



Central Exchange Limited

A.B.N 77 000 742 843

HALF YEAR REPORTS:

**ASX Appendix 4D - Results For Announcement To Market
Directors' Report
Financial Statements
Audit Review Report
Auditor's Independence Declaration**

31 December 2004

www.centralexchange.com.au

CENTRAL EXCHANGE LIMITED

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CORPORATE DIRECTORY

BOARD

William M. Johnson (Chairman)
Victor P.H. Ho (Director)
Yaqoob Khan (Director)

COMPANY SECRETARY

Victor P. H. Ho

PRINCIPAL & REGISTERED OFFICE

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STOCK EXCHANGE

Australian Stock Exchange
Perth, Western Australia

ASX CODE

CXL

AUDITOR

BDO
Level 8
256 St Georges Terrace
Perth Western Australia 6000

BANKER

National Australia Bank
Level 13, 50 St Georges Terrace
Perth Western Australia 6000

RESULTS FOR ANNOUNCEMENT TO MARKET

This Half Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3

Current Reporting Period: 1 July 2004 to 31 December 2004
 Previous Corresponding Period: 1 July 2003 to 31 December 2003
 Balance Date: 31 December 2004

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Profit (Loss)

Consolidated Entity			Dec 2004 \$'000	Dec 2003 \$'000
Revenue from ordinary activities	down	64.6%	6,773,839	19,137,029
Profit from ordinary activities after tax attributable to members	down	93.0%	1,272,988	18,141,658
Net profit for the period attributable to members	down	93.0%	1,272,988	18,141,658

Dividends

No dividends have been paid or declared during the financial half year. The Directors have made no determination on the payment of a dividend in respect of the current financial year but reserves the right to make such determination prior to the end of the financial year.

Brief Explanation of Revenue, Net Profit and Dividends (above)

- (a) Revenues from ordinary activities include \$6,050,758 gross proceeds from the sale of investments and \$256,550 net unrealised gains on revaluation of investments;
- (b) Expenses from ordinary activities include:
- (i) \$4,349,599 cost of investments sold;
 - (ii) \$327,169 costs in relation to share investments - this comprise professional fees (i.e. legal fees and corporate advisory fees) and shareholder communication costs relating to the Company's investment in Rivkin Financial Services Limited.
- (c) Accordingly, realised gains on investments were \$1,701,159.

For and on behalf of the Directors,



.....
Victor Ho
Company Secretary

Date: 24 February 2005

DIRECTORS' REPORT

Central Exchange Limited ("**Company**" or "**Central Exchange**") is a company limited by shares that is incorporated and domiciled in Australia and is listed on the Australian Stock Exchange ("**ASX**") (ASX Code "CXL").

Central Exchange has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year. Controlled entities are Central Exchange Operations Pty Ltd ABN 16 094 097 122 (controlled throughout the financial half year) and Hume Mining NL ABN 52 063 994 945 (controlled throughout the financial half year).

The Directors present their report on Central Exchange and its controlled entities (the "**Consolidated Entity**") for the financial half year ended 31 December 2004 ("**Balance Date**").

OPERATING RESULTS

	Consolidated Entity	
	December 2004	December 2003
	\$	\$
Net profit (loss) before tax	1,763,096	19,017,542
Income Tax expense	(490,108)	(875,884)
Net profit (loss) after tax	1,272,988	18,141,658

EARNINGS PER SHARE

	Consolidated Entity	
	December 2004	December 2003
Basic earnings per share (cents)	7.39	213.4
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	17,219,996	8,499,263

Diluted earnings per share is not materially different from basic earnings per share and therefore has not been disclosed.

