



Release to Australian Securities Exchange

LongReach Group Profit Announcement

21 August 2009: The directors are pleased to release LongReach Group results for the financial year ended 30 June 2009. The company has declared a full year profit as detailed in the attached Appendix 4E.

For further information:

Larry Case
Chairman
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LongReach Group Limited (ASX Code: LRG) is a leading ASX-listed provider of integrated information and communications technology based products and services to the defence, security and intelligence sectors, as well as to government, telecommunications and corporate customers, both locally and internationally.

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LONGREACH GROUP LIMITED
(ABN 57 010 597 672)

30 JUNE 2009

PRELIMINARY FINAL REPORT
APPENDIX 4E

ASX Code: LRG

DIRECTORS' REVIEW

Preliminary Final Report for the year ended 30 June 2009

Your directors submit their preliminary final report for the year ended 30 June 2009 for LongReach Group Limited and its controlled entities.

DIRECTORS

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

Director		Appointed	Resigned
L E Case	Chairman & Director – Non-Executive	18 January 2007	
C R Bernecker	Director – Non-Executive	31 October 2008	
P B Harrison	Director	28 November 2008	
A R Farrar	Chairman & Director – Non-Executive	21 November 2006	28 November 2008
S P Wilks	Director – Non-Executive	21 November 2006	28 November 2008

OPERATING AND FINANCIAL REVIEW

The Group's continuing operations for the current year ending 30 June 2009 were comprised of the operations of C4i Pty Ltd ("C4i"). For 20 years, C4i has specialised in delivering standard-setting communication solutions for mission-critical military and government customers around the globe. In the areas of defence, homeland security, public safety and public infrastructure, C4i systems have been used to improve decision-making capabilities by enhancing and extending the speed and flow of information. The current years net profit after tax also included \$181,829.00 from discontinued operations which related to the sale of ServicePoint Australia Pty Ltd.

During the past financial year there were a number corporate events that have impacted on the Group's financial results and financial position. These corporate events included:

- a) Non renounceable rights issue to raise \$1,950,000
- b) Repayment of convertible notes which reduced the borrowings by \$4,040,742

As at 30 June 2009 the Group is now debt free with \$3,736,037 cash reserves.

Results

The consolidated results of the economic entity, after providing for income tax for the year, amounted to a profit of \$1,404,273 for the year ended 30 June 2009 (2008: \$6,210,762).

This consolidated profit is comprised of:

- a profit after tax from continuing operations of \$1,222,444 (2008: loss of \$2,127,400); and
- a profit after tax from discontinued operations of \$181,829 (2008: profit of \$8,338,162).

Continuing operations

The revenues from continuing operations of \$13,800,634 (2008: \$9,848,500) are comprised of:

- a) the sale of goods and services of \$13,397,589 (2008: \$9,516,977) being an increase of 41% over the corresponding period last year;
- b) interest received of \$194,103 (2008: \$223,537); and
- c) Net foreign exchange gains of \$208,942 (2008: \$nil).

The expenses from continuing operations of \$12,517,813 (2008: \$12,210,519) represents a 2.5% increase over the corresponding period last year.

Other significant items which are of a non-recurring nature include a write down of \$691,652 (2008: \$778,406) for the impairment of C4i Pty Ltd's intangible assets. Borrowing costs of \$85,503 (2008: \$527,477) are included in the total expenses from continuing operations and have reduced following the repayment of the convertible notes in 2009.

Discontinued Operations

Current Year

During the year ended 30 June 2009, LongReach Group Limited finalised the disposal of ServicePoint Australia Pty Limited. The final sale price was subject to an adjustment to the extent that the net assets of ServicePoint Australia Pty Limited as per its final Completion Accounts vary from a \$2.1 million net asset value. The Completion Accounts had been prepared by the purchaser and an audit certificate had been issued pre 30 June 2009. However, LongReach Group Limited had issued a Notice of Dispute in respect of the Completion Accounts and the net asset value as per these accounts. The dispute was finalised in the 2009 financial year resulting in additional proceeds of \$259,755 over the already accrued \$317,813 in 2008.

