

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

ABN 72 057 507 507

Appendix 4D
Half Year ended 31 December 2008
RESULTS FOR ANNOUNCEMENT TO THE MARKET

<i>Revenues from ordinary activities</i>	<i>Up</i>	<i>7%</i>	<i>to \$16,321,000</i>
<i>Net profit/(loss) for the period attributable to members</i>	<i>Down</i>	<i>129%</i>	<i>to \$(565,000)</i>
Dividends (distributions)	Amount per security	Franked amount per security	
<i>Interim dividend</i>	<i>0.0 cents</i>	<i>0.0 cents</i>	
<i>Previous corresponding period</i>	<i>0.0 cents</i>	<i>0.0 cents</i>	
Record date for determining entitlements to dividend.	<i>Not applicable</i>		
Payment date of dividend.	<i>Not applicable</i>		

- Results are extracted from the attached Half Year Financial Report for the six months ended 31 December 2008 which was subject to an independent review.
- For explanation and commentary on the results refer to the Directors' Report in the attached Half Yearly Report.



CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

ABN 72 052 507 507

**Half Year Financial Report
for the six months ended 31 December 2008**



**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

The directors of Centrepoint Alliance Limited (ASX code and herein "CAF") submit their report for the half year ended 31 December 2008.

Directors

The names of the company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period, unless otherwise stated.

John Connor (Chairman)
Richard Cawsey (Managing Director)
Richard Nelson (Deputy Chairman - Non Executive)
Martin Kane (Non Executive Director)
Peter Leonhardt (Non Executive Director)
Noel Griffin (Non Executive Director)

Review of Results and Operations

Overview

We are pleased to report on the significant progress the Company has made during the first six months of the 2008/09 financial year.

In one of the most volatile, unpredictable and overwhelming financial market environments in living memory, CAF:

- Grew the profitability of the core Insurance Premium Funding business;
- Responded well to the worsening credit environment – increasing risk margins and controlling credit quality;
- Restructured operations to focus the company on providing financial solutions to the insurance industry, whilst also disposing of its finance broking operations and equipment finance book; and
- Maintained banker's support and access to adequate lines of debt to grow the business.

In addition to the detailed financial results, this report provides a commentary on the financial and economic environment we face, with its incumbent risks and rewards, the competitive landscape and the implications for our ongoing operations.

Group Restructure

The six months to 31 December 2008 have been dominated by the successful restructure of the Group's trading operations. Significant effort has been applied in a short space of time to achieve a segregation of the Group's main business streams, finalisation of disposal transactions for three entities which comprise the Group's commercial finance operations, rationalisation of corporate costs and incentive structures while securing and strengthening the Group's core insurance premium funding business. All of which has been completed with the support of our Bank and during a period of extremely adverse economic conditions. The extent of the restructure goes beyond that previously announced to shareholders and leaves the company well positioned to take advantage of the opportunities before it.

Agreements for the disposals of the two finance broking entities Centrepoint Finance Pty Ltd, Centrepoint Finance (WA) Pty Ltd and the equipment finance company Centrepoint Finance (Funding) Pty Ltd were all negotiated and executed during the period and were effective on 31 December 2008.

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The restructure of the Group and the sale of the loss-making commercial finance operations have now cleared the way to build and develop the core insurance premium funding ('IPF') business, which continues to perform strongly despite the difficult trading environment. A previously discontinued and small asset finance book that has proved too small to sell on favourable terms remains within the company, however that exposure runs-off very quickly as will its impact on CAF's results.

However, significant costs were incurred during the period from a combination of trading losses from the discontinued operations and expenses associated with implementing the restructure and completing the disposal transactions. The financial implications are discussed below.

Credit Market Environment

The financial crisis is now starting to significantly impact the real economy: credit for working capital, refinancing and capital expenditure is being severely constrained. Deleveraging by corporations both planned and forced is likely to increase, particularly as a number of off-shore banks are not expected to fully support the spate of corporate refinancing that is due over the coming 12 to 18 months.