NET TANGIBLE ASSET BACKING

	Consolidated Entity		
	December 2004	June 2004	December 2003
Net tangible assets	\$19,355,182	\$18,082,194	\$18,616,071
Fully paid ordinary shares in the Company on issue at Balance Date	17,219,996	17,219,996	8,499,263
Net tangible asset backing per issued ordinary share as at Balance Date (cents)	\$1.12	\$1.05	\$2.19 ⁽¹⁾

Note:

- (1) Pre changes to the share capital structure of the Company:
- (a) On 11 June 2004, the Company shares were converted on a 2 for 1 basis - total issued share capital increased from 8,499,263 to 16,998,526 shares; and
 - (b) On 29 June 2004, a further 221,470 shares were issued under a prospectus dated 11 June 2004.

DIRECTORS' REPORT

DIVIDENDS

No dividends have been paid or declared during the financial half year. The Directors have made no determination on the payment of a dividend in respect of the current financial year but reserves the right to make such determination prior to the end of the financial year.

REVIEW OF OPERATIONS

1. REINSTATEMENT TO ASX

On 8 July 2004, the Company was re-admitted to ASX as an investment entity (as defined under the ASX Listing Rules) following shareholder approvals at a general meeting on 4 June 2004 and the completion of a prospectus (dated 11 June 2004) on 28 June 2004.

The Company's ASX code remains as "CXL." The Board proposes to seek shareholder approval for a change of name at the next general meeting of the Company.

2. PORTFOLIO DETAILS AS AT 31 DECEMBER 2004

ASSET WEIGHTING

Australian Equities	47.44%
International Equities	0.11%
Net Cash/Other Assets	52.45%
TOTAL	100.00%

TOP 10 HOLDINGS

Company	% of Net Assets	Industry Sector Exposures
1. Rivkin Financial Services Limited	17.43	Investment Companies (Australian Equities and financial services)
2. National Australia Bank Limited	5.96	Banks
3. Bentley International Limited	4.83	Investment Companies (International equities)
4. Technology Investment Fund	3.76	Investment Companies (Australian and International equities)
5. Rio Tinto Limited	3.03	Mining
6. Lihir Gold Limited	1.80	Mining
7. Global Mining Investments Limited	1.77	Investment Companies (Australian and International equities)
8. Telstra Corporation Limited	1.52	Telecommunication Services
9. Portman Limited	1.45	Mining
10. WMC Resources Limited	1.12	Mining
TOTAL	42.67	

DIRECTORS' REPORT

INDUSTRY SECTOR WEIGHTING

Sector Exposures	% of Net Assets
Investment Entities	27.9%
Mining and Exploration	9.4%
Banking	6.0%
Oil and Gas	1.0%
Telecommunication	1.5%
Other Sectors	1.8%
Sub-Total Equities	
Net Cash/Other Assets	52.4%
TOTAL	100%

ABOUT THE COMPANY

Investment Objectives

The Investment Objectives of the Company are to:

- Achieve a consistent high real rate of return, comprising both income and capital growth, whilst operating within acceptable risk parameters set by the Board;
- Deliver a regular income stream for shareholders in the form of franked dividends;
- Preserve and protect the capital of the Company.

Investment Strategies

The Company seeks to implement an actively managed investment strategy undertaking investments typically into one of two broad investment categories:

- **Strategic Investments** - investments in which the Company can reasonably expect to exert a degree of influence, including board representation or through playing an active role alongside management in order to enhance or realise shareholder value; and
- **Non-strategic Investments** - investments in entities where attractive investment opportunities develop due to market sentiment or mispricing or where the Company sees other potential for generating positive returns.

The Company does not allocate a fixed proportion of funds into each or any of the above investment categories, since it believes that complete flexibility to invest across these categories is key to maximising long-term value growth for shareholders.

For each strategic and non-strategic investment, the Company will expect to receive a level of return that is commensurate with the level of risk associated with such investment. In each investment and for the investment Portfolio in aggregate, the Company will at least aim to achieve a return that is consistently in excess of an appropriate benchmark share index and or a return which could be earned from investments in cash, bills of exchange or negotiable instruments drawn or endorsed by a bank, non-bank financial institution or a government.

