Appendix 4D

Half yearly report

Name of entity

Solco Ltd

ABN or equivalent company reference	Half year ended ('current period')
27 084 656 691	31 December 2011

For announcement to the market

Extracts from this report for announcement to the market.

				$A'000
Revenue	Down	56%	to	$11,246
Profit for period ordinary after income tax expense	Down	385%	to	($2,638)
Net profit for the period attributable to members of the parent entity	Down	385%	to	($2,638)

Dividends	Amount per security	Franked amount per security
Interim dividend (cents)	Nil	Nil
Previous corresponding period (cents)	0.375	Nil

+Record date for determining entitlements to the dividend: N/A

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per +ordinary security	5.29 cents per share	5.81 cents per share

CORPORATE DIRECTORY

Board of Directors:

David Richardson - (Executive Chairman)
Mark Norman - (Executive Director)
Ian Campbell - (Non-Executive Director)

Company Secretary

Mr Darren Crawte

Registered and Corporate Office

12 Brennan Way
Belmont
Western Australia 6104
Tel: (08) 9334 8100
Fax: (08) 9334 8199
Email: info@solco.com.au
Website: www.solco.com.au

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth
Western Australia 6000
Tel: (08) 9227 7500
Fax: (08) 9227 7533

Solicitors

Middletons
Level 2, 6 Kings Park Road
Western Australia 6005
Tel: (08) 9216 0900
Fax: (08) 9216 0901

Share Registry

Computershare Investor Services Pty Limited
Level 2
Reserve Bank Building
45 St Georges Terrace
Perth
Western Australia 6000
Tel: (08) 9323 2000
Fax: (08) 9323 2033

Solco Limited

ACN 084 656 691

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

DIRECTORS' REPORT

The directors of Solco Limited submit herewith the financial report of the consolidated entity for the half-year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Mr David Richardson	Executive Chairman
Mr Mark Norman	Executive Director
Mr Ian Campbell	Non-Executive Director

Review of Operations

Solco's performance over the first half of fiscal year 2012

During the first half of FY2012, Solco experienced challenging industry conditions following the downturn in the Australian residential solar market. The tough trading environment resulted from the reduction or withdrawal of residential solar rebates by several State Governments. This resulted in half year revenue for 2011/12 of $11.2 million and a half year loss before tax of $3.8 million.

In response to market conditions, Solco has adjusted its business to capitalise on commercial solar project opportunities, whilst also working to maintain the customer channels for its solar products by ensuring competitive market prices. Solco has also focused on aligning income and costs by reducing inventory and monthly overheads. The full benefits of all these actions will be seen in the full year results. Importantly, Solco retains its debt free status and strong balance sheet. Full year revenue 2011/12 is forecast to be $27 million and reflects uncertainties surrounding Government policies.

Solar Products

The first half of this financial year saw a market-wide decline in sales activity resulting from a significant pull forward of residential installations that occurred at the end of the previous financial year (June 2011) ahead of the reduction in the REC multiplier. The level of industry activity post July 2011 was then further diminished by the elimination of Feed in Tariffs (FIT's) in two key markets (NSW and WA). Our forecasts projected a downturn in July through August, with an anticipated market stabilisation and return in September, which did not eventuate.

The Board and management responded promptly to the changing market, placing an embargo on product forward orders in mid August and implementing cost reductions, including staffing levels, in early September to closely align our operational outgoings with sales revenue. As part of this focus on costs, our plans for a larger Brisbane facility were shelved, and our lease on the existing facility has been extended for one year with two one year options.

A significant oversupply of product in local and global markets resulted in discounting in the Australian market during the October to December 2011 quarter. Chinese sourced panel prices recorded a significant 33% decline in this period, reducing in dealer price from $1.64/w to $1.10/w. Solco recognised this change in a 31 December stock net realisable value writedown of $1.2 million on inventory at hand at that date. In the October to December quarter our strategy of retaining our customer channels by meeting falling market prices contributed $1.5 million to our first half loss.

It is worth acknowledging that the significant decline in component pricing, coupled with ongoing increases in the costs of traditional power has seen the key threshold of price parity achieved in this period. This will underpin organic market growth in both residential and commercial markets for renewable energy as households seek to mitigate substantial current and project power price increases.

We completed the first stage of implementing our new ERP system, Syspro, on September 1, 2011. While some components require additional training and "fine tuning" to leverage all the features of this system, the core infrastructure now provides internet based features that will better service our customers as the market recovers.

Looking forward, we forecast a lift in market activity in the last quarter of 2011/12, driven by the anticipated announcement of REC multiplier support being withdrawn by the Federal Government. Inventory may be a limiting factor as lead times for product are beginning to lengthen with stronger demand from several countries, including Germany and England.