The gain recognised in the 2009 financial year is \$259,755, net tax of \$77,926 and profit after tax of \$181,829.

ISSUE OF SHARES, SHARE OPTIONS AND CONVERTIBLE NOTES

Shares and Share Options

On 18 December 2008 LongReach Group Ltd issued 130,000,000 fully paid ordinary shares with gross capital proceeds of \$1,950,000. These ordinary shares were issued following a non renounceable rights issue offer announced on 17 November 2008, offering 1 fully paid ordinary share for every 1 share held at an issue price of 1.5 cents per share. Total ordinary shares on issue at 30 June 2009 are 266,154,962 (2008: 136,154,962).

The Company announced a Share Buyback of unmarketable parcels on 24 April 2009. The buyback was not completed until 30 July 2009 when the Company cancelled 3,278,614 shares for \$49,184.74. Total ordinary shares on issue as at the date of this report are 262,876,348.

No share options were issued during the year ended 30 June 2009. Certain of these options have lapsed or been cancelled before the end of the financial year and as at 30 June 2009 there remained 3,330,558 (2008: 6,847,364) issued share options.

Convertible Notes

On 31 October 2009 the Company redeemed 11,224,283 convertible notes (ASX:LRG) at \$0.36 per note totalling \$4,040,742. There are no convertible notes on issue as at the date of this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no matters subsequent to the end of the financial year.



L E Case
Chairman



C R Bernecker
Director

Appendix 4E

Preliminary final report

Introduced 30/6/2002.

Name of entity

LONGREACH GROUP LIMITED

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Financial year ended ('current period')
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57 010 597 672		✓	30 June 2009
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Results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

Revenues from Continuing Operations	up	40.3%	to	\$13,812,791
Profit (loss) after tax from Continuing Operations	up	154.8%	to	\$1,294,978
Net profit (loss) for the period attributable to members	down	77.4%	to	\$1,404,273

Dividends	Amount per security	Franked amount per security
Final dividend	-	-
Interim dividend	-	-
Previous corresponding period	-	-

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution)

N/A

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

1. LRG's net profit attributable to members in the 2008 financial year included \$8,338,162 profit from discontinued operations. A further \$181,829 relating to additional disposal consideration received is included in the 2009 result.
2. Refer to additional commentary in the Directors Report at the beginning of this document.

Consolidated income statement

	Current period 2009	Previous corresponding period
CONTINUING OPERATIONS		
Revenues	13,812,791	9,848,500
Expenses	(12,432,310)	(11,683,042)
Finance costs	(85,503)	(527,477)
Profit / (loss) from continuing operations before tax	1,294,978	(2,362,019)
Income tax (expense) / benefit on continuing operations	(72,534)	234,619
Profit / (loss) from continuing operations after tax	1,222,444	(2,127,400)
DISCONTINUED OPERATIONS		
Profit / (loss) after tax from discontinued operations	181,829	8,338,162
Net profit / (loss) for the period attributable to members	1,404,273	6,210,762

Tax Reconciliation – continuing operations

	Current period 2009	Previous corresponding period
Prima facie tax (expense) / benefit on profit from continuing operations	(388,493)	708,606
Unrecognised tax losses	-	(434,417)
Prior year tax losses not previously brought to account now utilised	287,948	-
Expenditure not allowed for income tax purposes	(7,060)	(30,695)
Other	(35,071)	(8,875)
Income tax credit / (expense)	72,534	234,619

Earnings per security (EPS)

	Current period	Previous corresponding Period
Basic EPS	0.69c	5.14c
Basic EPS – continuing operations	0.60c	(1.76)c
Diluted EPS	0.69c	5.14c
Diluted EPS – continuing operations	0.60c	(1.76)c
Weighted no. of ordinary shares	202,875,333	120,892,303

