



CHARTER
PACIFIC
Corporation Limited

A.B.N. 12 003 344 287

29 August, 2008

Listed investment company, Charter Pacific Corporation Limited (ASX: CHF) today announced a consolidated loss of \$18 million for the 2008 financial year. The Group's performance in 2008 was adversely impacted by the downturn in global equity and financial markets which has resulted in the write back of the Group's investments by \$6.1 million.

Charter Pacific's financial position remains sound with cash and listed blue chip equity investments of \$19 million and no debt.

Following a review of operations, Charter Pacific has taken decisive action to reduce overheads. The impact of these changes will reflect a 30% reduction in expenses for the 2009 financial year.

Charter Pacific is confident that the actions it has taken during 2008 will position the Group to take advantage of new business opportunities during 2009.

About Charter Pacific

Charter Pacific Corporation Limited is an investment company, listed on the Australian Stock Exchange (ASX: CHF). It invests in a variety of equity investments in listed and unlisted companies, and has operations in the financial services sector through the operation of Charter Pacific Capital Limited, an AFS licensed corporate advisory house.

Level 18, 50 Cavill Avenue
Surfers Paradise Qld 4217, Australia

P.O. Box 40
Surfers Paradise Qld 4217, Australia

Telephone: +61-7-5538 2558
Facsimile: +61-7-5526 8922

Internet: www.charpac.com.au
Email: charpac@charpac.com.au



**CHARTER
PACIFIC**
Corporation Limited

ABN 12 003 344 287

& ITS CONTROLLED ENTITIES

Appendix 4E

Preliminary final report

Period ending 30 June 2008

For announcement to the market

Results for announcement to the market:

Revenues from ordinary activities	down	117.05%	to	(\$2,054,521)
Loss from ordinary activities after tax attributable to members	up	292.65%	to	(\$17,991,678)
Net loss for the period attributable to members	up	292.65%	to	(\$17,991,678)

No final dividend has been declared for the current year and no dividend was declared or paid for the previous year.

The net tangible asset (NTA) per security as at 30 June 2008 was \$0.22 (2007: \$0.40)

The accounts are in the process of being audited.

Charter Pacific Corporation Limited

ABN 12 003 344 287

Level 18, 50 Cavill Avenue
Surfers Paradise Qld 4217, Australia
Ph: +61-7-5538 2558 Fax: +61-7-5526 8922
Email: charpac@charpac.com.au

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

BALANCE SHEETS
AS AT 30 JUNE 2008

CONSOLIDATED

2008 **2007**
\$ **\$**

ASSETS

Cash and cash equivalents	8,303,779	15,217,490
Trade and other receivables	843,177	4,071,594
Prepayments	137,801	251,710
Investments	<u>8,197,279</u>	<u>33,920,834</u>

Total current assets	<u>17,482,036</u>	<u>53,461,628</u>
-----------------------------	-------------------	-------------------

Investments in equity accounted investees	1,060,212	1,893,257
Investments	1,247,988	1,369,666
Other receivables	390,064	-
Plant and equipment	632,837	778,247
Intangibles	<u>-</u>	<u>2,386,893</u>

Total non-current assets	<u>3,331,101</u>	<u>6,428,063</u>
---------------------------------	------------------	------------------

Total assets	<u>20,813,137</u>	<u>59,889,691</u>
---------------------	-------------------	-------------------

LIABILITIES

Trade and other payables	852,105	4,041,581
Current tax payable	-	156,117
Loans and borrowings	68,511	10,381,817
Employee benefits	177,876	185,298
Financial liabilities held at fair value through profit and loss	<u>-</u>	<u>7,294,340</u>

Total current liabilities	<u>1,098,492</u>	<u>22,059,153</u>
----------------------------------	------------------	-------------------

Loans and borrowings	229,932	290,967
Employee benefits	<u>768,006</u>	<u>796,787</u>

