



C @ Ltd
110 Brown Street
EAST PERTH WA 6004

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www.cnow.com.au
ABN: 99 110 439 686

12 February 2008

Company Announcements Office
Australian Stock Exchange
PO Box H224
Australia Square
Sydney NSW 2000

Dear Sir or Madam

Please find attached the Company's ASX Appendix 4D and the Half Yearly Report for the period to 31 December 2007.

Yours faithfully

Andrew Harrison
Non Executive Director
C@ Limited Board

Att.



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C @ LTD

Appendix 4D

Half Year Report Period Ended 31 December 2007

Results for announcement to the Market

	<u>Percentage Change</u>		<u>\$'000</u>
Revenue from ordinary activities	(47%)	to	132
Loss from ordinary activities after tax	(67%)	to	(283)
Net loss for the period attributable to members	(67%)	to	(283)

Dividends

	<u>Amount per security</u>	<u>Percentage Franked</u>
Current period:		
Interim Dividend	Nil	N/A
Date the Dividend is Payable:		N/A
Record Date for determining entitlements to the Dividend:		N/A
Prior corresponding period:		
Interim Dividend	Nil	N/A

Net Tangible Assets per Security

As at 31 December 2007	1.7 cents
As at 31 December 2006	0.6 cents



C@LIMITED

A C N 110 439 686

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
31 DECEMBER 2007**



C@LIMITED

ACN 110 439 686

INTERIM REPORT – 31 DECEMBER 2007

Contents	Page
Directors' Report	2
Auditor's Independence Declaration	3
Interim Financial Report	
Condensed Consolidated Income Statement	4
Condensed Consolidated Balance Sheet	5
Condensed Consolidated Statement of Cash Flows	6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Notes to the Consolidated Financial Statements	8
Directors' Declaration	10

This interim financial 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 annual report for the year ended 30 June 2007 and any public announcements made by C@Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.



DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2007 and the auditor's review report thereon:

1. Directors

The Directors of the Company during the half-year and up to the date of this report are:

<i>Name</i>	<i>Period of Directorship</i>
Mr Andrew Duncan Harrison <i>Non-executive Director</i>	Director since 15 June 2005
Mr James Martin <i>Non-executive Director</i>	Director since 3 August 2006
Mr Gordon Alfred Thompson <i>Non-executive Director</i>	Director since 3 August 2006

2. Results

The loss after tax of the consolidated entity for the half-year was \$283,454 (2006: \$865,025).

3. Review of Activities

The Company achieved a substantial reduction in both operating losses and cash outflow during the half-year ended 31 December 2007. This improvement in operating results and cash flow was achieved due to a significant reduction in employee and other overhead costs. As a result of a further review on the state of inventory held, the Company has also provided \$20,026 as impairment loss on inventory. The Company is continuing its review of a number of investment opportunities to broaden its current activities.

4. Auditor's independence declaration under Section 307C of the Corporations Act 2001

The auditor's declaration is set out on page 4 and forms part of the Directors' report for the half-year ended 31 December 2007.

Dated at Perth, Western Australia, this 12th day of February 2008.

Signed in accordance with a resolution of the Directors:

Andrew Harrison
Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of C@ Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG
KPMG

JG Robinson
JG Robinson
Partner

Perth

Dated: 12/2/08



**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

	Note	31 Dec 2007 \$	31 Dec 2006 \$
Continuing operations			
Revenue		91,926	240,385
Cost of sales		<u>(41,433)</u>	<u>(211,704)</u>
Gross profit		50,493	28,681
Other income		267	2,975
Accounting and audit fees		(40,267)	(33,156)
Advertising and marketing		(1,241)	(36,384)
Legal fees		(705)	(20,966)
Employee and related expenses		(112,636)	(213,310)
Professional and consulting fees		(28,793)	(112,898)
Depreciation and amortisation		(9,848)	(54,963)
Rent		(36,269)	(42,766)
Repairs and maintenance		-	(6,656)
Travel and accommodation		-	(1,774)
Provision for doubtful debts		(11,374)	(8,615)
Write-down of inventory	6	(20,026)	(75,000)
Impairment of other assets		-	(12,500)
Impairment of property, plant and equipment	7	(39,438)	(153,999)
Other expenses		<u>(73,873)</u>	<u>(110,665)</u>
Results from operating activities		(323,710)	(851,996)
Financing income		40,259	6,504
Financing costs		<u>(3)</u>	<u>(19,533)</u>
Net financing income/(costs)		40,256	(13,029)
Loss before income tax		<u>(283,454)</u>	<u>(865,025)</u>
Income tax expense		-	-
Loss from continuing operations		<u>(283,454)</u>	<u>(865,025)</u>
Basic loss per share (cents)		<u>(0.37)</u>	<u>(2.84)</u>

The Company's potential ordinary shares are not considered dilutive and accordingly basic loss per share is the same as diluted loss per share.

The income statement is to be read in conjunction with the accompanying notes.



**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	31 Dec 2007 \$	30 Jun 2007 \$
CURRENT ASSETS			
Cash and cash equivalents		1,163,689	1,342,027
Trade and other receivables		49,193	60,894
Inventories	6	<u>90,493</u>	<u>148,747</u>
TOTAL CURRENT ASSETS		<u>1,303,375</u>	<u>1,551,668</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>64,372</u>	<u>113,660</u>
TOTAL NON-CURRENT ASSETS		<u>64,372</u>	<u>113,660</u>
TOTAL ASSETS		<u>1,367,747</u>	<u>1,665,328</u>
CURRENT LIABILITIES			
Trade and other payables		25,898	30,970
Employee benefits		<u>-</u>	<u>9,055</u>
TOTAL CURRENT LIABILITIES		<u>25,898</u>	<u>40,025</u>
TOTAL LIABILITIES		<u>25,898</u>	<u>40,025</u>
NET ASSETS		<u>1,341,849</u>	<u>1,625,303</u>
EQUITY			
Issued capital	8	4,556,956	4,556,956
Reserves		4,530	4,530
Accumulated losses		<u>(3,219,637)</u>	<u>(2,936,183)</u>
TOTAL EQUITY		<u>1,341,849</u>	<u>1,625,303</u>

The balance sheet is to be read in conjunction with the accompanying notes.