Revenue and expenses from continuing operations

	Current period 2009	Previous corresponding period
Revenue and other income from continuing operations		
Revenue	13,606,531	9,516,977
Interest revenue	194,103	223,537
Other income	12,157	107,986
Total Revenue and other income	13,812,791	9,848,500
Expenses from continuing operations		
Details of relevant expenses (including borrowing costs) :		
Costs of Goods Sold and Project Direct Costs	(4,716,841)	(3,339,555)
Employee Costs	(5,059,214)	(4,653,428)
Professional & Consultancy Fees	(70,064)	(465,763)
Finance Costs	(85,503)	(527,477)
Communication Costs	(65,521)	(92,328)
Occupancy Costs	(421,856)	(381,194)
Insurance	(158,914)	(158,467)
Travelling Costs	(14,490)	(44,139)
Depreciation and amortisation of PP&E	(106,561)	(166,738)
Amortisation of intangible assets	(840,773)	(887,632)
Impairment of PP&E	-	(15,673)
Write-down or impairment of Intangible Assets	(691,652)	(778,406)
Other Expenses	(286,424)	(699,719)
Total Expenses from continuing operations	(12,517,813)	(12,210,519)

Consolidated accumulated losses

	Current period	Previous corresponding period
Accumulated losses at the beginning of the financial period	(25,621,553)	(31,832,315)
Net profit (loss) attributable to members	1,404,273	6,210,762
Settlement of convertible notes	177,700	-
Tax effect of settling convertible notes	76,157	-
Accumulated losses at end of financial period	(23,963,423)	(25,621,553)

Consolidated balance sheet	30-Jun-2009	30-Jun-2008	31-Dec-2008
Current assets			
Cash and cash equivalents	3,736,037	6,494,336	4,176,841
Receivables	2,525,688	2,681,121	2,201,946
Inventories	4,222,549	2,029,416	1,478,306
Prepayments	15,797	11,149	41,522
Other	-	1,355,169	-
Total current assets	10,500,071	12,571,191	7,898,615
Non-current assets			
Property, plant and equipment	358,194	104,552	215,767
Intangibles	4,960,461	4,501,383	5,468,895
Deferred tax assets	460,358	492,933	539,022
Total non-current assets	5,779,013	5,098,868	6,223,684
Total assets	16,279,084	17,670,059	14,122,299
Current liabilities			
Payables	1,962,101	3,606,839	897,342
Interest bearing liabilities	-	3,373,400	-
Income tax payable	155,886	155,886	155,886
Employee provisions	129,561	44,351	-
Other provisions	245,287	173,851	658,470
Other	576,157	562,944	-
Total current liabilities	3,068,992	7,917,271	1,711,698
Non-current liabilities			
Deferred tax liabilities	1,472,905	1,431,178	1,663,492
Employee provisions	152,278	149,161	117,085
Total non-current liabilities	1,625,183	1,580,339	1,780,577
Total liabilities	4,694,175	9,497,610	3,492,275
Net assets	11,584,909	8,172,449	10,630,024
Equity			
Capital/contributed equity	34,774,032	32,824,032	34,774,032
Reserves	774,300	969,970	784,468
(Accumulated losses)	(23,963,423)	(25,621,553)	(24,928,476)
Total equity	11,584,909	8,172,449	10,630,024

Consolidated statement of changes in equity

	Issued Capital	(Accumulated Losses)	Other Reserves	Total
At 1 July 2007	32,254,219	(31,832,315)	907,300	1,329,204
Profit / (loss) for the period	-	6,210,762	-	6,210,762
Share options exercised	-	-	61,750	61,750
Foreign currency translation	-	-	920	920
Shares issued	569,813	-	-	569,813
Cost of share based payments	-	-	-	-
Convertible notes equity component	-	-	-	-
At 30 June 2008	32,824,032	(25,621,553)	969,970	8,172,449
Profit / (loss) for the period	-	1,404,273	-	1,404,273
Foreign currency translation	-	-	(17,970)	(17,970)
Shares issued	1,950,000	-	-	1,950,000
Settlement of convertible notes	-	177,700	(177,700)	-
Tax effect of settling convertible notes	-	76,157	-	76,157
At 30 June 2009	34,774,032	(23,963,423)	774,300	11,584,909