DIRECTORS' REPORT

Portfolio Allocation

In executing its Investment Strategy, the Company may, from time to time, hold a high proportion of net assets in cash, preferring to be patient and selective rather than filling its Investment Portfolio with mediocre or underperforming investments for the sake of becoming "fully-invested".

The Company will not be limited to the principles of broad diversification; in other words, the Company may invest a significant proportion of funds in any single investment that represents an exceptional opportunity.

Every investment made by the Company will be continuously monitored and formally reviewed on a periodic basis. The Company will be willing to move quickly to realise investments when a view is formed that an investment is overvalued or there has been a material adverse change in an investment's circumstances or prospects – the Company recognises the importance of being nimble and responsive to material changes affecting its investments.

The Company recognises that in some cases, investments take significant periods of time to provide acceptable returns. As such investments may be relatively illiquid, the Company will seek to minimise potential loss in the investment's value where a rapid or unplanned exit from that investment is sought.

Investment Sectors

Investments may be made by the Company in Australia or an overseas market and into any underlying industry, business or sector, in accordance with the Company's stated Investment Objectives and Strategies.

In this regard, the Company has a history of activity in the resource sector. Investments undertaken in this sector will continue to provide the Company with a window into the highly prospective resources sector domestically and globally.

Strategic investments in the resources sector component of the Portfolio may be undertaken:

- Directly – through pegging of tenements, entering into joint ventures, taking options over and acquiring tenements, projects and joint venture interests;
- Indirectly – through placements and initial public offerings in existing companies (private, listed, or those seeking admission to ASX); or
- Actively – the Company recognises funding of exploration and resources development can be a problem for small and medium-sized resource companies (in Australia and overseas) and will seek to assist carefully selected companies in this sector to optimise their opportunities through the provision of funds and a range of financial and management expertise or services as required.

Investment Classes

In pursuit of the Investment Objectives and Strategies outlined above, the Company has discretion in applying its equity and any debt funds to a universe or range of potential investments in assets, businesses, securities, hybrid securities, cash, bills of exchange, other negotiable investments, debentures and other investments and structures – please refer to the Company's website for further details.

Management Of Investments

The Company's implementation of its Investment Strategies in accordance with its Investment Objectives will be carried out by the Board of Directors and the Investment Committee (in conjunction with external consultants and advisers where appropriate).

DIRECTORS' REPORT

The Investment Committee comprises Directors William Johnson and Victor Ho and Farooq Khan (a nominee of the Company's controlling shareholder, Queste Communications Limited). Farooq Khan was Chairman and Managing Director of the Company from 4 October 1999 until his resignation on 1 July 2003.

Where necessary, the Investment Committee will engage additional specialist resource(s) to assist with the identification, evaluation and management of particular investment opportunities. This includes specialist consultants and advisers, analysts and brokers.

DIRECTORS

The names of Directors in office during and since the financial half year are:

1. **William M. Johnson** - Chairman
2. **Victor P. H. Ho** - Executive Director
3. **Yaqoob Khan** - Non-Executive Director

Mr Yaqoob Khan is presently resident overseas.

SECURITIES IN THE COMPANY

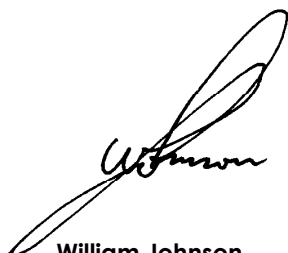
The current number of the Company's fully paid ordinary shares on issue is 17,219,996.

The Company does not have other securities on issue at the date of this report.

AUDITORS' INDEPENDENCE DECLARATION

The Auditors' Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this Directors' Report.

