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Souls Private Equity Limited

ASX Appendix 4D

Half Year Financial Report

31 January 2008

Lodged with the ASX under Listing Rule 4.2A

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Reporting Period *(Appendix 4D item 1)*

The reporting period is the half-year ended 31 January 2008 with the previous corresponding period the half year ended 31 January 2007

Souls Private Equity Limited (ASX Code: SOE)

Investment Managers' Report for the half year ended 31 January 2008

Souls Private Equity Limited (SPEL) recorded a net profit after tax for the six months ended 31 January 2008 of \$5.3 million (2007: \$7.9 million). SPEL's investment portfolio comprises three segments – small and medium sized (SME) investments (unlisted and listed), a listed share portfolio and investable cash. The segmented earnings for the half year are shown in the table below.

Segmented Earnings	1st Half 2008 FY \$'000	1st Half 2007 FY \$'000	1st Half 2006 FY \$'000
Earnings from SME investments (unlisted and listed)	11,082	3,915	1,857
Earnings from listed share portfolio	(3,077)	7,724	6,112
Earnings from cash and cash equivalents	941	1,556	1,647
Central administration and management expenses	(2,095)	(1,929)	(1,845)
Net profit before tax	6,851	11,266	7,771
Income tax expense	(1,566)	(3,430)	(1,680)
Net profit after tax	5,285	7,836	6,091
Minority interests	7	88	(32)
Net profit after tax attributable to members	5,292	7,924	6,059

Earnings from the SME investment segment have increased by \$7.2 million to \$11.1 million when compared to last year. The 183% increase has been driven by the increase in market value of the listed SME investments – CMA Corporation and CBD Energy which in total have increased in market value by \$9.5 million during the first half of the financial year. The equity accounted earnings of Ampcontrol continued strongly representing an annualised return on original investment cost of 41%. The equity accounted earnings of Asian Property Investments contributed \$1.2 million for the period under review. The segment result also included the final impairment relating to the Jesters' Pies investment as discussed at the 2007 Annual General Meeting held late last year. The impairment amount included in this six month result was \$1.0 million.

Earnings from the listed share portfolio segment declined by \$10.8 million to a loss of \$3.1 million when compared to the previous corresponding period. The loss in this segment's earnings is driven by the \$5.5 million decline in value of the portfolio when "marking to market" compared to the \$5.9 million increase in portfolio value in the previous half year results. The segment result also included realised trading gains of \$1.2 million and dividends received of \$1.2 million. The share sales during the half year included Rio Tinto, Alinta and a portion of SPEL's BHP Billiton holdings.

Earnings from the investable cash segment fell by \$0.6 million to \$0.9 million when compared to the previous half year. The decline in interest earned is consistent with consolidated cash balances reducing to \$11.1 million (parent entity cash of \$10.0 million) as at 31 January 2008.

SPEL has a strong balance sheet with no debt and net assets of \$172.8 million as at the half year ended 31 January 2008.

At the half year reporting date net assets per share was 29.1 cents and the net tangible assets per share was 27.1 cents.

SOULS PRIVATE EQUITY LIMITED AND CONTROLLED ENTITIES
A.B.N. 71 111 196 420

Investment Managers' Report for the half year ended 31 January 2008 (continued)

The table below shows SPEL's net assets per investment segment.

Segmented Net Assets	31-Jan 2008		31-Jan 2007	
	\$'000	%	\$'000	%
SME Investments (Listed & Unlisted)*	114,400	66.2%	83,931	50.8%
Listed Share Portfolio	52,823	30.6%	55,501	33.6%
Cash and Cash Equivalents**	9,963	5.7%	24,540	14.9%
Other Net assets and eliminations	(4,404)	-2.5%	1,101	0.7%
Net Assets	172,782	100.0%	165,073	100.0%

* Includes the listed SME investments CMA Corporation and CBD Energy Limited

** Parent entity cash only and excludes Cash from controlled SME Investments - Cromford Pty Limited and Soda Brands Ltd

SME Investment Portfolio

The book value of the SME investment portfolio has increased by \$30.5 million when compared to the previous corresponding period and by \$17.0 million when compared to the end of the 2007 financial year. The increase of \$17 million includes \$4.5 million in follow on investments, \$9.5 million increase in the market value of the listed SME investments and the equity accounting of unlisted SME investments for the half year of \$3.2 million. The SME investment portfolio has developed to the point where it represents 66% of SPEL's net assets as at 31 January 2008.

