

Astron Limited

ABN 97 000 285 272

Half Year Report

ended 31 December 2009

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- Consolidated Financial Statements

Astron Limited – Half Year Report

CORPORATE DIRECTORY

Astron Limited ABN 97 000 285 272

Directors

Mr Gerard King (Chairman)
Mr Alexander Brown (Managing Director)
Mr Robert Flew (Non-executive Director)
Mr Ronald McCullough (Non-executive Director)
Mdm Kang Rong (Executive Director)

Company Secretary

Mr Mark Nielsen (Appointed 24 November 2009)
Mr Matthew Suttling (Resigned 1 February 2010)

Registered Office

Level 19, 2 Market Street
Sydney 2000 Australia

Australian Business Office

Level 29, 2 Chifley Square
Sydney 2000 Australia
Telephone: 61 2 9375 2361
Fax: 61 2 9375 2121

China Business Office

c/- Yingkou Astron Mineral Resources Co Ltd
Suite 2105, Building E, Fortune Center
59 Beizhan Road, Shenhe District, Shenyang
Liaoning Province, China 110016
Telephone: 86 24 3128 6222
Fax: 86 24 3128 6222

Bankers

Commonwealth Bank of Australia
48 Martin Place
Sydney NSW 2000

Share Registrar

Computershare Investor Services Limited
Level 3, 60 Carrington Street
Sydney NSW 2001
Telephone: 61 2 8234 5000

Auditors

BDO Audit (NSW-VIC) Pty Ltd
Level 19, 2 Market Street
Sydney NSW 2000

Internet Address

www.astronlimited.com

Astron Limited – Half Year Report
Appendix 4D

HALF YEAR INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.2A

Name of entity

ASTRON LIMITED

ABN

97 000 285 272

Reporting period

Half Year ended 31 December 2009

Previous corresponding period

Half Year ended 31 December 2008

The information contained in this report should be read in conjunction with the most recent annual financial report.

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from continuing operations	Up	199	%	to	\$5,317,182
Profit from ordinary operations after income tax attributable to members	Down	25	%	to	\$731,243
Net profit for the period attributable to members	Down	87	%	to	\$731,243
Net tangible asset value per share	Down	1	%	to	\$2.90

2. REVIEW OF OPERATIONS

A review of operations is included in the Directors' Report.

3. DETAILS OF CONTROLLED ENTITIES

During the period the Group did not gain or lose control of any entities.

4. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The group has no associates or joint venture entities.

5. DIVIDENDS

5.1 Dividends per share	Amount per share (cents)	Franked amount per share (cents)	Amount per share of foreign source dividend (cents)
Final			
- current period	-	-	-
- previous corresponding period	10	-	10
Interim			
- current period	-	-	-
- previous corresponding period	-	-	-

5.2 Total dividends

Final	
- current period	-
- previous corresponding period	6,490,000

No dividend is proposed for the period to 31 December 2009.

6. AUDIT DISPUTES OR QUALIFICATIONS

There are no audit disputes or qualifications.

7. ACCOUNTING STANDARDS

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

Astron Limited and its Subsidiaries

ABN 97 000 285 272

Consolidated Financial Statements

For the Half Year Ended 31 December 2009

Astron Limited and its Subsidiaries

ABN 97 000 285 272

Consolidated Financial Statements

For the Period Ended 31 December 2009

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Astron Limited and its Subsidiaries

ABN 97 000 285 272

Directors' Report

31 December 2009

Your directors present their Report on the Company and its subsidiaries (the Group) for the half year ended 31 December 2009.

1. General information

Directors

The directors in office at any time during, or since the end of, the period are:

Mr Gerard King

Mr Alexander Brown

Mr Robert Flew

Mr Ronald McCullough

Mdm Kang Rong

2. Business review

Review of operations

Astron has continued its strategy of developing and seeking strategic partners to provide funding for the development of the Donald Project and its downstream processes. Since the end of the 30 June 2009 financial year following milestones have been achieved:

Donald Mineral Sands

Work has been undertaken in assessing the requirements for the completion of the DMS definitive feasibility study. This includes:

- updating the resource and conversion from resource to reserves in terms of JORC;
- detailed designs for the plant at the mine site and the mineral separation plant in China;
- pump tests on the deep lead aquifer.