Signed for and on behalf of the Directors of Central Exchange Limited in accordance with a resolution of the Board,



William Johnson
Chairman



Victor Ho
Director and Company Secretary

Perth, Western Australia

24 February 2005

**STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 DECEMBER 2004**

		Consolidated Entity	
		31 Dec 04	31 Dec 03
		\$	\$
Revenue from ordinary activities	2(a)	6,773,839	19,137,029
Expenses from ordinary activities:	2(b)		
Cost of services		(97)	(2,929)
Personnel		(97,504)	(32)
Communications		(14,702)	(3,476)
Occupancy		(13,461)	(13,673)
Corporate		(52,881)	(49,598)
Financing		(2,813)	(755)
Borrowing cost		(1,458)	-
Costs in relation to share investments		(327,169)	-
Administration expenses			
- consultants		(31,440)	(33,534)
- diminution of investments (written back)		-	5,384,934
- cost of investment sold		(4,349,599)	(5,391,434)
- cost of options lapsed		(27,230)	-
- exploration expenditure written back/ (off)		(28,762)	(5,469)
- provision for doubtful debts		-	(97)
- share issue costs		-	-
- other		(63,627)	(3,424)
Operating income from ordinary activities before income tax expense		1,763,096	19,017,542
Income tax relating to ordinary activities		(490,108)	(875,884)
Operating income from ordinary activities after income tax expense		1,272,988	18,141,658
Total revenues, expenses and valuation adjustments attributable to members of the parent entity recognised directly in equity		-	-
Total changes in equity other than those resulting from transactions with owners as owners		1,272,988	18,141,658
Basic earnings per share (cents)	11	7.39	213.45
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share	11	17,219,996	8,499,263

The statements of financial performance should be read in conjunction with the accompanying notes.

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004**

	Note	Consolidated Entity	
		31 Dec 04	30 Jun 04
		\$	\$
CURRENT ASSETS			
Cash	13	11,610,075	18,107,239
Receivables	3	94,769	5,675
Other	-	421	-
TOTAL CURRENT ASSETS		11,705,265	18,112,914
NON CURRENT ASSETS			
Receivables	4	32,833	14,106
Investments	5	9,202,506	1,985,295
Property, plant and equipment	-	28,789	31,599
Intangibles	-	-	-
Other	-	15,412	24,031
TOTAL NON CURRENT ASSETS		9,279,540	2,055,031
TOTAL ASSETS		20,984,805	20,167,945
CURRENT LIABILITIES			
Payables	6	87,997	209,164
Provisions	7	32,682	861,000
Current tax liabilities	8	1,493,544	1,003,436
NON CURRENT LIABILITIES			
Provisions	-	15,400	12,151
TOTAL CURRENT LIABILITIES		1,629,623	2,085,751
NET ASSETS		19,355,182	18,082,194
EQUITY			
Contributed equity	9	28,973,124	28,973,124
Reserves	-	2,124,000	2,124,000
Accumulated losses	10	(11,741,942)	(13,014,930)
TOTAL EQUITY		19,355,182	18,082,194

The statements of financial position should be read in conjunction with the accompanying notes.

**STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2004**

	Note	Consolidated Entity	
		31 Dec 04	31 Dec 03
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	659
Payments to suppliers and employees		(784,458)	(138,948)
Payments to exploration and evaluation		(20,143)	(11,533)
Interest received		315,552	8,047
Interest paid		(1,458)	-
Dividends received		150,979	-
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(339,528)	(141,775)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for:			
Equity investments		(11,241,606)	-
Options investments		(81,795)	-
Land and building deposit		(50,000)	(138)
Proceeds from sales of:			
Equity investments		5,861,316	48,750
Options investments		183,915	-
NET CASH (OUT)/INFLOW FROM INVESTING ACTIVITIES		(5,328,170)	48,612
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment to unmarketable parcel shareholders		(1,149)	-
Payment for dividends		(828,317)	-
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(829,466)	-
NET DECREASE IN CASH ASSETS HELD		(6,497,164)	(93,163)
Cash at beginning of the financial period		18,107,239	414,156
CASH AT THE END OF THE FINANCIAL PERIOD	13	11,610,075	320,993

The statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2004

1. BASIS OF PREPARATION

This general purpose financial report for the interim half-year reporting period ended 31 December 2004 has been prepared in accordance with Accounting Standard AASB 1029 *Interim Financial Reporting*, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2004 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 in the preparation of this Half Year Report are consistent with those adopted and disclosed in the financial statements for the year ended 30 June 2004.