Current SME Investments	Listed/ Unlisted	Investment Type	Investment Cost \$'000	Book Value \$'000
As at 31 January 2008				
"Later" Stage SME Investments				
Cromford Pty Limited	Unlisted	Equity/Loan	20,077	20,077
Krispy Kreme Australia Pty Limited	Unlisted	Equity/Loan	16,995	17,102
Ampcontrol Pty Limited	Unlisted	Equity	11,793	20,141
CMA Corporation Limited	Listed	Equity	12,000	23,063
Pitt Capital Partners Limited	Unlisted	Equity	6,019	5,936
Sub-total "later" stage SME investments			66,884	86,319
"Earlier" stage SME investments				
Soda Brands Ltd	Listed	Equity	5,446	4,629
Supercorp Australia Pty Ltd	Unlisted	Equity	3,583	3,587
Belaroma Coffee Pty Limited	Unlisted	Equity	3,083	3,182
Austgrains Pty Limited	Unlisted	Equity	2,900	2,404
Asian Property Investments Limited	Unlisted	Equity	2,001	3,714
InterRisk Australia Pty Limited	Unlisted	Equity	1,485	1,485
Specialist Oncology Property Pty Limited	Unlisted	Equity/Loan	1,650	1,698
CBD Energy Australia Limited	Listed	Equity	2,930	7,383
Sub total "earlier stage" SME investments			23,078	28,081
Total SME Investments			89,962	114,400

"Later" stage SME investments form 75% of the total SME portfolio.

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Investment Managers' Report for the half year ended 31 January 2008 (continued)

No new SME investments have been made since the end of last financial year, however \$4.5 million was invested by way of equity and loans in four "follow on" SME investments during the first six months of the 2008 financial year.

"Follow On" SME Investments	Listed/ Unlisted	Additional Investment Type	Additional Investment \$'000
Six months ended 31 January 2008			
Cromford Pty Limited	Unlisted	Loan	2,182
CBD Energy Limited	Listed	Equity	1,585
Specialist Oncology Property Pty Limited	Unlisted	Loan	650
InterRisk Australia Pty Limited	Unlisted	Equity	100
Total "Follow On" SME Investments			4,517

The additional loan investment in Cromford is consistent with original plans and forecasts and relates to funding the Moss Vale factory construction and development. Shareholders will recall from the 2007 Annual Report that Cromford expanded into the plastic pipe manufacturing market via the acquisition of Australian Film and Pipe in February 2007. Significant capital expenditure has been incurred over the last 13 months to import additional pipe making production lines from Italy as well as commence the construction and development of the new pipe and film manufacturing plant in Moss Vale.

CBD Energy undertook a placement during the first half and SPEL participated via an additional \$1.6 million equity contribution. Combined with the original \$1.3 million investment, SPEL's investment cost in CBD Energy totals \$2.9 million.

Listed Share Portfolio

The listed share portfolio segment excludes the listed investments of CMA Corporation Limited and CBD Energy Limited as these are classified as part of the SME investment portfolio by the investment manager. The listed share portfolio will be realised as additional funds are invested in SME investments.

Listed Share Portfolio (excluding listed SME's)	Original Cost \$'000	Book Value \$'000	Portfolio Weight %
As at 31 January 2008			
Australia & New Zealand Banking Group Ltd	5,274	6,498	12.3%
Australian Gas Light Co.	2,696	3,346	6.3%
Babcock & Brown Infrastructure Group	248	495	0.9%
BBI EPS Limited	177	370	0.7%
BHP Billiton Ltd	1,138	2,591	4.9%
Bravura Solutions Limited	2,854	2,025	3.8%
Coca Cola Amatil Ltd	1,620	1,862	3.5%
Commonwealth Bank of Australia	6,318	9,466	17.9%
Fairfax Media Limited	1,908	1,608	3.0%
National Income Securities Stapled Floating Rate	4,578	4,501	8.5%
Orica Limited Step up Preference Securities	2,500	2,474	4.7%
Suncorp-Metway Limited	2,188	1,521	2.9%
Telstra Corporation Ltd	8,506	8,040	15.2%
Transurban Group	2,726	2,980	5.7%
Wesfarmers Ltd	2,450	2,292	4.4%
Westfield Group	1,996	2,255	4.4%
Woolworths Notes	500	501	0.9%
Totals	47,675	52,823	100.0%

SOULS PRIVATE EQUITY LIMITED AND CONTROLLED ENTITIES

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Investment Managers' Report for the half year ended 31 January 2008 (continued)

Purchases of shares during the year included Bravura Solutions and Fairfax Media.