Consolidated cash flow statement

	Current period	Previous corresponding period
Cash flows related to operating activities		
Receipts from customers	14,429,046	17,953,890
Payments to suppliers and employees	(14,159,886)	(19,539,080)
Interest and other items of similar nature received	194,103	238,199
Interest and other costs of finance paid	(356,052)	(578,924)
Net operating cash flows	107,211	(1,925,915)
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment	(360,203)	(292,800)
Capitalised development costs	(1,991,503)	(892,208)
Acquisition of subsidiaries	-	(1,174,000)
Proceeds from disposal of controlled entity	576,938	8,636,358
Net investing cash flows	(1,774,768)	6,277,350
Cash flows related to financing activities		
Proceeds from issues of shares	1,950,000	569,813
Disposal group non-recourse financial commitments extinguished	-	2,527,179
Repayment of borrowings	(4,040,742)	(989,584)
Finance lease proceeds (payments)	-	(49,957)
Net financing cash flows	(2,090,742)	2,057,451
Net increase / (decrease) in cash and cash equivalents	(3,758,299)	6,408,886
Cash and cash equivalents at beginning of period <i>(see Reconciliation of cash)</i>	7,494,336	1,085,450
Cash and cash equivalents at end of period <i>(see Reconciliation of cash)</i>	3,736,037	7,494,336

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (*If an amount is quantified, show comparative amount.*)

None

Reconciliation of cash and cash equivalents

Reconciliation of cash and cash equivalents at the end of the period (as shown in the consolidated cash flow statement) to the related items in the accounts is as follows:	Current period	Previous corresponding period
Cash on hand and at bank	926,404	1,081,311
Deposits at call	2,809,633	5,413,025
Cash and cash equivalents at end of period per balance sheet	3,736,037	6,494,336
Invested funds (commercial bills) included in Other Assets	-	1,000,000
Cash on hand included in assets of disposal group	-	-
Interest bearing overdraft included in liabilities of disposal group	-	-
Cash on hand included in assets held for sale	-	-
Total cash and cash equivalents at end of period per cashflow	3,736,037	7,494,336

Other notes to the consolidated financial statements

Ratios	Current period	Previous corresponding Period
Profit before tax / revenue Consolidated profit / (loss) from continuing operations before tax as a percentage of revenue	9.38%	(23.98)%
Profit after tax / equity interests Consolidated net profit / (loss) after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	12.12%	75.99%

NTA backing	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	2.316cents	2.696 cents

Discontinued Operations

Current Year

During the year ended 30 June 2009, LongReach Group Limited finalised the disposal of ServicePoint Australia Pty Limited. The final sale price was subject to an adjustment to the extent that the net assets of ServicePoint Australia Pty Limited as per its final Completion Accounts vary from a \$2.1 million net asset value. The Completion Accounts had been prepared by the purchaser and an audit certificate had been issued pre 30 June 2009. However, LongReach Group Limited had issued a Notice of Dispute in respect of the Completion Accounts and the net asset value as per these accounts. The dispute was finalised in the 2009 financial year resulting in additional proceeds of \$259,755 over the already accrued \$317,813 in 2008.

The gain recognised in the 2009 financial year is \$259,755 net of tax of \$77,926 and profit after tax of \$181,829.

Prior Year

During the year ended 30 June 2008, LongReach Group Limited discontinued or disposed of the following operations and controlled entities:

- a) LongReach Communications Pty Ltd and its controlled entities ("LRC sub-group") were placed into Voluntary Administration on 3 July 2007. The operations of the LRC sub-group were subsequently wound down and a Deed of Company Arrangement entered into. The Deed of Company Arrangement is still in effect, but is expected to be completed in the near future.