There have been two primary impacts. Firstly and very favourably, demand for working capital finance is strongly increasing, leading to a far higher interest in insurance premium finance. Off-setting that are the increased corporate insolvencies and late payments. CAF has not been immune to this risk and we have acted to mitigate its impact on our business:

- Reducing the time we take to cancel any poorly performing loan contracts and reclaim the return premiums due from insurance companies;
- Constantly reviewing our risk underwriting and approval processes by industry and constraining our activity in industries with the potential for most adverse change in business conditions;
- Further reducing our exposure to non-cancellable insurance policies; and
- Raising our risk premium margins. Given the short-dated nature of our assets (weighted average life of less than 11 months, with the majority capital returned within 4 months), re-pricing of risk quickly flows into revenues.

The worsening credit environment is also impacting the cost of credit insurance; the insurance we carry to protect our funders and shareholders from losses suffered if a large customer defaults. But for the increase in this premium CAF's overheads would have declined relative to the previous year. This extra cost has also been factored into and recovered from the gross margin we charge our customers.

The effective closure of the Asset Backed Commercial Paper market has pressured our securitisation program, requiring our banker to directly support all of our funding needs. The nature of our business, very short-dated highly liquid assets being funded by short-term debt, is allowing our bankers to support our continued business volumes. In addition, our assets are proving attractive, even in the current environment, to additional funders and we hope to be in the rare position of growing our funding base to support CAF's growth.

However, availability of funding at a cost effective rate is expected to remain a key risk and focus of CAF executive.

We are not alone in this environment.

Competitive Environment

With the exception of CAF (ranked number 3 and appearing to be growing market share), all of the major competitors within Insurance Premium Funding are small parts of far larger concerns. This has the potential to impair their ability to fully compete in the premium funding market place if they are forced to contend with their parent's main business lines for access to both scarce equity and debt capital.

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
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For the smaller insurance premium funding operations, not only is access to capital an issue but also the current environment requires a robust operating platform of scale.

As a result, CAF's board and management are confident that CAF is exceptionally well placed to take advantage of the many opportunities that the current competitive environment is providing and successfully ride out this extraordinary financial 'storm'.

Financial Results

The Group recorded a net loss after tax of \$565K, which represents a loss before tax of \$614K and a tax benefit of \$49K.

The loss after tax comprises a profit after tax of \$1,991k from continuing IPF operations and total net losses from discontinued operations of \$2,556k. The loss from discontinued operations contains \$2,334k of restructure costs (net of tax), which includes a net loss of \$450K on the sale of the commercial finance businesses.

Earnings per share from continuing operations were 2.12 cents, which compares with 1.72 cents for the corresponding period last year. However the net loss for the Group resulted in a drop in net tangible assets from 23.16 cents at 30 June 2008 to 21.76 cents at 31 December 2008.

In the results for continuing operations, all corporate costs have now been assumed by IPF. In the comparatives for last year approximately \$600k in corporate expenses had been assumed by discontinued business. As a result, it is pleasing to note, that even in the current market environment, IPF has been able to grow profitability while supporting all corporate and public company overheads.

Further analysis of the business segments follows.

IPF Operations

IPF operations showed continued growth despite the severe economic climate. Volumes rose by 5% over the corresponding period and revenues net of commission increased by 7%. This reflects a marked improvement in gross margins since the net revenue increase was also after an increase of 9% in commission paid to insurance intermediaries.

Borrowing costs have increased by a little under 9%, largely a result of increasing bank lending margins. Other expenses increased by \$205k (3%), but included in this was a \$233k or 117% rise in the cost of credit insurance, reflecting the deterioration in the general economy, accordingly it is apparent that other overhead costs have been well controlled, particularly in view of the extra corporate overhead which was absorbed during the period.

The increases in volumes and revenues are encouraging in the present trading conditions. In addition we expect the insurance industry to move into a hardening premium market cycle, particularly in the next major premium renewal period. The CAF Group will therefore benefit from increases in insurance premium costs, which we expect to continue in the coming two to three years. We also anticipate the scaling back of operations by some of our competitors and an increasing need for working capital funding sources such as IPF within our traditional customer base. However there continues to be threats to business volumes from increasing business failures and possible restrictions to our funding through tightening of credit facilities, higher lending margins and increasingly restrictive lending conditions being imposed across the banking sector.