Total non-current liabilities	<u>997,938</u>	<u>1,087,754</u>
--------------------------------------	----------------	------------------

Total liabilities	<u>2,096,430</u>	<u>23,146,907</u>
--------------------------	------------------	-------------------

NET ASSETS	<u>18,716,707</u>	<u>36,742,784</u>
-------------------	-------------------	-------------------

EQUITY

Issued capital	23,091,451	23,091,451
Reserves	1,689,401	1,723,800
Retained earnings	<u>(6,064,145)</u>	<u>11,927,533</u>

Total equity attributable to equity holders of the Company	18,716,707	36,742,784
---	------------	------------

Minority interest	<u>-</u>	<u>-</u>
-------------------	----------	----------

TOTAL EQUITY	<u>18,716,707</u>	<u>36,742,784</u>
---------------------	-------------------	-------------------

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

CONSOLIDATED

2008 2007
\$ \$

Net change in value of investments held for trading	(5,173,281)	1,559,517
Net profit on sale of available-for-sale assets	192,066	9,018,790
Other revenue	<u>293,237</u>	<u>180,481</u>
Total revenue	(4,687,978)	10,758,788
Other income	1,505,761	522,243
Depreciation and amortisation expenses	(645,314)	(639,196)
Rent and occupancy costs	(830,886)	(710,454)
Professional fees	(1,825,493)	(1,163,682)
Travel expenses	(184,267)	(340,097)
Shareholder reports and registry costs	(78,958)	(115,812)
Personnel expenses	(3,564,087)	(2,774,140)
Management fees	(545,627)	(593,338)
Other operating expenses	<u>(899,961)</u>	<u>(899,099)</u>
Net operating income/(loss) before share-based payments and impairment losses	<u>(11,756,810)</u>	<u>4,045,213</u>
Share-based payments to key personnel	(301,426)	(1,820,843)
Impairment losses	<u>(6,116,035)</u>	<u>(6,053,269)</u>
Results from operating activities	<u>(18,174,271)</u>	<u>(3,828,899)</u>
Financial income	1,127,696	919,630
Financial expenses	<u>(568,758)</u>	<u>(211,646)</u>
Net financing income	<u>558,938</u>	<u>707,984</u>
Profit/(loss) before equity accounting and tax	(17,615,333)	(3,120,915)
Share of profits/(losses) of equity accounted investees	<u>(376,345)</u>	<u>(535,515)</u>
Profit/(loss) before income tax	(17,991,678)	(3,656,430)
Income tax (expense)/benefit	<u>-</u>	<u>(925,702)</u>
Profit/(loss) after income tax	<u>(17,991,678)</u>	<u>(4,582,132)</u>
Attributable to:		
Equity holders of the parent	(17,991,678)	(4,582,132)
Minority interest	<u>-</u>	<u>-</u>
Profit/(loss) for the period	<u>(17,991,678)</u>	<u>(4,582,132)</u>
Earnings per share:		
Basic earnings/(loss) per share	\$ (0.212)	\$ (0.057)
Diluted earnings/(loss) per share	\$ (0.212)	\$ (0.057)

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

STATEMENTS OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2008

CONSOLIDATED

2008 2007

\$ \$

Foreign exchange translation differences	(313,318)	(307,614)
Net change in fair value of available-for-sale financial assets	169,559	7,539,767
Net change in fair value of available-for-sale financial assets to profit or loss	<u>(192,067)</u>	<u>(9,018,790)</u>
Income and expense recognised directly in equity	(335,826)	(1,786,637)
Profit/(loss) for the period	<u>(17,991,678)</u>	<u>(4,582,132)</u>
Total recognised income and expense for the period	<u>(18,327,504)</u>	<u>(6,368,769)</u>
Attributable to:		
Equity holders of the parent	(18,327,504)	(6,368,769)
Minority interest	<u>-</u>	<u>-</u>
Total recognised income and expense for the period	<u>(18,327,504)</u>	<u>(6,368,769)</u>