Outlook

The current condition of financial markets and in particular the sub-prime crisis in the United States, and the flow-on effect that this is having on short term borrowings, should offer SPEL some exciting investment opportunities. The company continues to have a good deal flow of opportunities to evaluate, however, Management and the Board are conscious of the possible fallout that may occur in good businesses in the near future and are applying even more stringent conditions on possible investments.

In regard to our existing SME investment portfolio, we are planning an additional investment of approximately \$10 million in Cromford during the second half of the 2008 financial year. The additional funding is required to complete the Moss Vale based factory construction and development which is forecast to be completed by September / October 2008. All of Cromford's activities will be relocated to Moss Vale once the property development is completed and the existing premises at Pendle Hill will be disposed of by the company. These new premises are conveniently located near to distribution channels to the East Coast of Australia and will enable the new 'state of the art' pipe making operations to compete aggressively with others who are servicing the growing infrastructure and mining development taking place throughout Australia.

Further enquiries:

Andrew Fairfull
General Manager for
Souls Private Equity Limited
02 9210 7000

Half Year ended 31 January 2008

Results for Announcement to the Market

(Appendix 4D item 2)

		% Change	Amount of Change \$'000		\$ '000
Revenue from ordinary activities <i>(Appendix 4D item 2.1)</i>	Up	26.56%	2,632	to	12,540
Profit/(loss) from ordinary activities after tax attributable to members <i>(Appendix 4D item 2.2)</i>	Down	33.21%	2,632	to	5,292
Net profit/(loss) for the period attributable to members <i>(Appendix 4D item 2.3)</i>	Down	33.21%	2,632	to	5,292

Dividends/distributions <i>(Appendix 4D item 2.4)</i>	Amount per security	Franked amount per security
Nil	-	-

Day/Month/Year

Record date for determining entitlements to the dividend:
(Appendix 4D item 2.5)

N/A

Explanation of Operating Results *(Appendix 4D item 2.6)*

The reported consolidated profit for the half-year ended 31 January 2008 was \$5,292,000 and represents profits earned for the half-year period under review.

Refer to the Investment Manager's Report contained in the attached Souls Private Equity Limited 31 January 2008 Half-Year Report for further information on the operating result.

Half Year ended 31 January 2008

Results for Announcement to the Market - Continued

NTA Backing *(Appendix 4D item 3)*

	31/01/2008	31/07/2007	31/01/2007
Net tangible asset backing per ordinary share after tax	27.1 cents	27.2 cents	26.6 cents

Controlled entities acquired or disposed of *(Appendix 4D item 4)*

Disposed entities

No entity was disposed of during the half-year ended 31 January 2008.

Acquired entities

No entity was acquired during the half-year ended 31 January 2008.

Additional dividend/distribution information *(Appendix 4D item.5)*

Details of dividends/distributions declared or paid during or subsequent to the half-year ended 31 January 2008 are as follows:

Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
30 October 2007	Final – 31 July 2007	0.75 cents	\$4,451,380	100%	-
30 October 2007	Special – 31 July 2007	0.25 cents	\$1,483,793	100%	

Dividend reinvestment plans (“DRP”) *(Appendix 4D item 6)*

N/A

Half Year ended 31 January 2008

Results for Announcement to the Market - Continued

Associates and Joint Venture entities *(Appendix 4D item 7)*

Details of associates and percentage holding, share of profits of these entities are:

	2008	31/01/08	2007	31/01/07
	Percentage	Share of	Percentage	Share of
	holding	profit/(loss)	holding	profit/(loss)
		\$'000		\$'000
Pitt Capital Partners Ltd	25.00%	25	25.00%	306
Special Oncology Property Pty Ltd	18.49%	39	23.83%	11
Austrains Pty Ltd	48.00%	(116)	48.00%	(289)
Asian Property Investment Ltd	19.40%	1,199	32.24%	69
Hydramatic Engineering Pty Ltd	-	-	40.00%	693
Ampcontrol Pty Ltd	45.00%	2,410	45.00%	2,830
Source Engine Asia Ltd	35.00%	-	35.00%	-
Supercorp Pty Ltd	30.21%	(5)	-	-
Belaroma Coffee Pty Ltd	40.00%	81	40.00%	12
Krispy Kreme Holdings Australia Pty Ltd	24.00%	(351)	24.00%	(238)
Total		3,282		3,394

Foreign Accounting Standards *(Appendix 4D item 8)*

N/A

Auditor's Review *(Appendix 4D item 9)*

This report is based on accounts which have been reviewed.

Refer attached Souls Private Equity Limited 31 January 2008 Half-Year Report for complete review report.