The Group restructure has enabled more time, effort and resources to be applied to current projects aimed at risk minimisation and profitability growth through diversification of our funding sources and developing and strengthening our loan and funding management skills and infrastructure. In addition, during the period we invested in sales leaders, who will be focussed on driving profitable growth particularly in New South Wales and Victoria.

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

Commercial Finance Operations (Discontinued)

The Group's commercial and asset finance activities consisted of finance broking, of both equipment and mortgage finance, together with a small amount of previously discontinued equipment finance lending, which had small receivables books running down to zero over a period of two to three years.

During the half year reporting period, the finance broking volumes were down by 38% compared with the corresponding period last year and revenues net of commission were 35% lower. This contraction in the business, combined with the shrinking of the equipment receivables base resulted in a 47% drop in gross contribution from the commercial finance businesses.

In addition, preparation of these businesses for sale resulted in significant restructure expenses within this segment and within the parent entity referred to above.

Outlook

The Group has made a major step forward during the last six months by simplifying its structure, eliminating the major potential source of losses in the current environment and strengthening and securing its core business operations. Although business conditions are severely challenging, particularly in the finance sector, the Company can now look forward with a good deal of optimism. The difficult business conditions are impacting all, including our competitors, and there are excellent opportunities for an organisation like CAF, which has a strong and profitable core business, strong credit management, a short-term debt-matched receivables book, strong cash-flows and a secure capital base.

The areas of focus are:

- Developing and securing our debt funding base;
- Actively managing our credit risk; and
- Should availability of both debt and equity capital allow, participating in the likely consolidation of this sector of the finance market.

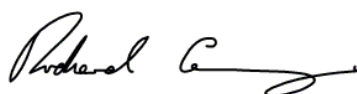
Rounding

The amounts contained in the half-year report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Auditor's Independence Declaration

Ernst & Young, our auditors, have provided a written independence declaration to the Directors in relation to their review of the Financial Report for the half year ended 31 December 2008. This independence declaration can be found at page 7 and forms part of this report.

Signed in accordance with a resolution of the directors.



Richard Cawsey
Managing Director
27 February 2009



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Auditor's Independence Declaration to the Directors of Centrepoint Alliance Limited

In relation to our review of the financial report of Centrepoint Alliance Limited for the half-year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

T G Dachs

T G Dachs
Partner
Perth
27 February 2009



**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Notes	Consolidated Half Year to 31 Dec 2008 \$'000	Half Year to 31 Dec 2007 \$'000
<u>Continuing Operations</u>			
Revenues			
Interest income		16,321	15,299
Expenses			
Borrowing expenses		(7,034)	(6,462)
Other general and administration expenses	5	(6,432)	(6,227)
Profit from continuing operations before income tax expense		2,855	2,610
Income tax expense		(864)	(783)
Profit from continuing operations after income tax		1,991	1,827
<u>Discontinued Operations</u>			
(Loss)/Profit from discontinued operations after tax	4	(2,556)	94
<u>Net profit for the period</u>		(565)	1,921
Earnings per share for profit from continuing operations			
Basic earnings per share		2.12	1.72
Diluted earnings per share		1.99	1.72
Earnings per share total			
Basic earnings per share		(0.60)	1.82
Diluted earnings per share		(0.60)	1.82

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	Consolidated	
		As at 31 Dec 2008 \$'000	As at 30 June 2008 \$'000
ASSETS			
Cash at bank	11	33,187	21,357
Loan and advances		203,522	184,494
Trade and other receivables		3,950	3,102
Current income tax receivable		2,596	737
Other assets		703	740
Investments & other financial assets		4	4
Plant & equipment		710	1,376
Deferred tax assets		1,311	682
Goodwill		27,265	27,265
Intangible assets		982	1,078
TOTAL ASSETS		274,230	240,835
LIABILITIES			
Trade and other payables		35,187	43,239
Interest bearing liabilities		187,301	145,706
Derivative financial instrument		931	-
Current income tax payable		-	-
Provisions		590	345
TOTAL LIABILITIES		224,009	189,290
NET ASSETS		50,221	51,545
EQUITY			
Contributed equity	7	55,479	55,709
Reserves	8	(385)	113
Accumulated losses		(4,873)	(4,299)
Total equity attributable to equity holders of the company		50,221	51,523
Minority interest		-	22
TOTAL EQUITY		50,221	51,545
		Cents	Cents
Net tangible assets per issued share		21.76	23.16

