

ENVIROMISSION LIMITED
ACN 094 963 238

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities	Down	-9%	to	\$	452,101
Loss from ordinary activities attributable to	Down	-3%	to	\$	1,521,128
Net loss for the period attributable to members	Down	-3%	to	\$	1,521,128

No dividend has been paid during the financial year or in the previous corresponding period. No dividend has been proposed or declared since the end of the financial year end.

Revenue from ordinary activities \$452,101 compared to last year's revenue of \$495,980.

Net loss attributable to members \$1,521,128 compared to last year's loss of \$1,567,749.

Loss per share of (0.27 cents) compared with last year's loss of (0.29 cents).

Diluted loss per share of (0.27 cents) compared with last years loss of (0.29 cents).

REVIEW OF OPERATIONS

The EnviroMission Limited strategic intent to manage through commercialisation of EnviroMission's Solar Tower development rights in suitable global markets forms the focus of daily operations and corporate actions.

The necessity to ensure sufficient capital will be available for daily operations to support EnviroMission's overarching role as lead project consultant to global development proponents has dominated corporate actions over the past financial year.

EnviroMission representatives met with Japan based investment proposer, Valentia Development Co., in the United States in July 2015, and following a period of due diligence EnviroMission and Valentia entered into an Heads of Agreement proposing Valentia would invest US\$10,000,000 in EnviroMission by way of a convertible note or direct investment for equity with a proposal for further investment up to US\$100M in Solar Tower project/s initially in the United States.

Details of this Heads of Agreement was released to the market on 1 September 2015, with further details being released to the market on 3 September 2015.

Since that time there has been a series of renegotiations in respect of the form of Valentia's proposed investment, and delays in the provision of funding. We have kept the ASX informed of these in each instance, but given the lack of resolution in respect of the proposed funding, on 13 May trading in shares in Enviromission were suspended. Trading in our shares continues to be suspended, and we expect that to remain in place until there is resolution of the issues that have arisen in respect of the proposed investment from Valentia.

There is no doubting the process and delays associated with the Valentia investment proposal has caused frustration for EnviroMission and its stakeholders and on the weight of the undertakings provided to EnviroMission, your Board has considered it reasonable to provide Valentia with the time it has sought to deliver its intention to meet the terms of the Heads of Agreement for a substantial investment in EnviroMission and Solar Tower development. However, EnviroMission is also cognisant of the impact of the continuing delays to Valentia's investment, and can provide reassurance that strategies are in place to move past the Heads of Agreement that has no requirement of exclusivity to prevent EnviroMission from seeking alternative investment sources in the short or longer term.