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2008

	CONSOLIDATED	
	2008	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	45,767,825	23,677,912
Cash payments in the course of operations	<u>(42,255,559)</u>	<u>(53,242,946)</u>
Cash generated from operations	3,512,266	(29,565,034)
Income tax paid	-	(270,421)
Dividends received	2,864,990	255,596
Interest paid	(544,907)	(157,489)
Interest received	<u>1,049,027</u>	<u>905,665</u>
Net cash from operating activities	<u>6,881,376</u>	<u>(28,831,683)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired	-	(1,566,147)
Payments for intangibles	-	(60,730)
Payment for property, plant and equipment	(98,967)	-
Proceeds from sale of property, plant and equipment	6,211	2,400
Acquisition of plant and equipment	-	(314,702)
Loans to controlled entities	-	-
Loans to associates	-	-
Loans to other entities	(53,566)	-
Repayment of loans from other entities	18,648	6,216
Repayment of loans to associates	(1,820,641)	(598,397)
Repayment of loans to other entities	-	(82,425)
Repayment of loans from associates	-	-
Repayment of loans from subsidiary	-	-
Investment in equity accounted investees	(2,000,000)	(278,469)
Proceeds from sale of available-for-sale listed equity securities	<u>291,235</u>	<u>17,988,509</u>
Net cash from investing activities	<u>(3,657,080)</u>	<u>15,096,255</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(10,057,466)	10,057,466
Proceeds from issue of shares	-	650,000
Lease payments	<u>(80,541)</u>	<u>(71,698)</u>
Net cash from financing activities	<u>(10,138,007)</u>	<u>10,635,768</u>
Net increase in cash and cash equivalents	(6,913,711)	(3,099,660)
Cash and cash equivalents at 1 July	<u>15,217,490</u>	<u>18,317,150</u>
Cash and cash equivalents at 30 June	<u>8,303,779</u>	<u>15,217,490</u>

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENT REPORTING

Business segments

The Group comprises the following main business segments:

- Financial services – the funds management and corporate advisory businesses to deliver significant returns in future years;
- Investments – investments in listed and unlisted companies to deliver significant returns in future years;
- Share trading – the purchase and sale of listed investment securities to generate short-term profits; and
- Other: IPTV - Internet Protocol Television is a system where a digital television service is delivered using internet protocol.

Geographical segments

The financial services, investment and share trading segments operate in Australia. The Other: IPTV segment operates in the United Kingdom.

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

NOTES TO THE FINANCIAL STATEMENTS
1. SEGMENT REPORTING (CONTINUED)

Business segments	FINANCIAL SERVICES		INVESTMENTS		SHARE TRADING		OTHER: IPTV		ELIMINATIONS		CONSOLIDATED	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total external revenues	298,559	146,000	(2,574,128)	9,018,790	(1,240,357)	1,559,517	-	34,481	-	-	(3,515,926)	10,758,788
Inter-segment revenues	710,780	-	-	-	-	101,538	-	-	(556,143)	(101,538)	154,637	-
Other income	<u>101,332</u>	-	-	-	<u>352,814</u>	<u>494,487</u>	<u>5,603,183</u>	<u>27,756</u>	<u>(5,341,384)</u>	-	<u>715,945</u>	<u>522,243</u>
Total segment revenue	<u>1,110,671</u>	<u>146,000</u>	<u>(2,574,128)</u>	<u>9,018,790</u>	<u>(887,543)</u>	<u>2,155,542</u>	<u>5,603,183</u>	<u>62,237</u>	<u>(5,897,527)</u>	<u>(101,538)</u>	<u>(2,645,344)</u>	<u>11,281,031</u>
Segment result	<u>(2,240,138)</u>	<u>(217,585)</u>	<u>(8,650,887)</u>	<u>7,543,771</u>	<u>(3,086,928)</u>	<u>(999,319)</u>	<u>(1,005,707)</u>	<u>(7,070,100)</u>	-	-	<u>(14,983,660)</u>	<u>(743,233)</u>
Unallocated expenses											<u>(3,190,611)</u>	<u>(3,085,666)</u>
Results from operating activities											(18,174,271)	(3,828,899)
Net financing income											558,938	707,984
Share of profit/(loss) of equity accounted investees			(376,345)	(535,515)							(376,345)	(535,515)
Income tax (expense)/benefit											-	(925,702)
Profit/(loss) for the period											<u>(17,991,678)</u>	<u>(4,582,132)</u>