Comparatives in relation to items appearing on the Statement of Financial Position are as at the last balance date, being 30 June 2004. Comparatives in relation to items appearing on the Statement of Financial Performance are for the previous corresponding period, being for the half year ended 31 December 2003.

1.1 The Impact of Adopting International Accounting Standards

The Australian Accounting Standards Board is adopting the Standards of the International Accounting Standards Board for application to reporting periods beginning on or after 1 January 2005. Pending Accounting Standard AASB 1 *First-Time Adoption of Australian Equivalents to International Financial Reporting Standards* prescribes transitional provision for first-time adopters.

Abas 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards* required financial reports to disclose information about the impacts of any changes in accounting policies in the transition period leading up to the adoption date and will apply for June 2004 reporting.

The economic entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. The Directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

(i) Income Tax

Currently, the economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the AASB 112 *Income Tax*, the economic entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of timing and permanent differences between taxable income and accounting profit.

(ii) Non-Current Investments

Under the pending AASB 139 *Financial Instruments: Recognition and Measurement* financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with a review bi-annually by the Directors and valued at current market value to ensure it is not in excess of the recoverable amount of these investments.

The Company has off-market derivative investments such as call and put options which will be required to be booked at market value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2004**

2. PROFIT FROM ORDINARY ACTIVITIES

The operating profit from ordinary activities before income tax includes the following items of revenue and expense:

	Consolidated Entity	
	31 Dec 04	31 Dec 03
	\$	\$
(a) Operating revenue		
Telecommunication revenue	-	659
Settlement deed payment	-	19,051,014
Interest received - other	315,552	8,047
Proceeds from sale of investments	6,050,758	48,750
Dividend received	150,979	-
Net unrealised gains on revaluation of investments	256,550	28,559
Total revenue	6,773,839	19,137,029
(b) Operating expenses		
Cost of services	97	2,929
Occupancy expenses	13,461	13,673
Finance expenses	2,813	755
Borrowing cost	1,458	-
Corporate expenses	52,881	49,598
Administration expenses		
- Communications	14,702	3,476
- Consultants	31,440	33,534
- Personnel - employee entitlements	3,248	-
- other	94,256	32
- Costs in relation to share investments	327,169	-
- Cost of intangibles	-	2,322,839
- Write back of amortisation of intangibles	-	(2,322,839)
- Diminution of investments (written back)	-	(5,384,934)
- Cost of investment sold	4,349,599	5,391,434
- Cost of options lapsed	27,230	-
- Provision of doubtful debts	-	97
- Write back of provision for non-recovery of loans to subsidiary	-	-
- Write off loans to subsidiaries	-	-
- Exploration expenses	28,762	5,469
- Depreciation expenses	2,810	3,424
- Write off investment	-	-
- Other	60,817	-
	5,010,743	119,487

(c) Sale of Assets

Sale of assets in the ordinary course of business have given rise to the following profits and losses:

Net Gain/(Loss):	Share investments	1,701,159	(5,342,684)
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3. CURRENT RECEIVABLES

	Consolidated Entity	
	31 Dec 04	30 Jun 04
	\$	\$
Deposits	50,000	-
Receivables on sale of investments	5,442	-
Other debtors - related parties	330	-
GST receivables	38,997	5,675
	94,769	5,675

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2004**

	Consolidated Entity	
	31 Dec 04	30 Jun 04
	\$	\$
4. NON-CURRENT RECEIVABLES		
Bonds and guarantees	32,833	14,106

5. NON-CURRENT INVESTMENTS

Investments comprise:

Shares and options in listed companies - at cost
Revaluation

8,888,467	1,927,806
314,039	57,489
<u>9,202,506</u>	<u>1,985,295</u>

Market value of listed share investments

<u>9,202,506</u>	<u>1,979,934</u>
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(i) Shares in listed companies have been revalued at current market value at the Balance Date.