The intention in the next half of the 2010 financial year is complete a significant portion of this work.

Astron has signed a non-binding memorandum of understanding (MOU) with Korean steelmaker Posco, for Posco to co-operate as a funding partner to bring Astron's Donald mineral sands mine (DMS) and all of its associated downstream processes into production.

China downstream processes

In China, the plant to trial the Zirpaque process has been constructed. Zirconium Oxycloride testing will be undertaken using a third party chlorinator. Testing of these processes will be undertaken utilising feedstock processed through a trial mineral separation plant in China.

Yingkou land

The construction of the factory and warehouse at Yingkou has commenced with the outer walls having been completed.

Review of financials

Arising from the reduction of stock holdings, improved cash collections and interest received, the Group's cash and cash equivalents on hand has increased from 30 June 2009 to 31 December 2009 by \$245,299. This increase is after taking into account the Group's operational expenditure and capital expenditure incurred on the Yingkou factory.

Astron Limited and its Subsidiaries

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Directors' Report

31 December 2009

Revenue from sales of Zircon and Rutile resulted in a gross margin of \$1,600,033.

Interest received and operational expenses were in line with budgeted amounts.

The net profit after taxation for the period to 31 December 2009 was \$713,243.

3. Auditors Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is included on Page 9 to this half year report.

Signed in accordance with a resolution of the Board of Directors:

Chairman:

A handwritten signature in black ink, appearing to read 'Gerard King', is written over a light grey rectangular background.

Mr Gerard King

Dated this 18th day of February 2010

**DECLARATION OF INDEPENDENCE
TO THE DIRECTORS OF ASTRON LIMITED**

As lead auditor for the review of Astron Limited for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, 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.

This declaration is in respect of Astron Limited and the entities it controlled during the period.



Jeff Abela
Director



BDO Audit (NSW-VIC) Pty Ltd

Sydney, 18 February 2009

Astron Limited and its Subsidiaries

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Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2009

	Half-Year Ended 31 December 2009 \$	Half-Year Ended 31 December 2008 \$
Revenue from continuing operations	5,317,182	1,780,804
Cost of sales	(3,717,149)	(1,393,153)
Gross profit	1,600,033	387,651
Other revenue	2,706,704	5,480,199
Distribution costs	(137,963)	(278,893)
Marketing costs	(118,900)	(9,813)
Occupancy costs	(106,667)	(63,717)
Administrative costs	(1,929,081)	(1,835,685)
Development costs	(203,813)	(346,271)
Impairment of available-for-sale financial assets	(247,840)	-
Costs associated with Gambian and Senegal Investments	(219,202)	(887,527)
Impairment of Gambian equity investment	-	(63,535)
Other expenses	(93,504)	(97,160)
Share of loss of joint ventures accounted for using the proportionate method	-	(39,615)
Profit before income tax expense	1,249,767	2 245 633
Income tax expense	(518,524)	(1,261,490)
Profit from continuing operations	731,243	984 143
Profit from discontinued China operations	-	4,846,090
Net profit for the half year	731,243	5 830 233
Other comprehensive income		
Exchange differences on translation of foreign operations	(3,046,485)	11,949,139
Other comprehensive (loss)/income for the half year, net of tax	(3,046,485)	11,949,139
Total comprehensive (loss)/income for the half year	(2,315,242)	17,779,372
Profit for the half year is attributable to:		
Owners of Astron Limited	731,243	5,830,233
Total comprehensive (loss)/income for the half year is attributable to:		
Owners of Astron Limited	(2,315,242)	17 779 372

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Astron Limited and its Subsidiaries

ABN 97 000 285 272

Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2009

	Half-Year Ended 31 December 2009	Half-Year Ended 31 December 2008
Attributable to owners of Astron Limited		
Basic earnings per share (cents per share)	1.13	9.02
Diluted earnings per share (cents per share)	1.13	9.02
From profit from continuing operations attributable to owners of Astron Limited		
Basic earnings per share (cents per share)	1.13	1.52
Diluted earnings per share (cents per share)	1.13	1.52
From profit from discontinued operations attributable to owners of Astron Limited		
Basic earnings per share (cents per share)	-	7.50
Diluted earnings per share (cents per share)	-	7.50
Dividends		
Final dividend per share paid (cents)	-	10.00