EnviroMission is reliant on investor capital to progress the commercialisation of Solar Tower technology development rights agreements that will provide revenue to EnviroMission via associated Solar Tower development license agreement fees and royalties, and on that basis EnviroMission must work with investors in order to prosecute that objective.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Consolidated Group	
	2016	2015
	\$	\$
Revenue from ordinary activities	452,101	495,980
Borrowing costs		
Business expenses	(296,336)	(330,508)
Contracting & consulting expenses	(1,097,633)	(1,242,382)
Depreciation and amortisation	(11,904)	(11,018)
Employee expenses	(144,517)	(105,537)
Finance cost	(439)	-
Occupancy expenses	(112,916)	(115,455)
Other administration expense	(292,472)	(255,785)
Travel expenses	(17,012)	(3,045)
Unrealised loss on investment	-	-
Loss before income tax expense	(1,521,128)	(1,567,749)
Income tax expense	-	-
Loss after Income tax	(1,521,128)	(1,567,749)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Exchange difference on translating foreign controlled entities	(37,251)	(87,811)
	(37,251)	(87,811)
Items that will be reclassified to profit or loss	-	-
Other comprehensive income for the period, net of tax	(37,251)	(87,811)
Total comprehensive income for the period	(1,558,379)	(1,655,560)
Loss attributed to:		
Members of EnviroMission Limited	(1,521,128)	(1,567,749)
Non-controlling interest	-	-
	(1,521,128)	(1,567,749)
Total comprehensive income attributed to:		
Members of EnviroMission Limited	(37,251)	(87,811)
Non-controlling interest	-	-
	(37,251)	(87,811)
Earnings per share		
Basic loss per share (cents)	(0.27)	(0.29)
Diluted loss per share (cents)	(0.27)	(0.29)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Consolidated Group	
	2016	2015
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	92,488	609,150
Trade and other receivables	1,083,740	1,324,799
TOTAL CURRENT ASSETS	<u>1,176,228</u>	<u>1,933,949</u>
NON-CURRENT ASSETS		
Property, plant and equipment	46,878	56,773
Other non-current assets	16,451	16,412
Intangibles	1,174,253	1,166,508
TOTAL NON-CURRENT ASSETS	<u>1,237,582</u>	<u>1,239,693</u>
TOTAL ASSETS	<u>2,413,810</u>	<u>3,173,642</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	965,945	1,537,596
Deferred income	1,065,078	1,306,267
TOTAL CURRENT LIABILITIES	<u>2,031,023</u>	<u>2,843,863</u>
NON-CURRENT LIABILITIES		
Trade and other payables	15,990	1,332
Borrowings	145,116	55,386
TOTAL CURRENT LIABILITIES	<u>161,106</u>	<u>56,718</u>
TOTAL LIABILITIES	<u>2,192,129</u>	<u>2,900,581</u>
NET ASSETS	<u>221,681</u>	<u>273,060</u>
EQUITY		
Issued capital	40,939,555	39,432,556
Reserves	279,600	316,851
Accumulated losses	(40,997,474)	(39,476,347)
TOTAL EQUITY	<u>221,681</u>	<u>273,060</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Ordinary Share Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Total \$
Consolidated Group				
Balance as at 1 July 2014	37,862,172	(37,908,598)	404,662	358,236
Share issued during the year	1,570,384	-	-	1,570,384
Loss attributable to members of parent entity	-	(1,567,749)	-	(1,567,749)
Other comprehensive income for the year	-	-	(87,811)	(87,811)
Balance at 30 June 2015	<u>39,432,556</u>	<u>(39,476,347)</u>	<u>316,851</u>	<u>273,060</u>
Balance as at 1 July 2015	39,432,556	(39,476,347)	316,851	273,060
Share issued during the year	1,506,999	-	-	1,506,999
Loss attributable to members of parent entity	-	(1,521,128)	-	(1,521,128)
Other comprehensive income for the year	-	-	(37,251)	(37,251)
Balance at 30 June 2016	<u>40,939,555</u>	<u>(40,997,474)</u>	<u>279,600</u>	<u>221,681</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Consolidated 2016 \$	Consolidated 2015 \$
Net cash flows from operating activities		
Interest income	274	2,327
Development right fees received	293,449	313,932
Payments to suppliers & employees	(1,809,798)	(1,963,220)
Interest paid	(1)	-
Net cash outflow from operating activities	<u>(1,516,076)</u>	<u>(1,646,961)</u>
Cash flows from investing activities		
Proceeds from sale of investments	-	-
Payments for property, plant & equipment	-	-
Payments for intangible assets	-	-
Net cash inflow/ (outflow) from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from the issue of shares	1,007,000	1,126,636
Proceeds from borrowings	100,000	-
Repayment of borrowings	(22,709)	(11,056)
Net cash inflow from financing activities	<u>1,084,291</u>	<u>1,115,580</u>
Net increase in cash and cash equivalents	(431,785)	(531,381)
Cash and cash equivalents at the beginning of the financial year	609,150	972,549
Effects of exchange rate changes on the balance of cash and cash	(84,877)	167,982
Cash and cash equivalents at the end of the financial year	<u>92,488</u>	<u>609,150</u>
Notes to the condensed consolidated statement of cash flows		
Reconciliation of cash		
Cash on hand and at bank	<u>92,488</u>	<u>609,150</u>

SEGMENT INFORMATION

The Company has one business segment, being the development of Solar Towers as a source of renewable energy and currently operates in two geographical segments, Australia and the United States of America.

ACCUMULATED LOSSES

	Consolidated Group	
	2016 \$	2015 \$
Accumulated losses at beginning of the financial period	(39,476,346)	(37,908,598)
Net loss attributable to members	<u>(1,521,128)</u>	<u>(1,567,749)</u>
Accumulated losses at end of financial period	<u><u>(40,997,473)</u></u>	<u><u>(39,476,346)</u></u>

EARNINGS PER SHARE

Loss used to calculate basic and dilutive EPS	(1,521,128)	(1,567,749)
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	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	555,829,353	533,211,175
Weighted average number of dilutive options outstanding	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	<u><u>555,829,353</u></u>	<u><u>533,211,175</u></u>

Basic earnings/(loss) per share (cents)	(0.27)	(0.29)
Diluted earnings/(loss) per share (cents)	(0.27)	(0.29)

Potential ordinary shares not considered dilutive

At 30 June 2016, the Company had on issue 227,007,535 unlisted options over unissued capital and had incurred a net loss of \$1,521,128 (2015: \$1,567,749). Unlisted options are not considered dilutive and have not been included in the calculations of diluted earnings per share.

NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share at 30 June 2016, (0.171 cents), and at previous corresponding period, (0.168 cents).

EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to 30 June 2016 that have had a material effect on the Company that have not been disclosed to ASX via company announcements.

COMPLIANCE STATEMENT

The financial information provided in the Appendix 4E is based on the annual financial report, which is being prepared in accordance with Australian accounting standards or standards acceptable to ASX.

This report and the accounts upon which the report is based use the same accounting policies.

This report does give a true and fair view of the matters disclosed.

This report is based on accounts which are in the process of being audited, this Appendix 4E has not been subjected to audit.

The financial report is not likely to be the subject of dispute or qualification.



Signed:

Roger C. Davey
Director

Melbourne, 31 August 2016