The Group had no liability for the LRC sub-group net liabilities outside of the contributions agreed to in the Deed of Company Arrangement and as a consequence the shortfall between the LRC sub-group's assets and liabilities as recorded in the Group's balance sheet as at 30 June 2007 has been eliminated, resulting in a net profit after tax of \$2,309,692 from these discontinued operations for the year ended 30 June 2008 (2007: loss of \$18,459,702).

The results of the LRC sub-group are included in discontinued operations for the year ended 30 June 2008 and in the corresponding prior period with its assets and liabilities as at 30 June 2007 disclosed as assets and liabilities of a disposal group on the face of the balance sheet.

- b) The Group received an offer for the sale of ServicePoint Australia Pty Ltd and decided in favour of disposing of this subsidiary. On 9 January 2008 a share sale agreement was concluded with LongReach Group Limited agreeing to the sale for a cash consideration of \$9 million, subject to working capital adjustments at completion. The sale was approved by the Group's shareholders at a general meeting held on 26 February 2008 and the sale was completed on 29 February 2008.

The final sale price is subject to an adjustment to the extent that the net assets of ServicePoint Australia Pty Ltd as per its final Completion Accounts vary from a \$2.1 million net asset value. The Completion Accounts have been prepared by the purchaser and an audit certificate has been issued. LongReach Group Limited has however issued a Notice of Dispute in respect of the Completion Accounts and the net asset value as per these accounts. Until such time as the dispute process is concluded, there is no certainty as to the value of any further adjustments to the final purchase consideration adjustment.

The sale of ServicePoint Australia Pty Ltd has been accounted for in this annual financial report on the basis of the Completion Accounts and no additional sale proceeds relating to the disputed items have been brought to account. Based on the Completion Accounts, a further amount of \$317,813 is payable to LongReach Group Ltd by the purchaser of ServicePoint Australia Pty Ltd.

The results for ServicePoint Australia Pty Ltd up to date of the sale, have been accounted for as discontinued operations. Included in the net profit after tax from discontinued operations is a net profit on the sale of ServicePoint Australia Pty Ltd of \$6,383,496 (2007: \$ nil) and a loss of \$371,801 (2007: net profit of \$2,252,951) in respect of its trading operations for the period up to the date of sale on 29 February 2008. In addition to the prior period operating trading result, a loss of \$2,105,559 was accounted for in the year ended 30 June 2007 in respect of the impairment of the goodwill attributable to the voice facilities management services business transferred to ServicePoint Australia Pty Ltd from another controlled entity within the Group.

Discontinued operations (continued)

Prior Period	ServicePoint Australia Pty Ltd including the voice facilities management services of Allied Group	LRC Sub-group	TUSC Computer Systems Pty Ltd	Total Discontinued Operations
a) Operating trading result				
Revenue	7,608,661	-	16,775	7,625,436
Expenses	(7,924,759)	(298,592)	-	(8,223,351)
Net operating profit (loss) before finance costs	(316,098)	(298,592)	16,775	(597,915)
Finance costs	(51,447)	-	-	(51,447)
Operating profit (loss) from discontinued operations before tax	(367,545)	(298,592)	16,775	(649,362)
Income tax benefit (expense)	(4,256)	-	-	(4,256)
Net operating profit (loss) from discontinued operations after tax	(371,801)	(298,592)	16,775	(653,618)
b) Profit on sale and derecognition of discontinued operations				
Profit in derecognition of disposal group	-	3,594,189	-	3,594,189
Proceeds on sale	9,317,813	-	-	9,317,813
Expenses, cost of investment and impairment of intangible assets	(2,718,431)	-	-	(2,718,431)
Profit before tax on sale of discontinued operation	6,599,382	3,594,189	-	10,193,571
Income tax benefit (expense)	(215,886)	(985,905)	-	(1,201,791)
Net profit (loss) attributable to sale and derecognition of discontinued operations	6,383,496	2,608,284	-	8,991,780
c) Total result of discontinued operations				
Income	16,926,474	3,594,189	16,775	20,537,438
Expenses and costs	(10,643,190)	(298,582)	-	(10,941,782)
Net profit (loss) before finance costs	6,283,284	3,295,597	16,775	9,595,656
Finance costs	(51,447)	-	-	(51,447)
Profit (loss) before tax from discontinued operations	6,231,837	3,295,597	16,775	9,544,209
Income tax benefit (expense)	(220,142)	(985,905)	-	(1,206,047)
Net profit (loss) attributable to discontinued operations	6,011,695	2,309,692	16,775	8,338,162

