

APOLLO CONSOLIDATED LIMITED

ASX Appendix 4D
Half-Year Report
Period ended 31 December 2009

Name of entity

APOLLO CONSOLIDATED LIMITED

ABN

13 102 084 917

Reporting period ended ("current period")

31 December 2009

Comparative period ended ("prior period")

31 December 2008

Statement

This report is based on information extracted from the Half-Year Financial Report (Report) of Apollo Consolidated Limited (Company) and the entities it controlled at the end of, or during the half-year ended 31 December 2009 (Consolidated Entity or Group). The Half- Report has been subject to review by the Company's auditor and an unqualified review report is included with the attached Report.

Results for announcement to the market

	2009 \$'000	2008 \$'000	UP/DOWN	CHANGE \$'000	% CHANGE
Revenues from ordinary activities* <i>*Continuing operations only</i>	6	6	Down	100	0
Profit / (loss) from ordinary activities after tax attributable to members.	456 Profit	(1,642) Loss	Up	2,098	128
Net profit / (loss) for the period attributable to members	456 Profit	(1,642) Loss	Up	2,098	128

The Group has recognised a profit of \$455,826 from ordinary activities for the half- year to 31 December 2009 as compared with a loss of \$1,642,245 in the prior half-year. The Company was subject to a Deed of Company Arrangement ("DOCA") during the prior reporting period. A net accounting gain of \$648,724 has been recognised during the current period in relation to the extinguishment of pre-DOCA liabilities.

No dividends have been paid during or are proposed in respect of the half-year ended 31 December 2009.

	2009	2008
Net Tangible Assets per security (cents per share)	0.3	Nil

APOLLO CONSOLIDATED LIMITED

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Interim Financial Report for the half-year ended

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APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

Corporate Directory

Directors

Mr Roger Steinepreis –Non- Executive Chairman

Mr George Ventouras –Executive Director

Mr Nick Castleden - Non-Executive Director

Company Secretary

Mr Alex Neuling

Registered and Principal Administrative Office

C/- Steinepreis Paganin

Level 4, The Read Buildings

16 Milligan Street

Perth WA 6000

Australia

Auditors

Deloitte Touche Tohmatsu

Woodside Plaza,

Level 14, 240 St Georges Terrace,

Perth WA 6000

Australia

Stock Exchange Listing

Australian Stock Exchange

Home Exchange: Perth, Western Australia

Code: AOP

Bankers

National Australia Bank Limited

Ground Floor, 50 St Georges Terrace

Perth WA 6000

Share Registry

Computershare Investor Services Pty Limited

Level 2

45 St Georges Terrace GPO BOX D182

PERTH WA 6000 Perth WA 6840

Telephone: 08 9323 2000

Fax: 08 9323 2033

Directors' Report

The Directors of Apollo Consolidated Limited present their report on the Consolidated Entity consisting of Apollo Consolidated Limited ("the Company" or "Apollo") and the entities it controlled during the half-year ended 31 December 2009 ("Consolidated Entity" or "Group").

Directors

The names of the Directors of Apollo Consolidated Limited in office during the half-year and until the date of this report are:

Current Directors

Mr Roger Steinepreis –Non- Executive Chairman (appointed 4 August 2009)

Mr George Ventouras –Executive Director (appointed 4 August 2009)

Mr Nick Castleden - Executive Director (appointed 4 August 2009)

Former Directors

Mr John Priest- Executive chairman (resigned 4 August 2009)

Mr Anthony Basten – Non-executive director (resigned 4 August 2009)

Mr Paul Murnane – Non-executive director (resigned 4 August 2009)

Principal Activities

Apollo Consolidated Ltd is an Australian company listed on the Australian Securities Exchange (ASX code AOP). Apollo's main business is the Ellipse Skin Science range of cosmetics. It is also the intention of Apollo's board to identify new opportunities in related or non-related industries that may increase shareholder value. Consistent with this strategy Apollo announced in October 2009 that it had acquired an 80% interest in the Rebecca Gold Project (details below).

About Ellipse Skin Science

The range of cosmetics branded as Ellipse Skin Science uses Apollo's patented Intradel® technology as well as micro-droplet emulsion and oil / water cream emulsion technologies, to provide superior skin care protection and rejuvenation. Product details and ordering information are available at www.ellipseskin.com.au.