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

NOTES TO THE FINANCIAL STATEMENTS
1. SEGMENT REPORTING (CONTINUED)

Business segments	FINANCIAL SERVICES		INVESTMENTS		SHARE TRADING		OTHER: IPTV		UNALLOCATED		CONSOLIDATED	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	3,754,605	5,212,534	1,247,988	2,512,851	8,477,843	37,190,679	224,375	2,765,891	6,048,114	10,314,478	19,752,925	57,996,433
Investment in equity accounted investees			895,793	1,893,257					164,419	-	1,060,212	1,893,257
Total assets											20,813,137	59,889,690
Segment liabilities	132,247	29,019	-	-	82,984	19,781,980	161,241	1,380,502	1,719,957	1,955,406	2,096,429	1,280,751
Total liabilities											2,096,429	1,280,751
Capital expenditure	-	154,208	-	-	-	12,097	220,668	232,996	73,490	239,487	294,158	638,788
Depreciation	1,898	5,115	-	-	1,038	631	59,868	60,165	117,327	87,256	180,131	153,167
Amortisation of intangible assets	-	-	-	-	-	-	465,183	486,029	-	-	465,183	486,029
Impairment loss	-	-	4,630,280	1,475,019	-	-	1,091,462	4,578,250	394,293	-	6,116,035	6,053,269
Geographical segments							AUSTRALIA	UNITED KINGDOM			CONSOLIDATED	
							2008	2007	2008	2007	2008	2007
							\$	\$	\$	\$	\$	\$
Revenue from external customers							(8,248,527)	11,218,794	5,603,183	62,237	(2,645,344)	11,281,031
Segment assets							20,588,762	57,123,799	224,375	2,765,891	20,813,137	59,889,690

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

NOTES TO THE FINANCIAL STATEMENTS

2. EQUITY ACCOUNTED INVESTEEES

The Group's share of loss in its equity accounted investees for the year was \$376,345 (2007:\$535,515). Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

	Ownership	Current assets	Non-current assets	Total Assets	Current liabilities	Non-current liabilities	Total liabilities	Revenues	Expenses	Profit/(loss)	Carrying value
2007											
GMCG LLC	40.70%	1,440,990	-	1,440,990	166,616	-	166,616	5,009,836	(4,388,033)	621,803	-
Monteray Group Limited	40.70%	274,449	1,805,021	2,079,470	1,111,114	-	1,111,114	2,306,797	(3,739,418)	(1,432,621)	1,528,222
OEM NuTech Pty Ltd	50.00%	1,249,636	890,303	2,139,939	629,982	711,066	1,341,048	2,326,504	(2,268,105)	58,399	365,035
		<u>2,965,075</u>	<u>2,695,324</u>	<u>5,660,399</u>	<u>1,907,712</u>	<u>711,066</u>	<u>2,618,778</u>	<u>9,643,137</u>	<u>(10,395,556)</u>	<u>(752,419)</u>	<u>1,893,257</u>
2008											
GMCG LLC	40.70%	1,440,990	-	1,440,990	166,616	-	166,616	5,009,836	(4,388,033)	621,803	189,200
Monteray Group Limited	40.70%	143,524	1,587,140	1,730,664	2,514,407	-	2,514,407	961,535	(2,714,085)	(1,752,550)	422,299
OEM NuTech Pty Ltd	50.00%	1,051,363	928,577	1,979,940	419,456	615,804	1,035,260	2,569,453	(2,402,077)	167,376	448,713
Priority Plus Managed Funds	50.00%	-	-	-	-	-	-	-	-	-	-
		<u>2,635,877</u>	<u>2,515,717</u>	<u>5,151,594</u>	<u>3,100,479</u>	<u>615,804</u>	<u>3,716,283</u>	<u>8,540,824</u>	<u>(9,504,195)</u>	<u>(963,371)</u>	<u>1,060,212</u>