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Note	Consolidated Half Year to 31 Dec 2008 \$'000	Half Year to 31 Dec 2007 \$'000
Cash Flows from Operating Activities			
Interest received		15,835	16,761
Commission received		5,302	7,780
Fees and other income received		1,324	177
Payments to suppliers and employees		(12,459)	(14,012)
Borrowing costs paid		(7,500)	(7,040)
Income tax paid		(2,451)	(1,030)
Net increase in loan funds advanced*		(25,868)	(5,889)
Net decrease in amounts due to brokers		(7,593)	(7,833)
Net increase in operating interest bearing liabilities		39,774	25,387
Net Cash Flows provided by Operating Activities		6,364	14,301
Cash Flows from Investing Activities			
Purchase of plant and equipment		(151)	(136)
Proceeds from sale of investments		50	-
Cash in disposed businesses exiting the group		(1,710)	-
Net Cash Flows used in Investing Activities		(1,811)	(136)
Cash Flows from Financing Activities			
Lease payments		(118)	(88)
Shares purchased by Employee Share Plan Trust		(500)	-
Dividends paid		(31)	(1,489)
Net Cash Flows used in Financing Activities		(649)	(1,577)
Net increase in cash and cash equivalents		3,904	12,588
Cash and cash equivalents at the beginning of the period		20,927	9,160
Cash and cash equivalents at the end of the period	11	24,831	21,748

*The cash flows of the group include those arising within the CA No.1 Trust and have a significant effect on the understanding of the consolidated entity's operating cash flows. These cash flows are not immediately available for the use of shareholders.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

CONSOLIDATED	Notes	Ordinary shares \$'000	NVCPS \$'000	Reserves \$'000	Retained Earnings \$'000	Minority Interests \$'000	Total Equity \$'000
Balance at 1 July 2007		50,852	4,617	-	7,376	29	62,874
Net Profit for the period		-	-	-	1,921	-	1,921
Amount attributable to:							
Total income for the period		-	-	-	1,916	5	1,921
Share-based payment		-	-	16	-	-	16
Issue of share capital	7	240	-	-	-	-	240
Dividends paid or provided for	6	-	-	-	(1,709)	(20)	(1,729)
Balance at 31 December 2007		51,092	4,617	16	7,583	14	63,322
Balance at 1 July 2008		51,092	4,617	113	(4,299)	22	51,545
Net profit for the period		-	-	-	(574)	9	(565)
Amount attributable to:							
Total income/(expense) for the period		-	-	-	(574)	9	(565)
Share-based payment		-	-	146	-	-	146
Unrealised hedge accounting mark to market adjustment taken to reserve		-	-	(644)	-	-	(644)
Issue of share capital	7	300	-	-	-	-	300
Transfer to reserved shares		(530)	-	-	-	-	(530)
Dividends paid or provided for	6	-	-	-	-	(31)	(31)
Balance at 31 December 2008		50,862	4,617	(385)	(4,873)	-	50,221

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

1 CORPORATE INFORMATION

The financial report of Centrepoint Alliance Limited (the Company) for the half-year ended 31 December 2008 was authorised for the issue in accordance with a resolution of the directors on 26 February 2008. Centrepoint Alliance Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The general purpose condensed financial report for the half year ended 31 December, 2008 has been prepared in accordance with AASB 134: 'Interim Financial Reporting' and the Corporations Act 2001.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of Centrepoint Alliance Limited as at 30 June 2008.

It is also recommended that the half-year financial report be considered together with any public announcements made by Centrepoint Alliance Limited and its controlled entities during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report has been prepared on a historical cost basis, except for financial assets and derivative financial instruments that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/100.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2008, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2008, as described below and new accounting policies as described in Note 2 (c).