**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

	31 Dec 2007	31 Dec 2006
	\$	\$
Cash flows used in operating activities		
Cash receipts from customers	90,175	210,278
Cash paid to suppliers and employees	(308,769)	(718,755)
Interest received	40,259	6,504
Interest paid	(3)	(17,347)
Net cash used in operating activities	<u>(178,338)</u>	<u>(519,320)</u>
Cash flows used in investing activities		
Payments for property, plant and equipment	-	(15,612)
Net cash used in investing activities	<u>-</u>	<u>(15,612)</u>
Cash flows from financing activities		
Funds to security deposit	-	(6,088)
Proceeds from issue of shares	-	215,000
Proceeds from borrowings	-	100,000
Repayment of borrowings	-	(101,024)
Payment of finance lease liabilities	-	(48,532)
Net cash provided by financing activities	<u>-</u>	<u>159,356</u>
Net decrease in cash and cash equivalents	(178,338)	(375,576)
Cash and cash equivalents at 1 July	1,342,027	411,940
Cash and cash equivalents at 31 December	<u><u>1,163,689</u></u>	<u><u>36,364</u></u>

The statement of cash flows is to be read in conjunction with the accompanying notes.



**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2007	4,556,956	4,530	(2,936,183)	1,625,303
Loss for the period	-	-	(283,454)	(283,454)
Balance as at 31 December 2007	<u>4,556,956</u>	<u>4,530</u>	<u>(3,219,637)</u>	<u>1,341,849</u>

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2006	2,624,116	4,530	(1,790,648)	837,998
Loss for the period	-	-	(865,025)	(865,025)
Issue of share capital	215,000	-	-	215,000
Balance as at 31 December 2006	<u>2,839,116</u>	<u>4,530</u>	<u>(2,655,673)</u>	<u>187,973</u>

The statement of changes in equity is to be read in conjunction with the accompanying notes.



CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

1. REPORTING ENTITY

C@Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2007 comprises the Company and its subsidiaries (together referred to as the "consolidated entity"). The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2007 is available upon request from the Company's registered office.

2. STATEMENT OF COMPLIANCE

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards AASB 134 Interim Financial Reports and the Corporations Act 2001. The consolidated interim financial report has been prepared on a historical basis.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2007. It is also recommended that the interim financial report be considered together with any public statements made by the Company and consolidated entity during the half year ended 31 December 2007 in accordance with the continuous disclosure obligations required under the Corporations Act 2001.

This consolidated interim financial report was approved by the Board of Directors on 12th February 2008.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2007.

4. ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were, in addition to those that applied to the consolidated financial report as at and for the year ended 30 June 2007.

5. SEGMENT REPORTING

C@ Limited predominantly operates in one business segment (being the provision of optometry related products and services) and in one geographic segment (Australia).

6. WRITE-DOWN OF INVENTORY

There was an inventory write-down of \$20,026 recognised during the six months ended 31 December 2007.

During the six months ended 31 December 2006, the consolidated entity recognised a write-down in the value of finished goods inventory of \$75,000 reflecting the surplus of frame stock on hand.



CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

7. PROPERTY, PLANT AND EQUIPMENT

Impairment loss

During the six months ended 31 December 2007 the consolidated entity re-assessed the recoverable amount of certain specialised machines and leasehold improvements. Based on the proceeds expected to be received upon sale, the carrying amount of those machines and the leasehold improvements was written down by \$39,438.

	31 Dec 2007 \$	30 Jun 2007 \$
8. ISSUED CAPITAL		
Issued and Paid-Up Capital		
75,962,000 (June 2007: 75,962,000) ordinary shares, fully paid	4,556,956	4,556,956

Options

No options to subscribe for ordinary fully paid shares were granted or exercised during the half-year.

No options lapsed during the half-year.

The following options to subscribe for ordinary fully paid shares are outstanding as at balance date:

- 11,589,000 options exercisable at \$0.20 each on or before 31 March 2008.

9. LOANS AND BORROWINGS

There were no new loans and borrowings issued during the six months ended 31 December 2007. As at 30 June 2007, there were no outstanding loans and borrowings.

In the prior interim period, there were new borrowings of \$100,000 made, and an amount of \$149,556 was repaid.

10. SUBSEQUENT EVENTS

There are no events subsequent to balance date that would have a material financial effect on the financial statements for the half year period ended 31 December 2007.



DIRECTORS' DECLARATION

In the opinion of the Directors of C@Limited ("the Company"):

1. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the financial position as at 31 December 2007 and the performance for the half year ended on that date of the consolidated entity; and
 - (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth, Western Australia, this 12th day of February 2008

Signed in accordance with a resolution of the Directors:

Andrew Harrison
Director



Independent auditor's review report to the members of C@ Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of C@ Limited, which comprises the condensed consolidated interim balance sheet as at 31 December 2007, condensed consolidated interim income statement, consolidated interim statement of changes in equity and condensed consolidated interim cash flow statement for the half-year ended on that date, a statement of accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial 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 Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control 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 an Interim 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 of the Group's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of C@ Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of C@ Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and



(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.




J.G. Robinson
Partner

Perth

Dated: 12/2/08