Investment in Controlled Entities:

Ownership interest

31 Dec 04	30 Jun 03
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Hume Mining NL (ACN 064 994 945)

Incorporated in Australia on 29 March 1994

This company is currently engaged in resource related activities.

100%	100%
------	------

Central Exchange Operations Pty Ltd (ACN 094 097 122)

Incorporated in Australia on 10 August 2000

This company is currently engaged in property development activities.

100%	100%
------	------

	Consolidated Entity	
	31 Dec 04	30 Jun 04
	\$	\$
6. CURRENT PAYABLES		
Trade creditors	34,048	5,256
Payables on purchase of investments	14,090	152,933
Other creditors - related parties	-	-
Other creditors and accruals	39,859	50,975
	<u>87,997</u>	<u>209,164</u>

7. CURRENT PROVISIONS

Dividend payable

<u>32,682</u>	<u>861,000</u>
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This represents unrepresented cheques in relation to a 5 cents per share (franked to 60%) paid on 9 July 2004 (with a record date of 6 July 2004 and ex-dividend entitlement date of 30 June 2004).

8. CURRENT TAX LIABILITIES

Consolidated Entity

31 Dec 04	30 Jun 04
------------------	------------------

Provision for income tax payable
Deferred tax liabilities

1,493,544	991,400
-	12,036
<u>1,493,544</u>	<u>1,003,436</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2004**

9. CONTRIBUTED EQUITY

17,219,996 (30 Jun 2004: 17,219,996)
fully paid ordinary shares

Consolidated Entity	
31 Dec 04	30 Jun 04
\$	\$
28,973,124	28,973,124

a) Movement in Ordinary Share Capital

Balance at beginning of financial period
Issue of shares
Share issue costs

28,973,124	28,780,607
-	199,327
-	(6,810)

Balance at end of financial period

28,973,124	28,973,124
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Fully paid ordinary shares carry one vote per share and carry the right to dividends.

10. ACCUMULATED LOSSES

Balance at beginning of the period
Net profit for the first half of the financial year
Net profit for the second half of the financial year
Provision for dividends
Balance at end of financial period

Consolidated Entity	
31 Dec 04	30 Jun 04
\$	\$
13,014,930	30,430,194
(1,272,988)	(18,141,658)
	(134,606)
-	861,000
11,741,942	13,014,930

11. EARNINGS PER SHARE

Basic earnings per share (cents)
Net profit for the period

Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share

Consolidated Entity	
31 Dec 04	31 Dec 03
7.39	213.45
1,272,988	18,141,658
17,219,996	8,499,263

Diluted earnings per share is not materially different from basic earnings per share and therefore is not disclosed in the Financial Statements.

12. CONSOLIDATED SEGMENT REPORTING

The Consolidated Entity operates in one geographical segment (Australia) in the investments and resources sectors.

	External Revenue		Operating Results	
	31 Dec 04	31 Dec 03	31 Dec 04	31 Dec 03
	\$	\$	\$	\$
Investments	6,458,287	19,051,014	1,754,289	19,045,545
Resources	-	77,309	(30,412)	70,809
Communications	-	659	(97)	659
	6,458,287	19,128,982	1,723,780	19,117,013
Unallocated	315,552	8,047	39,316	(99,471)
	6,773,839	19,137,029		
Profit from ordinary activities before income tax			1,763,096	19,017,542
Income tax expense relating to ordinary activities			(490,108)	(875,884)
Profit from ordinary activities after income tax			1,272,988	18,141,658

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2004**

12. SEGMENT REPORTING (contd.)

	Assets		Liabilities	
	31 Dec 04	30 Jun 04	31 Dec 04	30 Jun 04
	\$	\$	\$	\$
Investments	9,207,948	65,850	-	-
Resources	15,412	-	(2,838)	-
	<u>9,223,360</u>	<u>65,850</u>	<u>(2,838)</u>	<u>-</u>
Unallocated	11,761,445	476,349	(1,626,785)	(67,786)
	<u>20,984,805</u>	<u>542,199</u>	<u>(1,629,623)</u>	<u>(67,786)</u>

