Income tax expense	178,960	120,511
(Loss) after income tax of discontinued operation	(417,574)	(169,178)
Gain on sale before income tax	398,258	-
Income tax expense on gain on sale	(119,477)	-
Gain on sale of the division after income tax	278,781	-
Loss from discontinued operation	(138,793)	(169,178)
Net cash provided by (used in) operating activities	(290,673)	(156,593)
Net cash provided by (used in) financing activities (2013 includes an $708,263 from the sale of assets).	858,443	(8,590)
Net cash (used in) / provided by financing activities	(246,430)	101,881
Net (decrease) / increase in cash	321,340	(63,302)

(c) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities as at 31 December 2013 were:

	31 Dec 2013 $
Cash and cash equivalents	387,086
Trade and other receivables	126,504
Assets held for Sale	77,808
Deferred Tax Assets	529,462
Total Assets	1,120,860
Trade and other payables	126,335
Total Liabilities	126,335
Net Assets	994,525

(d) Details of the sale of the division

	31 Dec 2013 $	31 Dec 2012 $
Proceeds – property, plant & equipment	608,263	-
Proceeds – disposal of other assets	250,000	-
Total disposal consideration	858,263	-
Carrying amount of net assets sold	(460,005)	-
Gain on sale before income tax	398,258	-
Income Tax expense	(119,477)	-
Gain on sale after income tax	278,781	-

Note 5: Contributed Equity

	31 Dec 2013 $	30 Jun 2013 $
Issued and Paid Up Capital	5,753,490	5,701,090
Reconciliation of Issued and Paid Up Capital		
86,090,776 Existing Shares	5,701,090	5,410,011
484,964 Issued Shares	52,400	291,079
	5,753,490	5,701,090

(a) Ordinary Shares

Date	Details	No. Shares	Issue Price (Cents per Share)
1st July 2013	Opening Balance	86,090,776	
25th October 2013	Dividend Reinvestment Plan	484,964	10.99
31st December 2013	Closing Balance	86,575,740	

Note 6: Dividends

	31 Dec 2013 $	31 Dec 2012 $
Declared fully franked 2013 final dividend of 0.2 cents per share (2012: 0.2)	172,182	169,354
Declared fully franked 2014 interim dividend of Nil cents per share (2013: 0.2)	-	-

(a) Dividends not recognised during reporting period

Since 31 December 2013, the Directors have recommended the payment of an interim dividend of 0.2 cents per fully paid ordinary share (2012: 0.2), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 4 April 2014 out of retained earnings at 31 December 2013, but not recognized as a liability, is $173,418.

Note 7: Contingent Liabilities

The Directors are not aware of any contingent liabilities that would have an effect on these financial statements.

Note 8: Related Party Transactions

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

	31 Dec 2013 $	31 Dec 2012 $
Labour Hire	18,880	33,229

Basin Enterprises Pty Ltd, a director related entity, provided casual staff.

Consultants	11,400	-

Hawkesdale Group, a director related entity, provided consulting services in relation to sales and marketing activities and growth strategies. .

Loans – Related Parties

Director Loan	50,174	50,174
Employee Loans	6,255	662
Employee Personal Expenses	217	3,045
	56,646	53,881

All loans to related parties are classified current, unsecured and interest free.

The director loan is receivable from Mr. Greg Hooper.

The employee loans are receivable from three (3) employees.

The employee personal expenses are receivable from employees who have used, at the approval of directors, a supplier expense account for purchases of a personal use. These loans are repaid as an after tax deduction from the employees salary or wage.

Note 9: Subsequent Events

Resignation of Chairman

On 25 February 2014, the Company announced to the market that Mr Timothy McCauley, Chairman and Non-Executive Director, informed the Board of Directors of his resignation effective Monday 31 March 2014. Further, the Board announced that they will seek a replacement Chairman over the coming weeks.

Declaration of Dividend

Subsequent to 31 December 2013, the Directors have recommended the payment of an interim dividend of 0.2 cents per fully paid ordinary share (2012: 0.2), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 4 April 2014 out of retained earnings at 31 December 2013, but not recognized as a liability, is $173,418.

Other than those matters discussed above, there were no other matters to report subsequent to the end of the reporting period.

Note 10: Group's Details

Registered Office and Principal Place of Business:

LaserBond Ltd

Principal Place of Business / NSW Division

2/57 Anderson Road
SMEATON GRANGE NSW 2565
Phone: 02 4631 4500
Fax: 02 4631 4555

www.laserbond.com.au

Divisions of Head Office:

South Australia Division

112 Levels Road
CAVAN SA 5094
Phone: 08 8262 2289
Fax: 08 8260 2238

Share Registry:

Boardroom Pty Ltd

Level 7, 207 Kent Street
SYDNEY NSW 2000
Phone: 1300 737 760
www.boardroomlimited.com.au