Discontinued operations (continued)

The discontinued operations included in the prior year balance sheet are as follows:

Balance Sheet	ServicePoint Australia Pty Ltd	LRC Sub-group	TUSC Computer Systems Pty Ltd	Total Discontinued Operations
Assets (Other) – carrying amount at balance date	-	1,669,482	-	1,669,482
Liabilities at balance date	-	(4,277,767)	-	(4,277,767)
Net Assets / (Liabilities) at balance date	-	(2,608,285)	-	(2,608,285)

Loss of control of entities having material effect

Name of entity (or group of entities)	<ul style="list-style-type: none"> a) ServicePoint Australia Pty Ltd sold on 29 February 2008 b) LongReach Communications Pty Ltd (placed into administration on 3 July 2007)
2. Consolidated profit / (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	Refer "Discontinued Operations"
3. Date to which the profit / (loss) in item 2. has been calculated	<ul style="list-style-type: none"> a) 29 February 2008 b) 30 June 2008 Included in Net profit (loss) after tax from discontinued operations
4. Consolidated profit / (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	Refer "Discontinued Operations"
5. Contribution to consolidated profit / (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	Refer "Discontinued Operations"

Dividends

No dividends were declared or paid during the year ended 30 June 2009.

Dividend Reinvestment Plan Summary.

Complete details of the DRP are listed in the document "Dividend Reinvestment Plan – Terms and Conditions". This document has been lodged with the ASX and a copy may be obtained from the web site www.longreach.com. This document should be read in its entirety; however, a summary of the benefits follows:

- All Shareholders are entitled to participate (subject to foreign law requirements).
- Shares issued under the DRP will be issued at a discount of five (5) per cent (or as otherwise determined by the Board from time to time) to the weighted average market price of Ordinary Shares sold over the 5 ASX Business Days preceding the day on which the books are closed for determination of entitlement to the relevant dividend.
- Other than stamp duty or other duties (if any), no brokerage, commission or other transaction costs will be payable by any Participant in respect of the application for and allotment of Shares under the DRP.

The last date(s) for receipt of election notices for the
+dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

N/A

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Preference +securities <i>(description)</i>	None	-	-	-
Changes during current period	None	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks, redemptions				
+Ordinary securities	266,154,962	266,154,962	-	-
Changes during current period				
(a) Increases through issues - non renouncable rights issue	130,000,000	130,000,000	1.50c	1.50c
(b) Increase through exercising of share options	-	-	-	-
+Convertible debt securities <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period				
(a) Increases through issues – non cash consideration for subsidiary	-	-	-	-
(b) Decreases through on market buy back	(9,370,555)	(9,370,555)	36c	36c

Options <i>(description and conversion factor)</i>		Exercise price	Vesting date	Expiry date (if any)
Issued during current period	-	-	-	-
Exercised during current period	-	-		
Expired and/or cancelled during current period	300,000 1,600,000 1,600,000 16,667 139	\$0.30 \$0.26 \$0.29 \$0.03 \$0.36		
Expired and/or cancelled subsequent to year end				
Debentures <i>(description)</i>	None	-	-	-
Changes during current period				
(a) Increases through issues	None			
(b) Decreases through securities matured, converted	None			
Unsecured notes <i>(description)</i>	Convertible Notes	-	-	-
Changes during current period				
(a) Increases through issues	None			
(b) Decreases through securities matured, converted	None			
(c) Decreases through securities bought back on-market	(9,370,555)			

Segment reporting

Primary reporting - Geographical segments

The consolidated entity operated in two geographical areas, being Australia and the United States of America. The year ended 30 June 2009 is the first year in which its subsidiary C4i Incorporated has been operating in the United States. As such no comparative figures are disclosed.