Changes in accounting policy

From 1 July 2008 The Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2008. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

- AASB 2008-10 *Amendment to Australian Accounting Standards – Reclassification of Financial Assets (amendments to AASB 139 Financial Instruments: Recognition and Measurement and AASB 7 Financial Instruments Disclosures)*
- Interpretation 12 and AASB 2007-2 *Service Concession Arrangements* and consequential amendments to other Australian Accounting Standards
- Interpretation 129 *Service Concession Arrangements: Disclosures*
- Interpretation 4 (revised) *Determining whether an arrangement contains a lease*
- Interpretation 13 *Customer Loyalty Programmes*.
- Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

The Group has not elected to early adopt any new standards or amendments.

(c) New accounting policies

(i) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to its employees, including key management personnel, in the form of share-based payments, whereby employees render services in exchange for rights over shares (equity-settled transactions).

There are currently two active plans in place to provide these benefits, which provide benefits to employees by invitation from the Board of Directors:

- the Centrepoint Alliance Share Option Incentive Plan;
- the Centrepoint Alliance Employee Share Plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a binomial model, further details of which are given in note 9.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Centrepoint Alliance Limited (market conditions) if applicable.

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Share-based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions become fully entitled to the award (vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the income statement is the product of:

- i). the grant date fair value of the award
- ii). The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of non-market performance conditions being met; and
- iii). The expired portion of the vesting period.

The charge to the income statement for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Equity-settled awards granted by Centrepoint Alliance Limited to employees of subsidiaries are recognised in the parent's separate financial statements as an additional investment in the subsidiary with a corresponding credit to equity. As a result, the expense recognised by Centrepoint Alliance Limited in relation to equity-settled awards only represents the expense associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of the modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Shares in the Group reacquired on market and held by the Employee Share Plan Trust are classified and disclosed as reserved shares and deducted from equity.

(ii) Reserved shares

The Group's own equity instruments, which are reacquired for later use in employee share-based payment arrangements (reserved shares), are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Hedge accounting

The Group uses derivative financial instruments (including forward currency contracts and interest rate swaps) to hedge its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts are determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability (Centrepont Alliance Limited does not currently have fair value hedges);
- Cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction (Centrepont Alliance Limited currently has cash flow hedges attributable to payment of interest on borrowings);
- Hedges of a net investment in a foreign operation (Centrepont Alliance Limited does not currently have any net investment hedges).

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction (finance costs or inventory purchases) when the forecast transaction occurs.

The Group tests each of the designated cash flow hedges for effectiveness on a monthly basis both retrospectively and prospectively by measuring sensitivity in its net interest income margins. If the testing falls within the 80:125 range, the hedge is considered highly effective and continues to be designated as a cash flow hedge. For foreign currency cash flow hedges if the risk is over-hedged, the ineffective portion is taken immediately to other income/expense in the income statement. For interest rate cash flow hedges, any ineffective portion is taken to other expenses in the income statement. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the income statement.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to it being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

(iv) Tax consolidation legislation

Centrepont Alliance Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2007.

The head entity, Centrepont Alliance Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Centrepont Alliance Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details of the tax funding agreement are disclosed in note 12.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

3 SEGMENT INFORMATION

As a consequence of the disposals of business during the period the Group now comprises of only one business segment, namely insurance premium funding, which provides short-term finance to commercial clients wishing to fund the annual cost of their insurance policies.

Businesses comprising the commercial and asset finance segment, were sold during the period. These businesses arrange finance for customers wishing to fund the acquisition of certain types of equipment, property or other capital assets. They also were involved in the provision of finance for asset/equipment purchases.

The Group primarily operates in one geographical location i.e. Australia.

The following table presents the revenue and profit information regarding business segments for the half year periods ended 31 December 2008 and 31 December 2007.

	Insurance premium funding (Continuing) \$'000	Commercial & asset finance (Discontinued) \$'000	Consolidated \$'000
31 December 2008			
Segment revenue	16,321	6,141	22,462
Segment result	2,855	(3,469)	(614)
31 December 2007			
Segment revenue	15,299	9,420	24,719
Segment result	2,610	134	2,744

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

4 DISCONTINUED OPERATIONS

(a) Operations Sold

The Company has executed agreements for the sale of the following entities:

Centrepont Finance Pty Ltd;
Centrepont Finance WA Pty Ltd; and
Centrepont Finance (Funding) Pty Ltd

All sales were effective prior to close of business on 31 December 2008.