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Astron Limited and its Subsidiaries

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Consolidated Statement of Financial Position

As at 31 December 2009

	Note	As at 31 December 2009 \$	As at 30 June 2009 \$
ASSETS			
Current assets			
Cash and cash equivalents		169,061,704	168,816,405
Trade and other receivables		1,593,968	2,463,960
Taxation receivable		66,833	-
Inventories		909,427	2,884,393
Available-for-sale financial assets		851,897	1,099,736
Total current assets		172,483,829	175,264,494
Non-current assets			
Property, plant and equipment		10,150,158	8,998,671
Intangible assets		20,764,057	20,471,305
Land use rights		9,708,238	10,770,472
Total non-current assets		40,622,453	40,240,448
TOTAL ASSETS		213,106,282	215,504,942
LIABILITIES			
Current liabilities			
Trade and other payables		2,150,526	1,664,573
Current tax liabilities		-	920,986
Provisions		18,546	100,000
Total current liabilities		2,169,072	2,685,559
Non-current liabilities			
Deferred tax liabilities		2,127,845	1,613,295
Provisions		40,000	40,000
Total non-current liabilities		2,167,845	1,653,295
TOTAL LIABILITIES		4,336,917	4,338,854
NET ASSETS		208,769,365	211,166,088
EQUITY			
Share capital	6	39,294,570	39,376,051
Foreign currency translation reserve		3,885,082	6,931,567
Retained earnings		165,589,713	164,858,470
CAPITAL AND RESERVES ATTRIBUTABLE TO THE OWNERS OF ASTRON LIMITED		208,769,365	211,166,088
TOTAL EQUITY		208,769,365	211,166,088

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Astron Limited and its Subsidiaries

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Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2009

	Ordinary Shares	Retained Earnings	Foreign Currency Translation Reserve	Equity Account Reserve	Total Equity
	\$	\$	\$	\$	\$
Period Ended 31 December 2009					
Equity as at 1 July 2009	39,376,051	164,858,470	6,931,567	-	211,166,088
Profit for the half year	-	731,243	-	-	731,243
<i>Other comprehensive income</i>					
Exchange differences on translation of foreign operations	-	-	(3,046,485)	-	(3,046,485)
Total comprehensive income for the half year		731,243	(3,046,485)	-	(2,315,242)
Shares repurchased during the year	(81,481)	-	-	-	(81,481)
Transactions with owners in their capacity as owners	(81,481)	-	-	-	(81,481)
Equity as at 31 December 2009	39,294,570	165,589,713	3,885,082	-	208,769,365

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Astron Limited and its Subsidiaries

ABN 97 000 285 272

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2009

	Ordinary Shares	Retained Earnings	Foreign Currency Translation Reserve	Equity Account Reserve	Total Equity
	\$	\$	\$	\$	\$
Period Ended 31 December 2008					
Equity as at 1 July 2008	39,203,511	172,630,651	(1,130,423)	1,216,859	211,920,598
Profit for the half year	-	5,830,233	-	-	5,830,233
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	11,949,139	-	11,949,139
Total comprehensive income for the half year	-	5,830,233	11,949,139	-	17,779,372
Equity investment reserve transfer	-	1,216,859	-	(1,216,859)	-
Shares issued during the half year	793,764	-	-	-	793,764
Transaction costs	(3,634)	-	-	-	(3,634)
Shares repurchased during the year	(453,793)	-	-	-	(453,793)
Dividends paid or provided for	-	(6,490,238)	-	-	(6,490,238)
Transactions with owners in their capacity as owners	336,337	(5,273,379)	-	(1,216,859)	(6,153,901)
Equity as at 31 December 2008	39,539,848	173,187,505	10,818,716	-	223,546,069

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Astron Limited and its Subsidiaries

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Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2009