About the Rebecca Gold Project

The Rebecca project is located in the southern Laverton Tectonic Zone (LTZ), 150km east of Kalgoorlie, WA. The LTZ is a regional scale shear/fault system that has proved to be one of the more productive gold trends in the WA Goldfields, hosting the Sunrise-Cleo, Wallaby, Lancefield and Granny Smith gold camps with a combined gold endowment of well over 20Moz.

The project is characterised by sulphide-rich structural lodes within broad zones of >0.10g/t Au bedrock gold anomalism. Previous wide-spaced RC drilling has identified three key areas Redskin, Duke and Bombora, each of which have returned encouraging gold intercepts that remain open at depth and along strike. Mineralisation is contained within gneissic rocks below a shallow, variably-leached oxidation profile. There are host-rock and some alteration similarities to Tropicana (>5Moz) and Westonia (1.5Moz) in WA and the high-grade Challenger deposit in the Gawler Craton.

Directors' Report

Review of Operations & Changes in State of Affairs

On 30 March 2009, at which point the Company was subject to a Deed of Company Arrangement ("DOCA"), creditors resolved, subject to shareholder approval, to accept a recapitalisation proposal from Blueknight Corporation Pty Ltd ("Blueknight") under which the Company would:

- Retain an interest in its Over-the-Counter ("OTC") skin care business, including all stock and associated materials;
- Enter into a Creditors' Trust Deed for the purposes of satisfying approved creditor claims;
- Consolidate its existing capital on a 1 for 20 basis;
- Change the name of the Company to Apollo Consolidated Limited;
- Undertake capital-raising constituting the issue of up to 450 million new fully paid ordinary shares (post-consolidation, including over-subscriptions) and 50 million free attaching options to raise up to \$2,125,000 before the payment of \$350,000 into the creditors pool under the Creditors' Trust and costs of the proposal; and,
- Appoint new Directors nominated by Blueknight upon the resignation of the previously serving Directors.

Blueknight is a related party of Mr Roger Steinepreis, one of the directors appointed on 4 August 2009.

At a meeting held on 4 August 2009, shareholders voted to accept the proposal and the current Board was appointed.

A prospectus in respect of the capital-raising was lodged on 4 September 2009. Subsequently, on 30 September 2009, the Company lodged a supplementary prospectus to extend the total oversubscriptions which could be accepted by a further 20,000,000 shares. On 5 October 2009 the Company announced that the capital-raising had been completed and had raised a total of \$2,225,000 before costs and the payment of \$350,000 into the creditors pool. The Company intends to apply these funds to development of its existing assets (the OTC business), the review and evaluation of new projects and general working capital purposes. Following the payment to the creditors pool, the Deed Administrators advised on 2 October 2009 that the DOCA had been fully effectuated.

Following the effectuation of the DOCA the Company applied for reinstatement to trading of the Company's fully paid ordinary shares (ASX: AOP) and this occurred on 7 October 2009.

Subsequently, on 14 October 2009, consistent with the Company's previously stated strategy to consider investments in other sectors, Apollo announced the acquisition of an 80% interest in the Rebecca Gold Project, located in the southern Laverton Tectonic Zone, 150km east of Kalgoorlie, WA.

During the financial period, there was no other significant change in the state of affairs of the Consolidated Entity other than as referred to above and in the financial statements or notes thereto.

Results

The Consolidated Entity recorded a profit after tax for the half-year ended 31 December 2009 of \$455,826 (2008: Loss of \$1,642,245). The current period profit included an amount of \$648,724 relating to the forgiveness of pre-DOCA liabilities which occurred upon effectuation of the DOCA.

Directors' Report

Subsequent Events

There has not been any matter or circumstance, other than disclosed elsewhere in this report, the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future Developments

It is the intention of Apollo's board to identify new opportunities that may increase shareholder value in industries which may or may not be related to Apollo's existing projects. Consistent with this strategy Apollo announced in October 2009 that it had acquired an 80% interest in the Rebecca Gold Project.