ABN: 71 111 196 420
Level 2, 160 Pitt Street Mall Sydney NSW 2000
Phone: 02 9210-7000 Facsimile: 02 9210-7099

HALF-YEAR REPORT

FOR THE HALF YEAR ENDED 31 JANUARY 2008

CORPORATE DIRECTORY

Directors

Robert D Millner, Chairman
David J Fairfull, Non-Executive Director
David E Wills, Non Executive Director
Robert G Westphal, Non Executive Director
Geoffrey G Hill, Alternate Director for David J Fairfull (resigned 29 February 2008)

Secretaries

Richard Pillinger (appointed 31 January 2008)
Andrew Fairfull
John de Gouveia (resigned 26 November 2007)

Registered Office

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160 Pitt Street Mall
Sydney 2000
NSW
Telephone: (02) 9210 7000
Facsimile: (02) 9210 7099
Postal Address:
GPO Box 5015
Sydney 2001

Auditors

Grant Thornton NSW
Level 17
383 Kent Street
Sydney 2000

Investment Manager

Pitt Capital Partners Limited
Level 2
160 Pitt Street Mall
Sydney 2000

Share Registry

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney 2000

Australian Stock Exchange Code

Ordinary Shares	SOE
Options	SOEO

DIRECTORS' REPORT

The directors of Souls Private Equity Limited present the following report of the consolidated entity for the 6-month period to 31 January 2008.

1. Directors

The following persons were directors of the Company for the half year and up to the date of this report unless otherwise stated:

Robert D Millner, Chairman
David J Fairfull, Non-Executive Director
David E Wills, Non Executive Director
Robert G Westphal, Non Executive Director
Geoffrey G Hill, Alternate Director for David J Fairfull (resigned 29 February 2008)

2. Review of operations and results

The consolidated profit for the half year ending 31 January 2008 was \$5,292,000 (2007: \$7,924,000). Please refer to Investment Manager's Report on pages 2 - 5.

3. Significant changes in the state of affairs

Other than as stated above and in the Financial Report, there were no significant changes in the state of affairs of the consolidated entity during the reporting period.

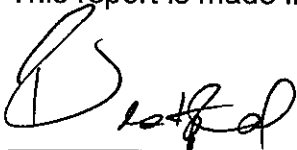
4. Rounding

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the consolidated entity under ASIC Class Order 98/0100. The consolidated entity is an entity to which the Class Order applies.

5. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307(c) of the Corporations Act 2001 in relation to the review of the interim financial report for the period ended 31 January 2008 is set out on page 25 and forms part of this report.

This report is made in accordance with a resolution of the directors.



Robert G Westphal
Director

Sydney
20 March 2008

**CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 JANUARY 2008**

	Note	31/01/08 \$'000	31/01/07 \$'000
Revenue	2	12,540	9,908
Other income	2	4,096	7,372
Other expenses	2	(13,052)	(9,403)
Finance costs		(15)	(5)
Share of net profits of associates accounted for using the equity method		3,282	3,394
Profit before income tax expense		6,851	11,266
Income tax expense		(1,566)	(3,430)
Profit after income tax expense		5,285	7,836
Loss attributable to minority interest		7	88
Profit attributable to members		5,292	7,924
Basic earnings per share (cents per share)		0.89	1.34
Diluted earnings per share (cents per share)		0.89	1.34

These financial statements should be read in conjunction with the accompanying notes.

**CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2008**

	Note	31/01/08 \$'000	31/07/07 \$'000
ASSETS			
Cash and cash equivalents		11,131	23,498
Trade and other receivables		6,834	6,695
Investments in securities	3	84,753	77,740
Inventories		3,579	2,714
Other assets		148	297
Other financial assets		-	915
Property, plant and equipment		13,956	12,732
Investments accounted for using the equity method	4	54,852	52,694
Other long term advances		2,262	2,262
Deferred tax assets		4,249	3,980
Intangible assets		7,765	7,765
TOTAL ASSETS		189,529	191,292
LIABILITIES			
Trade and other payables		4,364	3,995
Current tax liabilities		-	3,250
Provisions		365	329
Other financial liabilities		141	135
Deferred tax liabilities		11,877	10,160
TOTAL LIABILITIES		16,747	17,869
NET ASSETS		172,782	173,423
EQUITY			
Contributed equity		144,927	144,924
Reserves		54	48
Retained profits		26,191	26,834
Parent entity interest		171,172	171,806
Minority interests		1,610	1,617
TOTAL EQUITY		172,782	173,423

These financial statements should be read in conjunction with the accompanying notes.