The sale of Centrepont Finance (Funding) Pty Ltd was made on commercial terms to a related party (entities in which Mr. Rick Nelson and his family have a significant interest). Refer to Note 4(e).

These entities sold comprised the commercial finance segment of the Group and their disposals represent a key element of the strategy previously announced by the Board of Directors to focus on and develop the core insurance premium funding operations.

In preparation for the sales of these businesses, the Group incurred significant costs associated with restructuring the operations and implementing the disposals.

While most of these costs were borne within the disposed entities, Centrepont Alliance Limited also incurred some costs in connection with the discontinued operations which are included in the analysis below.

(b) Financial performance of Discontinued Operations

The results of the discontinued operations for the period of the half year until disposal are presented below:

	Half Year to 31 December 2008 \$'000	Half Year to 31 December 2007 \$'000
Revenue		
Commission income	5,302	7,873
Interest income	585	1,442
Other income	254	105
Total revenue	6,141	9,420
Commission expenses	3,617	4,665
Borrowing expenses	466	845
Other general and administrative expenses*	5,077	3,776
Loss on disposal (refer to Note 4(d))	450	-
Profit/(Loss) from discontinued operations before income tax	(3,469)	134
Income Tax	913	(40)
Profit/(Loss) from discontinued operations after income tax	(2,556)	94

* Includes \$1,680,000 of costs of disposal and restructure borne by Centrepont Alliance Limited

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Half Year to 31 December 2008	Half Year to 31 December 2007
4 DISCONTINUED OPERATIONS (continued)		
	Cents	Cents
(c) Earnings per Share from Discontinued Operations		
Basic earnings per share	(2.72)	0.10
Diluted earnings per share	(2.72)	0.10
 (d) Effects of Disposal of Discontinued Operations		
	\$'000	
Net assets on disposal were comprised as follows:		
Assets		
Cash & cash equivalents	1,710	
Loans & advances	4,243	
Trade & other receivables	1,956	
Plant & equipment	411	
Total Assets	8,320	
Liabilities		
Trade & other payables	1,939	
Interest bearing liabilities	5,022	
Provisions	609	
Total Liabilities	7,570	
Net assets attributable to discontinued operations	750	
 Loss on disposal is comprised as follows:		
Cash consideration receivable	300	
Less: Net assets disposed (refer above)	(750)	
Loss on disposal before income tax	(450)	
Income tax	-	
Loss on disposal after income tax	(450)	

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

(e) Disposal of Discontinued Operation to a Related Party

Included in the analysis above is the disposal of Centrepont Finance (Funding) Pty Ltd, which was sold at arm's length commercial terms to entities in which Mr. Rick Nelson and his family have a significant financial interest. The effects of this disposal are disclosed separately below.

	Half Year to 31 December 2008 \$'000	Half Year to 31 December 2007 \$'000
(i) Results for the period of the half year until disposal are as follows:		
Revenue		
Interest income	465	825
Other income	56	43
Total revenue	521	868
Commission expenses	63	88
Borrowing expenses	319	505
Other general and administrative expenses	399	382
Loss on disposal (refer to Note (iii))	-	-
Profit/(Loss) from discontinued operations before income tax	(260)	(107)
Income Tax	78	32
Profit/(Loss) from discontinued operations after income tax	(182)	(75)
(ii) Net assets on disposal were comprised as follows:		
	\$	
Assets		
Cash & cash equivalents	246,006	
Loans & advances	4,243,424	
Trade & other receivables	534,063	
Total Assets	5,023,493	
Liabilities		
Trade & other payables	1,867	
Interest bearing liabilities	5,021,625	
Total Liabilities	5,023,492	
Net assets attributable to discontinued operations	1	
(iii) Loss on disposal is comprised as follows:		
Cash consideration receivable	1	
Less: Net assets disposed (refer above)	(1)	
Loss on disposal before income tax	-	
Income tax	-	
Loss on disposal after income tax	-	

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	CONSOLIDATED	
	Half Year to 31 December 2008 \$'000	Half Year to 31 December 2007 \$'000
5 OTHER GENERAL AND ADMINISTRATIVE EXPENSES		
Employee benefits	3,272	3,340
Bad debt impairment and losses	348	490
Professional and corporate fees	319	402
Rent and office administration	439	338
Information technology and telecommunication	267	253
Depreciation of plant and equipment	136	141
Bank fees and charges	44	110
Advertising and promotion	93	93
Credit insurance	432	199
Staff recruitment	172	98
Debt collection	156	113
Travel expenses	160	168
Amortisation of intangible assets	93	62
Other	501	420
	6,432	6,227