The impact of the first half market decline has been factored into the revised sales forecasts released to the market. Global pricing appears to have stabilised, however our inventory strategy remains focused on minimising the time between ordering and delivery to customer to mitigate the risk of product value decline.

Our inventory strategy will also factor in the commoditisation of panels and the market's reluctance to pay a premium for "branded" panels. In particular, products with extended lead times, disparate channels to market and high brand premiums will be supplied on an indent only basis.

We believe that our core wholesale business will grow steadily through improved efficiencies and cost management, customer focus and competitive strength.

Solco Solar Pumps

The sale of solar pumps and solar pumping systems remains an important and strategic part of our market offering. Solco distributes fully assembled pumping systems and individual components through our specialised solar pumping dealers and solar PV distribution network. We expanded our channel, particularly on the Eastern Seaboard, during the first half of 2011/2012 and this is reflected in the steady sales growth achieved during this period.

We are seeing synergies with existing PV customers and can now offer a broader range or 'solar solutions' to our customers, enhancing their relationship with Solco as a 'one stop shop' for their requirements. Our Solar Pumps division reflects our strategic direction to invest in alternative products that position Solco as an industry leader in new technologies, whilst maintaining an advantage over our competitors.

Solco Solar Projects

The first half of the current financial year has seen Solco Projects secure more than $1.7 million of new commercial solar projects.

Parkes Shire council awarded Solco their premier solar project to install up to 250kW of grid feed panels to offset increasing electricity charges across seven of their council buildings. The project win can be attributed to Solco's competitive bid and use of exclusive, leading-edge, SolarEdge power optimising technology. Panels have now been installed on three buildings with the balance of the systems to be completed over the next few weeks. Through the SolarEdge product, the council will be able to display energy and emissions savings, and, manage and monitor the system to an individual panel level, maximising their system performance.

A second local government contract involves installing a 50kW solar system across two buildings in Mildura, Victoria, including the public pool and council headquarters. The system incorporates Solco's propriety SolcoShare visualisation system. This system allows the council to record and display solar electricity and carbon emissions savings, simultaneously with council messages and other information that can be regularly updated.

Solco has also secured a 65kW standalone off-grid system for KJ Johnson Electrical Engineers and Contractors in the Pilbara region of Western Australia. The 65kW system has been designed to power a communications system critical to an iron ore mining operation. The control and 50 ton battery system, housed in three 20 foot shipping containers, will provide several days of power autonomy, even in the worst weather conditions, before automatically starting a backup diesel generator. Two 70 metre long, hilltop mounted, solar arrays will power the communications system and recharge the backup batteries. With the increasing cost and HSE issues associated with diesel-powered electricity and the installation of long power lines, Solco expects more and larger solar powered systems to be installed at remote mine sites, communities and camps over the next few years.

Solco is continuing to bid for both on and off-grid projects, however the most immediate future growth is likely to occur in commercial size systems that offset small to medium businesses electricity costs. With reducing solar system costs, allied with increasing time-of-use electricity charges (predicted to rise 27% on average across

Australia over the next 3 years) grid parity for medium scale commercial business has been reached. These systems are not designed to export energy, as the electricity generated is consumed by the system owner, so they are not dependent on government Feed-in-Tariffs. Solco is proactively promoting the cost benefit of these systems to this market sector.

Solco is active in larger-scale solar systems through the ACT's reverse Feed-in-Tariff auction. Solco is investigating several ground and roof based sites with the intent to bid at least a 2 megawatt system. We are in discussions to build a system for possible Independent Power Producers (IPPs). Success in the reverse Feed-in-Tariff auction will depend upon a strong partnership and the best products to allow the construction of a solar system that can generate power at a competitive Levelised cost of Energy (LCOE) and win the ACT reverse Feed-in-Tariff auction.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

David Richardson
Executive Chairman

Mark Norman
Executive Director

29 February 2012

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Solco Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

Perth, Western Australia
29 February 2012

M R W OHM
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4 130 Stirling Street Perth 6000 PO Box 8124 Perth BC 6849 Western Australia. Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Solco Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Solco Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other 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 financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2011 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 Solco 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4 130 Stirling Street Perth 6000 PO Box 8124 Perth BC 6849 Western Australia. Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of HLB International, a world-wide organisation of accounting firms and business advisers

HLB Mann Judd

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Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the consolidated entity for the half-year ended 31 December 2011 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial report.