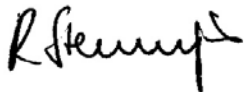
Other than this, the directors believe that disclosure of further information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly, this information has not been disclosed in this report.

Auditor's Independence Declaration

The Auditor's independence declaration is included on page 5 of the half-year financial report.

Signed in accordance with a resolution of the Directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



ROGER STEINEPREIS

Chairman

Perth, Western Australia

26 February 2010

The Board of Directors
Apollo Consolidated Ltd
Level 4 The Read Buildings
16 Milligan Street
Perth 6000

26 February 2010

Dear Board Members

APOLLO CONSOLIDATED LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Apollo Consolidated Limited.

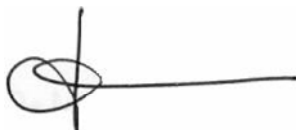
As lead audit partner for the review of the financial statements of Apollo Consolidated Limited for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



L Karamfiles
Partner
Chartered Accountant

Independent Auditor's Review Report to the Members of Apollo Consolidated Limited

We have reviewed the accompanying half-year financial report of Apollo Consolidated Limited, which comprises the condensed consolidated balance sheet as at 31 December 2009, and the condensed consolidated statement of comprehensive income, condensed consolidated cash flow statement, condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 19.

Directors' Responsibility for the Half-Year 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 Standards (including the Australian Accounting Interpretations) 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 consolidated entity's financial position as at 30 June 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 Apollo Consolidated 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.

Deloitte.

Auditor's Independence Declaration

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

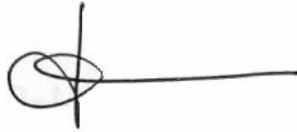
Conclusion

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 Apollo Consolidated 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 the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



L Karamfiles
Partner
Chartered Accountants
Perth, 26 February 2010


Directors' Declaration

The Directors declare that:

- (a) The financial statements of the Consolidated Entity and notes thereto are in accordance with the Corporations Act 2001, and
 - i. give 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
 - ii. comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as when they become due and payable.

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

On behalf of the Directors



ROGER STEINEPREIS

Chairman

Perth Western Australia

26 February 2010

APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December

	<i>Note</i>	2009 \$	2008 \$
<i>Continuing operations</i>			
Revenue		3,445	551
Other income		2,443	5,053
Total revenue		<u>5,888</u>	<u>5,604</u>
Changes in inventories of finished goods and work-in-progress		(362)	(162)
Finance costs		-	(6,584)
Employee benefit expense		-	(230,413)
Consulting expense		(65,354)	(113,267)
Occupancy expense		(6,750)	(69,822)
Patent expense		-	(2,764)
Marketing expense		(21,284)	(251)
Compliance & administrative expense		(99,716)	(57,003)
Other expenses		(2,185)	(68,012)
Loss from ordinary activities before income tax		<u>(192,898)</u>	<u>(544,365)</u>
Income tax benefit / (expense)		-	-
Loss for the year from continuing operations		<u>(192,898)</u>	<u>(544,365)</u>
<i>Discontinued operations</i>			
Profit / (loss) from discontinued operations	(2)	648,724	(1,097,880)
Net profit / (loss) attributable to members of Company		<u>455,826</u>	<u>(1,642,245)</u>
Other comprehensive income		-	-
Total comprehensive income for the half-year		<u>455,826</u>	<u>(1,642,245)</u>

Earnings / (loss) per share

From continuing & discontinued operations

Basic earnings / (loss) per share (cents per share)	0.19	(0.9)
Diluted earnings / (loss) per share (cents per share)	0.17	(0.9)

From continuing operations only

Basic loss per share (cents per share)	(0.08)	(0.04)
Diluted loss per share (cents per share)	(0.08)	(0.04)

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes..

APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

Condensed Consolidated Balance Sheet

As at 31 December 2009

	<i>Note</i>	31-Dec-09	30-Jun-09
		\$	\$
Assets			
Current assets			
Cash and cash equivalents available to the Consolidated Entity		1,468,997	-
Trade and other receivables		34,661	-
Inventories		17,587	17,949
Assets allocated for settlement of DOCA			
Cash and cash equivalents		-	34,047
R&D rebate receivable		-	342,762
Total current assets		1,521,245	394,758
Capitalised exploration and evaluation expenditure		83,612	-
Total non-current assets		83,612	-
Total assets		1,604,857	394,758
Liabilities			
Current liabilities			
Liabilities to be settled under DOCA			
Employee payables		-	(68,935)
Trade payables and accruals		-	(847,598)
Related party borrowings		-	(109,000)
Trade and other payables		(76,494)	(450,500)
Total current liabilities		(76,494)	(1,476,033)
Total liabilities		(76,494)	(1,476,033)
Net assets / (liabilities)		1,528,363	(1,081,275)
Equity			
Issued capital	(5)	33,387,521	31,233,709
Reserves		2,016,401	2,016,401
Accumulated losses		(33,875,559)	(34,331,385)
Total equity / (deficit)		1,528,363	(1,081,275)

The above condensed balance sheet should be read in conjunction with the accompanying notes.

APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December

	<i>Note</i>	2009 \$	2008 \$
Share capital			
At the beginning of period		31,233,709	31,233,709
Shares issued (net of issue costs)		2,153,812	-
At the end of the period	(5)	33,387,521	31,233,709
Share-based payment reserve			
At the beginning of period		2,016,401	1,871,655
Pro-rata option vesting expense recognised during the period		-	144,746
At the end of the period		2,016,401	2,016,401
Accumulated losses			
At the beginning of period		(34,331,385)	(32,588,640)
Profit / (Loss) for the half-year		455,826	(1,642,245)
At the end of the period		(33,875,559)	(34,230,885)
Total equity / (deficit)			
At the beginning of the period		(1,081,275)	516,724
At the end of the period		1,528,363	(980,775)

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

Condensed Consolidated Cash Flow Statement

For the half-year ended 31 December

	2009	2008
<i>Note</i>	\$	\$
Cash flows from operating activities		
Receipts from customers	1,135	67,349
Payments to suppliers and employees	(242,924)	(842,799)
Income tax rebates	-	255,362
Net cash outflow from operating activities	(241,789)	(520,088)
Cash flows from investing activities		
Payments for capitalised exploration and evaluation expenditure	(83,612)	-
Proceeds from disposal of property, plant & equipment	-	363,975
Interest received	-	6,576
Net cash inflow (outflow) / inflow from investing activities	(83,612)	370,551
Cash flows from financing activities		
Proceeds from issues of shares and options	2,250,000	-
Less costs of issue	(105,602)	-
Payment to creditors' trust	(350,000)	-
Proceeds from borrowings – related parties	-	109,000
Interest paid	-	(6,566)
Net cash inflow from financing activities	1,794,398	102,434
Net increase / (decrease) in cash and cash equivalents	1,468,997	(47,103)
Cash and cash equivalents at the beginning of the period	-	237,129
Cash and cash equivalents at the end of the period	1,468,997	190,026

The above condensed cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2009

1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2009 has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those adopted and disclosed in the Company's 2009 annual financial report for the financial year ended 30 June 2009 except for the impact of the Standards and Interpretations described below and the application of an accounting policy in respect of exploration and evaluation expenditure. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

New and revised Standards and Interpretations effective for the current reporting period that are relevant to the Group include:

- *AASB 8 Operating Segments*
- *AASB 101 Presentation of Financial Statements*
- *AASB 127 Consolidated and Separate Financial Statements*

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Critical accounting estimates and judgements

In preparing this Financial Report the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2009

Exploration & Evaluation Expenditure

Costs incurred during exploration and evaluation related to an area of interest are accumulated. Costs are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities in the area of interest have not at balance date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Impairment indicators include:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and is then reclassified to mine properties and development.