	Half-Year Ended 31 December 2009 \$	Half-Year Ended 31 December 2008 \$
Cash generated from operating activities		
Receipts from customers	6,281,569	6,242,528
Payments to suppliers and employees	(3,851,625)	(4,152,537)
Interest received	2,619,869	5,422,818
Income taxes paid	(987,819)	-
Net cash generated from operating activities	4,061,994	7,512,809
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,338,889)	(2,717,152)
Payment for acquisition of subsidiary	-	(50,000)
Development expenditure	(318,649)	(1,082,593)
Net cash utilised by investing activities	(2,657,538)	(3,849,745)
Cash flows from financing activities		
Payments for the repurchase of shares	(81,481)	(457,427)
Repayments of borrowings	-	(3,988,354)
Dividends paid to company shareholders	-	(5,696,473)
Net cash utilised by financing activities	(81,481)	(10,142,254)
Net increase/(decrease) in cash and cash equivalents	1,322,975	(6,479,190)
Cash and cash equivalents at beginning of period	168,816,405	185,656,025
Effect of exchange rates on cash held in foreign currencies at beginning of period	(1,077,676)	2,756,108
Cash and cash equivalents at end of period	169,061,704	181,932,943

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Astron Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2009

1 Statement of significant accounting policies

These general purpose financial statements for the interim half year reporting period ended 31 December 2009 have been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.

The historical cost basis has been used, except for available-for-sale financial assets which have been measured at fair value.

These half year financial statements do not include all the notes of the type normally included in annual financial statements 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 statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2009 and any public announcements made by Astron Limited during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in these half year financial statements as compared with the most recent annual financial statements.

2 Profit for the half year

	31 December 2009	31 December 2008
	\$	\$
The following significant revenue and expense items are relevant to explaining the financial performance		
<i>Continuing operations</i>		-
Foreign exchange gains	69,447	14,994
Impairment of fair value on available-for-sale financial assets	(247,840)	-
Impairment of equity accounted associate investment and receivable	-	(63,535)
Impairment of capitalised development expenditure	(203,813)	(346,271)
Costs associated with Gambian and Senegal Investments	(219,202)	(887,527)
<i>Discontinued operations</i>		
Adjustments to profit on sale of Zircon Group	-	(1,190,494)
Adjustment to provision for indemnification on discontinued operations	-	6,036,584

3 Dividends

Dividends paid for during the half year:

	31 December 2009	31 December 2008
	\$	\$
Final unfranked dividend of NIL (2008: 10c) per share	-	6,490,237

4 Seasonality and irregular trends

No seasonal or irregular trends were noted during the review period.

Astron Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2009

5 Contingent liabilities and assets

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, 30 June 2009.

6 Issued share capital

	31 December	30 June
	2009	2009
	\$	\$
64,780,693 (2009: 64,824,502) Fully Paid Ordinary Shares	39,294,570	39,376,051

Issues and repurchases of Ordinary Shares during the half year

	31 December	30 June
	2009	2009
	No.	No.
At the beginning of reporting period	64,824,502	64,667,538
Shares issued during the year		
- Shares bought back during the year	(43,809)	(361,868)
- On 12 December 2008 shares issued in accordance with the Dividend reinvestment plan	-	518,832
At reporting date	64,780,693	64,824,502

7 Subsequent events

There were no material events subsequent to 31 December 2009.

8 Subsidiaries

During the current half year period Astron did not acquire or dispose of any subsidiary companies.

On 22 December 2008 Astron Limited paid \$50,000 to acquire Coast Resources Limited which holds a 50% interest in Carnegie Minerals (Gambia) Limited and the Senegal Joint Venture.

This results in Astron acquiring the remaining 50% of Joint Venture Entity Carnegie Minerals (Gambia) Limited becoming a 100% subsidiary of Astron Limited for the sum of \$1 as all assets of the company have been impaired. This acquisition was transacted to simplify the process of Astron pursuing its legal rights under that mining lease (if it chooses to do so) in an endeavour to recover the operation or damages for its loss.

The acquired businesses contributed revenues of \$Nil and net profits of \$Nil to the Group from acquisition date to 31 December 2008. If the acquisition had occurred on 1 July 2008 consolidated revenue and profit would have been unchanged.

Astron Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2009

9 Segment reporting

(a) Business segments

The group has adopted AASB 8 Operating Segments from 1 July 2009 whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief executive officer who monitors the segment performance based on the net profit of period. This is consistent with Annual Financial Statements for the ended 30 June 2009. The principal segments are:

- Astron Corporate: group treasury and head office activities
- Donald Mineral Sands: development of the Donald Mineral Sands Mine
- Titanium: Development of mineral processing plant
- Mineral Resources: Mineral trading
- Discontinued: Chemical manufacturing and mineral processing.