6 DIVIDENDS PAID AND PROPOSED

Dividends declared and paid during the half year on ordinary shares:

Final dividend on ordinary shares for financial year 30 June 2008:
Nil cents (2007: 1.6 cents)

Final dividend on non-voting convertible preference shares for
financial year 30 June 2008: Nil Cents (2007: 3.5 cents)

Dividend to minority interests

	-	1,495
	-	214
	31	20
	31	1,729

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

7 CONTRIBUTED EQUITY

	31 December 2008 \$'000	30 June 2008 \$'000
Ordinary shares (a)	51,392	51,092
Reserved shares (b)	(530)	-
Preference shares (c)	4,617	4,617
Total	55,479	55,709
	Half Year to 31 December 2008	
	No of Shares	\$'000
(a) Movements in Ordinary Shares (issued and fully paid)		
Balance at 1 July 2008	93,886,846	51,092
Issued Shares:		
Shares issued to Centrepoint Alliance Employee Share Plan Trust ('CAEPT') for Richard Cawsey	1,000,000	300
Balance at 31 December 2008	94,886,846	51,392
(b) Movements in Reserved Shares		
Balance at 1 July 2008	-	-
Movements:		
Shares issued to CAEPT	1,000,000	300
Shares acquired by CAEPT	1,000,000	230
Balance at 31 December 2008	2,000,000	530
(c) Movement in Non-Voting Convertible Preference Shares		
Balance at 1 July 2008	6,115,499	4,617
Issued shares	-	-
Balance at 31 December 2008	6,115,499	4,617

8 RESERVES

	31 December 2008 \$'000	30 June 2008 \$'000
Employee equity benefits reserve	259	113
Hedge accounting reserve	(644)	-
Total Reserves	(385)	113

The employee equity benefits reserve is used to record the value of share based payments provided to employees, including KMP, through the Centrepoint Alliance Employee Share Option Plan as part of their remuneration.

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

9 SHARE-BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

	Half Year to 31 December 2008 \$'000	Half Year to 31 December 2007 \$'000
Expense arising from equity-settled share based payment transactions under the Employee Share Option Plan (ESOP)	88	16
Expense arising from equity-settled share based payment transactions under the Employee Share Plan (ESP)	58	-
	146	16

(b) Types of share-based payment plans

(i) Employee Share Option Plan (ESOP)

Share options may be granted to employees as determined by the Board of Directors. The ESOP is designed to align participant's interests with those of the shareholder by increasing the value of the Company's shares.

(ii) Employee Share Plan (ESP)

The purpose of the ESP is to provide employees with an opportunity to acquire a financial interest in the Company, which will align their interests more closely with shareholders and provide a greater incentive to focus on the Company's longer-term goals.

The Board of Directors may invite employees to apply for shares in the Company, which will be financed by a limited recourse loan. Shares may be issued or purchased and will be held by an independent trust until exercise or expiry.

The Board of Directors will determine:

- the number and type of shares;
- the terms of the attaching loan;
- any performance, vesting or other criteria that must be satisfied before the employee may deal in Plan Shares;
- any events which give the right to terminate an employee's participation.

The Centrepont Alliance Employee Share Plan was activated by both an issue and an off-market purchase of shares for the benefit of employees during the reporting period. These shares are held by an independent trust.

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

9. SHARE-BASED PAYMENT PLANS (continued)

(c) Summaries of options and shares granted under the ESOP and ESP schemes

	Half Year to 31 December 2008		Half Year to 31 December 2007	
	No.	WAEP	No.	WAEP
(i) Options under ESOP				
Outstanding at beginning of period	6,000,000	\$1.25	-	-
Granted during the period	-	-	6,000,000	\$1.25
Outstanding at end of period	6,000,000	\$1.25	6,000,000	\$1.25
(ii) Shares under ESP				
Outstanding at beginning of period	-	-	-	-
Issued during period *	1,000,000	\$0.30	-	-
Purchased during period **	1,000,000	\$0.50	-	-
Outstanding at end of period	2,000,000	\$0.40	-	-

* Fully vested and may be purchased by repayment of loan at any time before 31 December 2012

** Vest on 27 November 2012 provided employee remains employed by the Company and may be purchased by repayment of loan after that date but before 31 December 2012.