2. Discontinued Operations

On 30 March 2009, creditors resolved to accept a recapitalisation proposal from Blueknight Corporation Pty Ltd ("Blueknight") subject to which (upon approval by shareholders) the Company would:

- Retain an interest in its Over-the-Counter ("OTC") skin care business, including all stock and associated materials;
- Enter into Creditors' Trust Deed for the purposes of satisfying approved creditor claims;
- Consolidate its existing capital on a 1 for 20 basis;
- Change the name of the Company to Apollo Consolidated Limited;
- Undertake two capital-raising constituting the issue of up to a maximum aggregate of 450 million new fully paid ordinary shares (post-consolidation, including over-subscriptions) and 50 million free attaching options to raise up to \$2,125,000 before the payment of \$350,000 into the creditors pool under the Creditors' Trust and costs of the proposal; and,
- Appoint new Directors nominated by Blueknight upon the resignation of the previously serving Directors.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2009

At a meeting held on 4 August 2009, shareholders voted to accept the proposal and the current Board was appointed. Accordingly, those businesses which are no longer part of the Company's ongoing activities, including contract manufacturing and research and development relating to drug delivery and new therapeutics have been classified as discontinued operations. 2008 income statement comparatives have also been reclassified and re-presented on this basis.

A prospectus in respect of the capital-raising was lodged on 4 September 2009. Subsequently, on 30 September 2009, the Company lodged a supplementary prospectus to extend the total oversubscriptions which could be accepted by a further 20,000,000 shares. On 5 October 2009 the Company announced that the capital-raising had been completed and had raised a total of \$2,225,000 before costs and the payment of \$350,000 into the creditors' pool.

Implementation of the proposal and effectuation of the DOCA has resulted in a net creditor forgiveness of approximately \$648,724 during the current period, relative to the book value of liabilities as at 30 June 2009.

As at 30 June 2009, all operations of Apollo other than those relating to its corporate administration or the OTC business were classified as discontinued. Upon effectuation of the DOCA, Apollo ceased to have any beneficial interest in these assets, which were then transferred to the Creditors' Trust in full and final settlement of outstanding pre-DOCA liabilities.

	31 Dec 09	30 Jun 09
	\$	\$
Assets allocated to settlement of DOCA		
Cash controlled by Deed Administrator	-	34,047
R&D rebate receivable	-	342,762
Total	-	376,809
Liabilities settled under DOCA		
Trade creditors and accruals	-	(847,598)
Provision for employee benefits	-	(68,935)
Unsecured borrowings from related party*	-	(109,000)
Total	-	(1,025,533)

*Relates to a loan to fund working capital provided by Apollo Capital Pty Ltd, a company associated with John Priest, a former director of the Company.

	Half-year ended 31 Dec 09
	\$
Net accounting gain on effectuation	648,724

Financial information relating to the discontinued operations in the prior half-year is set out below:

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2009

Consolidated Loss for the half-year to 31 December 2008 from discontinued operations:

	\$
Revenue	41,687
Other income	109,521
	151,208
Impairment provision – inventory	(142,450)
Changes in Inventory & WIP	-
Raw Materials & Consumables Used	(9,914)
Depreciation	(61,062)
Finance Cost Expense	-
Employee Benefit Expense	(167,008)
Consulting	(437,138)
Occupancy Expenses	(258,688)
Administrators, Deed Administrators and Trustees Expenses	(349,500)
Patent expenditure	(74,116)
Impairment of receivables from subsidiaries	-
Other Expenses	(91,975)
Loss for the year from discontinued operations before tax	(1,440,643)
Tax benefit from discontinued operations	342,763
Loss for the year after tax from discontinued operations	(1,097,880)
Total loss from discontinued operations	(1,097,880)

Consolidated Cash flows for the half-year to 31 December 2008 from discontinued operations :

Net cash applied to operating activities	(300,181)
Net cash generated by investing activities	363,975
Net cash applied to financing activities	-
Net cash inflow from discontinued operations	63,794

During the half-year to 31 December 2009, as described more fully elsewhere in this note, there was a cash outflow relating to discontinued operations of \$350,000 relating to the payment to the creditors' trust.

3. Segment Information

(i) Description

Apollo has adopted AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accountings 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 Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the Standard replaced by AASB 8 (AASB 114 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. As a result, following the adoption of AASB 8, the identification of Apollo's reportable segments has changed.