Astron Limited and its Subsidiaries

ABN 97 000 285 272

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2009

9 Segment Reporting (cont)

(b) Primary reporting - Business segments

31 December	Astron Corporate		Donald Mineral Sands		Mineral Resources		Titanium		Total of Continuing Operations		Discontinued Operations		Consolidated	
	Dec-09	Dec-08	Dec-09	Dec-08	Dec-09	Dec-08	Dec-09	Dec-08	Dec-09	Dec-08	Dec-09	Dec-08	Dec-09	Dec-08
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue from external customers														
Sales	1,833	108,620	-	-	5,315,349	1,672,184	-	-	5,317,182	1,780,804	-	-	5,317,182	1,780,804
Other revenue/income	2,696,175	5,420,467	6,004	25,971	-	33,759	-	-	2,702,179	5,480,198	-	-	2,702,179	5,480,198
Total revenue/income	2,698,008	5,529,087	6,004	25,971	5,315,349	1,705,943	-	-	8,019,361	7,261,002	-	-	8,019,361	7,261,002
Segment result														
Segment results	892,305	3,521,423	6,004	25,971	555,271	-984,706	-203,813	-317,055	1,249,767	2,245,633	-	4,846,090	1,249,767	7,091,723
Intersegment elimination														
Profit before tax									1,249,767	2,245,633	-	4,846,090	1,249,767	7,091,723
Income tax expense									-518,524	-1,261,490	-	-	-518,524	-1,261,490
Net profit for the period									731,243	984,143	-	4,846,090	731,243	5,830,233

Astron Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2009

2,009	Astron Corporate		Donald Mineral Sands		Mineral Resources		Titanium		Total of Continuing Operations		Consolidated	
	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets												
Segment assets	154,056,281	160,580,124	21,170,766	20,997,323	11,486,399	12,406,261	26,392,836	21,521,234	213,106,282	215,504,942	213,106,282	215,504,942
Total segment assets	154,056,281	160,580,124	21,170,766	20,997,323	11,486,399	12,406,261	26,392,836	21,521,234	213,106,282	215,504,942	213,106,282	215,504,942
Liabilities												
Segment liabilities	2,643,620	3,328,528	74,109	95,445	1,615,983	924,231	3,205	-9,349	4,336,917	4,338,855	4,336,917	4,338,855
Total segment liabilities	2,643,620	3,328,528	74,109	95,445	1,615,983	924,231	3,205	-9,349	4,336,917	4,338,855	4,336,917	4,338,855

The performance criteria for the trading company Astron Mineral Resources in China is Net Profit. In respect of Astron Titanium Company, Donald Mineral Sands and Astron Corporate, we use total assets and liabilities.

Astron Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2009

10 Discontinued Operations

(a) Description

During the half year period to 31 December 2009 no operations were discontinued.

For the comparable period refer to the 30 June 2009 Annual Report.

(b) Financial Performance and Cash Flow information

The financial performance in respect of the discontinued operations for the six months ended 31 December 2008 is presented below:

	31 December 2009	31 December 2008
Revenue	-	-
Other income	-	6,036,584
Expenses	-	(1,190,494)
Profit before income tax	-	4,846,090
Income tax expense	-	-
Profit after income tax of discontinued operations	-	4,846,090

10 Revisions of Estimates

The estimate of depreciation on leasehold apartments in China has changed from 18 to 50 years. This revision is in line with the remaining term of the lease.

Astron Limited

ABN 97 000 285 272

Declaration by Directors

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 11 to 21, are in accordance with the Corporations Act 2001 and:
 - (a) give a true and fair view of the financial position of the consolidated entity as at 31 December 2009 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and
 - (b) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
3. 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.

Chairman



Mr Gerard King

Dated 18th February 2010

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Astron Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Astron Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity 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 disclosing entity 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 2009 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 ASTRON 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*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

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 Astron 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 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

A handwritten signature in black ink that reads 'BDO'.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in black ink that reads 'Jeff Abela'.

Jeff Abela

Director

Sydney, 18 February 2009