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

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

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Perth, Western Australia
29 February 2012

M R W OHM
Partner

DIRECTORS' DECLARATION

In the opinion of the directors of Solco Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
    a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year then ended.
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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

David Richardson
Executive Chairman

29 February 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated Half year ended 31 December 2011 $	Consolidated Half year ended 31 December 2010 $
Continuing operations			
Revenue	2	11,245,761	25,387,371
Change in inventories of finished goods and work in progress		(11,169,613)	(19,325,085)
Raw materials and consumables used		(467,226)	(943,142)
Gross (loss)/profit		(391,078)	5,119,144
Employee benefit expenses		(1,913,106)	(1,818,884)
Research and development expenses		(13,893)	(78)
Advertising expenses		(39,887)	(71,932)
Company overhead expenses		(1,308,123)	(859,876)
Share based payments	3	(35,494)	-
Net fair value loss on forward currency contracts		(2,552)	(1,013,408)
Depreciation and amortisation expenses		(20,439)	(17,990)
Finance costs		(31,595)	(82,537)
(Loss)/Profit before tax		(3,756,167)	1,254,439
Income tax benefit/(expense)		1,117,808	(329,160)
Net (Loss)/Profit for the period		(2,638,359)	925,279
Other comprehensive income/(loss)			
Cash flow hedges:			
Gain taken to equity		115,680	-
Income tax expense on items of other comprehensive income		(34,704)	-
Other comprehensive gain for the period, net of tax		80,976	-
Total comprehensive (loss)/income for the year		(2,557,383)	925,279
(Loss)/Earnings per share			
Basic and diluted (cents per share)		(1.32)	0.46
Dividends (cents per share)		-	0.375

The accompanying notes from part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Consolidated	
	31 December 2011 $	30 June 2011 $
Current assets		
Cash and cash equivalents	2,399,895	6,775,327
Trade and other receivables	2,024,959	4,370,360
Inventories	7,805,291	7,068,288
Derivative financial instruments	28,198	-
Other assets	85,714	369,937
Total current assets	12,344,057	18,583,912
Non-current assets		
Property, plant and equipment	377,015	250,491
Intangible assets	754,761	754,761
Other assets	58,456	57,510
Deferred tax asset	2,230,521	1,149,023
Total non-current assets	3,420,753	2,211,785
Total assets	15,764,810	20,795,697
Current liabilities		
Trade and other payables	3,159,414	5,409,264
Provisions	99,047	277,425
Income tax payable	758,507	758,507
Derivative financial instruments	-	145,211
Total current liabilities	4,016,968	6,590,407
Non-current liabilities		
Provisions	442,045	375,998
Total non-current liabilities	442,045	375,998
Total liabilities	4,459,013	6,966,405
Net assets	11,305,797	13,829,292
Equity		
Issued capital	19,813,438	19,815,044
Reserves	62,725	(53,745)
Accumulated losses	(8,570,366)	(5,932,007)
Total equity	11,305,797	13,829,292

The accompanying notes from part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Consolidated

	Fully paid ordinary shares	Share-based payment reserve	Cash flow hedge reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 1 July 2010	19,818,256	22,650	-	(7,667,736)	12,173,170
Profit for the period	-	-	-	925,279	925,279
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	925,279	925,279
Tax adjustment - equity	(1,606)	-	-	-	(1,606)
Lapsed options - transfer between reserves	-	(22,650)	-	22,650	-
Payment of dividends	-	-	-	(748,552)	(748,552)
Balance at 31 December 2010	19,816,650	-	-	(7,468,359)	12,348,291
Balance at 1 July 2011	19,815,044	-	(53,745)	(5,932,007)	13,829,292
Loss for the period	-	-	-	(2,638,359)	(2,638,359)
Other comprehensive income	-	-	80,976	-	80,976
Total comprehensive income for the year	-	-	80,976	(2,638,359)	(2,557,383)
Tax adjustment - equity	(1,606)	-	-	-	(1,606)
Recognition of share-based payments	-	35,494	-	-	35,494
Balance at 31 December 2011	19,813,438	35,494	27,231	(8,570,366)	11,305,797

The accompanying notes from part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated	
	Half year ended 31 December 2011 $	**Half year ended 31 December 2010 $**
Cash flows from operating activities		
Receipts from customers	14,950,007	29,279,979
Payments to suppliers and employees	(19,205,599)	(32,895,492)
Interest and other costs of finance paid	(31,595)	(82,537)
Interest received	58,264	88,321
Net cash used in operating activities	(4,228,923)	(3,609,729)
Cash flows from investing activities		
Payments for property, plant and equipment	(146,509)	(36,237)
Net cash used in investing activities	(146,509)	(36,237)
Net decrease in cash and cash equivalents	(4,375,432)	(3,645,966)
Cash and cash equivalents at the beginning of the financial year	6,775,327	6,064,576
Cash and cash equivalents at the end of the financial year	2,399,895	2,418,610

The accompanying notes from part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Statement of compliance

These consolidated half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134*: Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by Solco Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of Preparation

The half-year report has been prepared on a historical cost basis, except for derivative financial instruments which are measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

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

Significant accounting policies

The accounting policies applied by the Group in this consolidated half-year financial report are consistent with those of the previous financial year and corresponding interim reporting period.