(d) Weighted average remaining contractual life

	31 Dec 2008 Yrs	31 Dec 2007 Yrs
Options	1.42	1.92
Shares	4.00	-

(e) Range of exercise price

	31 Dec 2008 \$	31 Dec 2007 \$
Options	\$1.25	\$1.25
Shares	\$0.30 - \$0.50	-

(f) Weighted average fair value at date of issue

	31 Dec 2008	31 Dec 2007
Options	-	\$0.53
Shares	\$0.023 - \$0.046	-

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

9. SHARE-BASED PAYMENT PLANS (continued)

(g) Option pricing model

The fair value of the equity settled share options granted under the ESOP and shares issued or acquired under the ESP are estimated as at the date of allocation using a Binomial Model taking into account the terms and conditions upon which they were granted.

The following table lists the inputs to the models used at the period end:

	31 December 2008		31 December 2007	
	ESOP	ESP	ESOP	ESP
Dividend yield	-	0%	3%	-
Expected volatility	-	50%	50%	-
Risk free interest rate	-	4.0%	6.5%	-
Exercise price	-	\$0.30 - \$0.50	\$1.25	-
Weighted average share price at measurement date	-	\$0.19 - \$0.23	\$0.50	-

10 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the end of the financial period.

11 CASH AND CASH EQUIVALENTS

	31 December 2008	30 June 2008
	\$'000	\$'000
Cash at bank	33,187	21,357
Bank overdraft	(8,356)	(430)
	<u>24,831</u>	<u>20,927</u>

The cash at bank includes \$30,080,000 (30 June 2008: \$20,482,000) held in the CA No.1 Trust and is not directly available to Centrepoint Alliance Limited.

12 TAX CONSOLIDATION

(i) Members of the tax consolidated group and the tax sharing arrangement

Centrepoint Alliance Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2007. Centrepoint Alliance Limited is the head entity of the tax consolidated group. Members of The Group have entered into a tax sharing agreement that

provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Subsidiary entities sold on 31 December 2008 were released and exited from the tax consolidated group with effect from that date.

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

12 TAX CONSOLIDATION (continued)

(ii) Tax effect accounting by members of the tax consolidated group

Measurement method adopted under UIG 1052 Tax Consolidation Accounting

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement the funding of tax within The Group is based on taxable profit. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

13 EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or events which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

14 SEASONALITY OF OPERATIONS

Traditionally, the renewal of insurance policies tends to correlate with the start and finish of financial reporting periods and as a consequence the insurance premium funding business segment experiences higher interest income and profitability when new policies are being written during the first three to four months of the financial year. The majority of the receivables and the interest bearing liabilities in the Balance Sheet derive from this business segment and in accordance with this cycle, they both tend to peak in value in the second quarter of the financial year and reach their lowest levels in the final quarter.

15 REVISION OF ACCOUNTING ESTIMATES

There have been no revisions to accounting estimates during the period.

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
HALF YEAR ENDED 31 DECEMBER 2008**

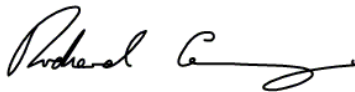
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Centrepoint Alliance Limited, I state that:

In the opinion of the directors:

- a) the financial statements and notes of the Consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the financial position as at 31 December 2008 and the performance for the half year ended on that date of the Consolidated entity; and
 - ii) complying with Accounting Standard AASB 134 "*Interim Financial Reporting*" and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Richard Cawsey
Managing Director

27 February 2009



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To the members of the Centrepoint Alliance Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of the Centrepoint Alliance Limited ("the Company"), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes 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 Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 2008 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 Centrepoint Alliance Limited and the entities it controlled during the half-year, 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' 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 interim financial report of Centrepoint Alliance Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "T G Dachs".

T G Dachs
Partner
Perth
27 February 2009