	Australia	United States of America	Elimination	Consolidated
	30 June 2009	30 June 2009	30 June 2009	30 June 2009
	\$'000	\$'000	\$'000	\$'000
REVENUE				
Revenue from external customers:				
Sales	10,898,080	1,421,067	-	12,319,147
Services	1,078,442	-	-	1,078,442
Other	415,032	170	-	415,202
Total revenue from external customers	12,391,554	1,421,237	-	13,812,791
Total revenue	5,270,382	1,421,237	-	13,812,791
RESULT				
Segment results	1,968,237	(673,259)	-	1,294,978
Results from continuing operating activities				1,294,978
Income tax expense on continuing operations				(72,534)
Gain on sale of discontinued operations (net of tax)				181,829
Profit for the year				1,404,273
ASSETS				
Segment assets	17,693,659	775,465	(2,190,040)	16,279,084
Unallocated assets				-
Total assets				16,279,084
LIABILITIES				
Segment liabilities	4,485,379	(2,399,836)	2,191,040	(4,694,175)
Unallocated liabilities				-
Total liabilities				(4,694,175)
Capital expenditure	360,203	-	-	360,203
Depreciation	106,561	-	-	106,561
Amortisation of intangible assets	840,773	-	-	840,773
Impairment losses on intangible assets	691,652	-	-	691,652

Business Segments:

The Group operates predominately in one industry sector, The Information and Communications Technology sector.

Comments by directors

Basis of financial report preparation

1. Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Please refer to the Directors' Review

2. A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Please refer to the Directors' Review

3. Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

LongReach Group Limited has franking credits in the order of \$7.99 million, which are available for distribution to the shareholders.

4. Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
For the year ended 30 June 2009

a) Basis of preparation of preliminary final report

The preliminary final report has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The preliminary final report has also been prepared on a historical cost basis.

The preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the last annual report and any public announcements to the market made by the Company during the reporting period in accordance with the continuous disclosure requirement of the *Corporations Act 2001* and the listing rules of the Australian Stock Exchange.

The accounting policies adopted are consistent with those of the previous year.

The preliminary final report is presented in Australian dollars.

Comparative information is reclassified where appropriate to enhance comparability.

5. Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

None

6. Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

The bankers of the Group's controlled entities have issued performance guarantees to certain customers in respect of bonds of \$577,450.

Annual meeting

The annual meeting will be held as follows:

Place	To be advised
Date	To be advised
Time	To be advised
Approximate date the +annual report will be available	To be advised

Compliance statement

1. This report is based on +accounts to which one of the following applies.

(Tick one)

<input type="checkbox"/>	The +accounts have been audited.	<input type="checkbox"/>	The +accounts have been subject to review.
<input checked="" type="checkbox"/>	The +accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The +accounts have <i>not</i> yet been audited or reviewed.

2. The entity has a formally constituted audit committee.

Signed:



L E Case
Chairman



C R Bernecker
Director

Date: 21 August 2009

Appendix A – Option Exercise Periods and Expiry Dates for Unquoted Options

This table details the number of options outstanding as at 30 June 2009:

Number of options outstanding as at 30 June 09

Number	Exercise Price	Note	Exercise Periods	Expiry Dates
583,334	\$0.03		25 August 2006 to 25 August 2009	25-Aug-09
1,000,000	\$0.25		30 November 2007 to 30 November 2009	30-Nov-09
83,334	\$0.47		31 March 2006 to 31 March 2010	31-Mar-10
1,600,000	\$0.24		31 December 2007 to 31 December 2012	31-Dec-12
58,334	\$0.47		31 March 2007 to 31 March 2011	31-Mar-11
5,556	\$0.47		31 March 2008 to 31 March 2012	31-Mar-12
<u>3,330,558</u>				