Other Segment Information	Resources		Investments	
	31 Dec 04	31 Dec 03	31 Dec 04	31 Dec 03
	\$	\$	\$	\$
Acquisition of segment assets	3,261	6,064	11,255,695	-
Other non-cash expenses	-	-	-	-
Revaluation/ (diminution) of investments	-	-	256,550	5,356,375

The resources segment in 30 June 2004 and 31 December 2003 derived revenues from mining royalties and pursuant to a settlement deed payment from Minara Resources Ltd (formerly Anaconda Nickel Ltd).

The communications segment derived its revenues from the provision of voice telecommunication services, which are no longer in operation.

13. STATEMENT TO CASH FLOWS

Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated Entity		
	31 Dec 04	30 Jun 04	31 Dec 03
	\$	\$	\$
Cash at bank	375,803	1,668,094	72,100
Bank bills	11,234,272	16,439,145	248,893
	<u>11,610,075</u>	<u>18,107,239</u>	<u>320,993</u>

14. LEASE COMMITMENTS

	Consolidated Entity	
	31 Dec 04	30 Jun 04
	\$	\$
Non-cancellable operating lease commitments:		
Not longer than one year	64,986	129,972

The lease is in relation to the office premises of the Company and includes all outgoings. Such expenditure is shared equally with other companies, including Queste Communications Limited (a controlling entity) pursuant to shared office and administration expense arrangements.

15. ASSOCIATES AND JOINT VENTURES

The Consolidated Entity did not undertake any investments in associated entities or joint ventures during the financial half year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2004**

16. GAIN/LOSS OF CONTROL OF ENTITIES

There were no entities over which control had been gained or lost by the Consolidated Entity during the financial half year.

17. CONTINGENT LIABILITIES AND ASSETS

The Consolidated Entity does not have any material contingent assets or liabilities at Balance Date.

18. SUBSEQUENT EVENTS

In December 2004, Central Exchange Operations Pty Ltd (a wholly owned subsidiary of CXL), entered into a contract to acquire an absolute beachfront residential sub-division property located in Mandurah (south of Perth, Western Australia) for \$3.6 million. The contract is due to settle on or about 2 March 2005. The property is suitable for a 4 unit residential development.

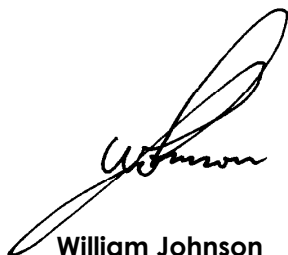
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Central Exchange Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2004 and of their performance for the half year ended on that date; and
 - (ii) complying with Accounting Standards and *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



William Johnson
Chairman



Victor Ho
Director and Company Secretary

Perth, Western Australia

24 February 2005



Chartered Accountants
& Advisers

Level 8, 256 St George's Terrace Perth WA 6000
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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF CENTRAL EXCHANGE LTD

Scope

We have reviewed the financial report comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, accompanying notes and Directors' Declaration of Central Exchange Ltd for the half-year ended 31 December 2004. The Company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities & Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the director's of the company, a written Auditor's Independence Declaration.

Statement

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 Central Exchange Ltd is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the disclosing entity's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

BDO

B G McVeigh
Partner

Dated: 24th day of February 2005
Perth, Western Australia





Chartered Accountants
& Advisers

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BGM:IS:JAP:04519

24 February 2005

The Directors
Central Exchange Ltd
Level 14,
The Forrest Centre
221 St Georges Terrace
PERTH WA 6000

Dear Sirs

**DECLARATION OF INDEPENDENCE BY BDO CHARTERED ACCOUNTANTS TO
THE DIRECTORS OF CENTRAL EXCHANGE LTD**

To the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of this Act in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to this review.

Yours faithfully

BDO
Chartered Accountants & Advisers

BG McVeigh
Partner