In prior years, reported segment information was analysed on the basis of the differing activities of Apollo's operating business including the continuing Over the Counter ("OTC") products business and the various discontinued research, development and contract manufacturing businesses operated by the Group prior to the appointment of external administrators in October 2008. Following the effectuation of the DOCA to which the Company and various of its subsidiaries was previously subject, the function of chief operating decision maker is now performed by the Board collectively. Information reported to the Board for the purposes of resource

APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

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For the half-year ended 31 December 2009

allocation and assessment of performance is currently focussed more broadly on the Group's diversified activities across different sectors. The discontinued life sciences businesses, to the effect that they may be relevant to the Group, are considered in aggregate. The Group's reportable segments under AASB 8 are therefore as follows:

- OTC Products (including the Ellipse Skin Science business);
- Mineral Exploration (including the Lake Rebecca project);
- Discontinued Life Sciences businesses.

Information regarding the activities of these segments during the financial period is set out in the following tables.

(ii) Segment income / (loss)

Continuing operations

	OTC Products	Mineral Exploration	Unallocated	Total
Revenues	3,445	-	-	3,445
Cost of sales	(362)	-	-	(362)
Advertising and marketing expenses	(35,990)	-	-	(35,990)
Distribution Expenses	(4,499)	-	-	(4,499)
Administrative expenses	(40,250)	-	-	(40,250)
	(77,656)	-	-	(77,656)
Corporate expenses	-	-	(115,423)	(115,243)
Total loss before tax from continuing operations	(77,656)	-	(115,423)	(192,898)

Discontinued Operations – Life Sciences

Creditor forgiveness upon effectuation of DOCA			648,724	648,724
Total profit before tax from discontinued operations			648,724	648,724
Income Tax				-
Total profit after tax from continuing and discontinued operations				455,826

(iii) Segment assets

Continuing operations

	OTC Products	Mineral Exploration	Unallocated	Total
Capitalised exploration expenditure	-	83,612		83,612
Inventory	17,587	-		17,587
Receivables	2,310	-		2,310
	19,897	83,612		103,509
Corporate assets	-	-	1,501,348	1,501,348
Total assets	19,897	83,612	1,501,348	1,604,857

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4. Dividends

No dividend has been paid or is proposed in respect of the half-year ended 31 December 2009 (2008: None).

5. Consolidated Share Capital

The Company had 484,538,583 fully paid ordinary shares on issue as at 31 December 2009 (30 June 2009: 190,769,227).

Movements in share capital during the current and prior periods were as follows:

Share Capital

<i>Ordinary Shares</i>	Number	\$
As at 1 July 2008	190,769,227	31,233,709
As at 31 December 2008	<u>190,769,227</u>	<u>31,233,709</u>
As at 30 June 2009	190,769,227	31,233,709
Consolidation of capital (a)	(181,230,644)	-
Share placements (b)	470,000,000	2,225,000
Options converted	5,000,000	25,000
Costs of issue		(96,188)
As at 31 December 2009	<u>(484,538,583)</u>	<u>33,387,521</u>

- (a) On 4 August 2009 shareholders voted to accept the Blueknight recapitalisation and resolved to consolidate the Company's existing share capital on a 1 for 20 basis, reducing the number of fully paid ordinary shares on issue by 181,230,644.
- (b) A prospectus in respect of the capital-raising approved by shareholders under the Blueknight recapitalisation proposal was lodged on 4 September 2009. Subsequently, on 30 September 2009, the Company lodged a supplementary prospectus to extend the total oversubscriptions which could be accepted by a further 20,000,000 shares. On 5 October 2009 the Company announced that the capital-raising had been completed and had raised a total of \$2,225,000 before costs and the payment of \$350,000 into the creditors' pool.

6. Future minimum expenditure commitments

In order to maintain and preserve rights of tenure to granted exploration tenements, the Group is required to meet certain minimum levels of exploration expenditure specified by the State Government of Western Australia. These commitments are subject to amendment from time to time as a result of changes to the number or area of granted tenements, escalating expenditure with tenement age, a change of tenement type from exploration licence to mining lease or other reasons pursuant to the WA Mining Act. As at balance date these future minimum exploration expenditure commitments as follows:

	31 Dec09	30-Jun-09
	\$	\$
Within one year	30,000	-
1-5 years	40,000	-
Total	<u>70,000</u>	<u>-</u>

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7. Events occurring after the balance sheet date

There has not been any matter or circumstance, other than disclosed elsewhere in this report, the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.