Impairment loss

At 30 June 2008 the recoverable value of the investment in Monteray Group Limited calculated by reference to the market price of its shares as quoted on the Australian Stock Exchange was less than the carrying value in the Company accounts. An impairment loss of \$1,044,287 was recorded in the Company accounts.

In December 2007 the Company acquired 50% of the issued capital in Priority Plus Funds Management Limited (PPFM) for \$2 million from existing shareholders in PPFM. Subsequent to third party litigation against PPFM commenced in May 2008, which is unrelated to Charter Pacific, a provisional liquidator was appointed to PPFM on 20 June 2008. Charter Pacific has commenced action to recover the \$2 million purchase price of its investment in PPFM from the vendors of the equity in PPFM. However, because of the uncertainty involved in the recovery of the investment, as at 30 June 2008 the value of the investment in PPFM has been written down to \$nil.

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

NOTES TO THE FINANCIAL STATEMENTS

3. CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

CONSOLIDATED

	Share capital	Option issue reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Minority interest	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2006	18,192,232	-	2,332,594	(189,667)	16,509,665	36,844,824	-	36,844,824
Total recognised income and expense	-	-	(1,479,023)	(307,614)	(4,582,132)	(6,368,769)	-	(6,368,769)
Shares and options issued	4,899,219	1,367,510	-	-	-	6,266,729	-	6,266,729
Balance at 30 June 2007	<u>23,091,451</u>	<u>1,367,510</u>	<u>853,571</u>	<u>(497,281)</u>	<u>11,927,533</u>	<u>36,742,784</u>	<u>-</u>	<u>36,742,784</u>
Balance at 1 July 2007	23,091,451	1,367,510	853,571	(497,281)	11,927,533	36,742,784	-	36,742,784
Total recognised income and expense	-	-	(22,508)	(313,317)	(17,991,678)	(18,327,503)	-	(18,327,503)
Shares and options issued	-	301,426	-	-	-	301,426	-	301,426
Balance at 30 June 2008	<u>23,091,451</u>	<u>1,668,936</u>	<u>831,063</u>	<u>(810,598)</u>	<u>(6,064,145)</u>	<u>18,716,707</u>	<u>-</u>	<u>18,716,707</u>

CHARTER PACIFIC CORPORATION LIMITED
30 JUNE 2008 APPENDIX 4E

NOTES TO THE FINANCIAL STATEMENTS

4. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic and diluted earnings per share at 30 June 2008 was based on the profit/(loss) attributable to ordinary shareholders of (\$17,991,678) (2007:(\$4,582,132)) and a weighted average number of ordinary shares outstanding of 84,707,066 (2007:79,809,610), calculated as follows:

	Consolidated	
	2008	2007
	\$	\$
Profit attributable to ordinary shareholders		
Net profit/(loss) for the period	<u>(17,991,678)</u>	<u>(4,582,132)</u>
Net profit/(loss) attributable to ordinary shareholders	<u>(17,991,678)</u>	<u>(4,582,132)</u>
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	84,707,062	72,749,208
Effect of shares issued in August 2006	-	2,248,432
Effect of shares issued in December 2006	<u>-</u>	<u>4,819,366</u>
Weighted average number of ordinary shares at 30 June	<u>84,707,062</u>	<u>79,817,006</u>
Basic and diluted loss per share	\$ (0.212)	\$ (0.057)
Options outstanding are not dilutive		

5. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item that would have a material affect on the financial statements as at 30 June 2008.