Significant accounting judgements and key estimates

The preparation of half-year financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this half-year report, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's financial report for the year ended 30 June 2011, except for the following:

a) Write down of inventory

In line with the Group's accounting policy, management has reviewed the carrying value of inventory on a line by line basis at the reporting date to ensure that the net realisable value of solar panel stocks was not lower than its carrying value. This determination was made by reference to sales prices achieved after the reporting date. Where net realisable value was assessed as lower than carrying value, inventory lines were written down to net realisable value.

As a result of this assessment, Solco recorded a net stock write-down of $1,150,000.

b) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis unless there are other impairment indicators. Given the losses incurred during the period to December 2011 the Group undertook an impairment assessment at reporting date.

For the purpose of impairment testing, the recoverable amount of the cash generating unit has been determined based on a value-in-use calculation using cash flow projections based on the forecast profit before tax for the 2012 financial year.

The discount rate applied to cash flow projections is 8.52% and cash flows beyond the first year are extrapolated using a conservative one percent growth rate, which is considered at the lower end of the average growth rate for the industry generally.

The carrying amount of goodwill allocated to the cash generating unit amounts to $754,761 (30 June 2011: $754,761).

Key assumptions used in value in use calculations

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of the cash generating unit.

1) Growth rates of one percent per annum for the following four periods.
2) In calculating the terminal value a growth rate of one percent was used.
3) Bond rates - the yield on a ten year government bond rate at the beginning of the budgeted year is used.

Impact of possible changes in key assumptions

Neither using growth rates of zero percent in the value-in-use calculation nor increasing the pre-tax discount rate for the cash generating unit by a further ten percent of that rate would result in a need to reduce the carrying amount of the intangible asset.

c) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of budgeted future taxable profits over the next two years together with future tax planning strategies that the Group may adopt.

d) Share based payment transactions

The Group measures the cost of equity-settled transactions with Directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes option pricing model. The related assumptions are detailed in note 3. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2011, the Group has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

2. Revenue

	31 December 2011	31 December 2010
	$	$
Sales revenue	11,185,997	25,272,007
Other income	59,764	115,364
Total Revenue	**11,245,761**	**25,387,371**

3. Share based payments

The following share-based payment arrangements were entered into during the current reporting period:

Options series	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $
Director Options	3,000,000	30.11.11	30.11.13	14 cents	0.22 cents

The following reconciles the outstanding share options granted as share based payments at the beginning and end of the financial period:

	Number of options
Balance at beginning of the financial period	-
Granted during the financial period	3,000,000
Expired/ Lapsed during the financial period	-
Balance at the end of the financial period	3,000,000
Exercisable at the end of the financial period	1,500,000

Under the terms and conditions of the Options, 50% (1,500,000) of the Options vested on the grant date, with the remaining balance vesting 12 months after this date.

Using a Black-Scholes option pricing model and a volatility rate of 89%, an interest rate of 3.12% and a share price of $0.072 on grant date, the Group calculated the fair value of each Option to be $0.022. Based on this, the Group recognised a share based payment expense of $35,494 during the period.

4. Subsequent events

No matters or circumstances have arisen since the end of the half year period which affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

5. Dividends

	31 December 2011		31 December 2010	
	Cents per share	Total $	Cents per share	Total $
Dividends provided for or paid during the half-year				
Final dividend on fully paid ordinary shares (unfranked)	-	-	0.375	748,552

6. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

7. Segment Reporting

The Company has adopted AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards* arising from AASB 8 with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Company's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Company, the Board as a whole has been determined as the chief operating decision maker.

The Company operates in one business segment and one geographical segment, namely the renewable energy industry in Australia. AASB 8 Operating Segments states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the wholesaling of solar panels. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. Solco Limited has therefore decided to aggregate all their segments into one reportable operating segment.

The revenues and results of this segment are those of the Company as a whole and are set out in the statement of comprehensive income. The segment assets and liabilities of this segment are those of the Company and are set out in the statement of financial position.

This does not represent any changes in disclosure from the predecessor Standard AASB 114 *Segment reporting.*