SOULS PRIVATE EQUITY LIMITED AND CONTROLLED ENTITIES
A.B.N. 71 111 196 420

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 JANUARY 2008**

	Share Capital Ordinary \$'000	Reserve \$'000	Share Option Reserve \$'000	Retained Profits \$'000	Minority Interests \$'000	Total \$'000
Total equity at 31 July 2007	144,924	(9)	57	26,834	1,617	173,423
Issue of shares (net of costs)	3	-	-	-	-	3
Dividends paid or provided for	-	-	-	(5,935)	-	(5,935)
Total transactions with equity holders in their capacity as equity holders	3	-	-	(5,935)	-	(5,932)
Profit (loss) for the period	-	-	-	5,292	(7)	5,285
Total income and expense for the period	-	-	-	5,292	(7)	5,285
Share-based payment recognised	-	-	6	-	-	6
Total equity at 31 January 2008	144,927	(9)	63	26,191	1,610	172,782
Total equity at 31 July 2006	144,916	-	36	13,395	64	158,411
Issue of shares (net of costs)	3	-	-	-	-	3
Dividends paid or provided for	-	-	-	(2,967)	-	(2,967)
Contribution of equity	-	-	-	-	1,719	1,719
Change in controlled entities' equity	-	-	-	-	61	61
Total transactions with equity holders in their capacity as equity holders	3	-	-	(2,967)	1,780	(1,184)
Profit (loss) for the period	-	-	-	7,924	(88)	7,836
Total income and expense for the period	-	-	-	7,924	(88)	7,836
Share-based payment recognised	-	-	10	-	-	10
Total equity at 31 January 2007	144,919	-	46	18,352	1,756	165,073

These financial statements should be read in conjunction with the accompanying notes.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 JANUARY 2008**

	Consolidated Inflows (Outflows)	
	31/01/08 \$'000	31/01/07 \$'000
Cash flows from operating activities		
Receipts from customers	9,024	5,333
Payments to suppliers and employees	(11,704)	(7,428)
Payment for financial assets	(5,293)	(1,452)
Proceeds from sale of financial assets	4,993	9,662
Dividends and distributions received	1,206	1,406
Income tax paid	(3,440)	(120)
Interest received	953	1,381
Finance costs	(9)	(4)
Net cash (used in) / provided by operating activities	(4,270)	8,778
Cash flows from investing activities		
Payments for investments	-	(3,022)
Dividends received from associates	887	634
Proceeds received from sale of associates	265	-
Loans to other entities	(950)	(550)
Loan repayment from other entities	-	600
Payments for property, plant and equipment	(1,717)	(100)
Payment for controlled entities net of cash acquired	-	534
Loans advanced to associates	(650)	(8,360)
Net cash (used in) investing activities	(2,165)	(10,264)
Cash flows from financing activities		
Proceeds from issue of shares	3	3
Controlled entities proceeds from issue of shares net of issuing costs	-	1,719
Dividends paid	(5,935)	(2,967)
Net cash used in financing activities	(5,932)	(1,245)
Net decrease in cash held	(12,367)	(2,731)
Cash at the beginning of the period	23,498	29,492
Cash at the end of the period	11,131	26,761

These financial statements should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2008**

1. BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 July 2007 and any public announcements made by Souls Private Equity Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies are consistent with those applied in the 31 July 2007 Annual Report, unless otherwise stated.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

This financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2008 (continued)

2. PROFIT

	31/01/08 \$'000	31/01/07 \$'000
The following revenue and expense items are relevant in explaining the financial performance for the period:		
(i) Revenue from operating activities:		
Sales revenue	9,054	5,149
Net profit on disposal of shares	1,242	1,334
Fully franked dividends	1,097	1,104
Unfranked dividends	14	121
Trust distributions	95	187
Interest received – third parties	1,020	1,887
Interest received – associate entity	18	126
Total revenue	12,540	9,908
(ii) Other income:		
Other income	106	-
Gain from change in fair value of financial assets	3,990	7,372
Total income	4,096	7,372
(iii) Expenses		
Cost of sales	7,445	3,435
Directors fees and superannuation	95	99
Management expenses	1,620	1,457
Professional costs	219	165
Depreciation	535	333
Administration expenses	1,579	977
Selling and marketing expenses	609	729
Impairment loss on investments	-	142
Impairment loss on goodwill	-	2,066
Impairment loss on receivables	950	-
Total expenses	13,052	9,403

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2008 (continued)

3. INVESTMENTS IN SECURITIES

	31/01/08 \$'000	31/07/07 \$'000
Held for trading listed securities at fair value:		
- shares in corporation	75,793	68,682
- converting and convertible notes and other interest bearing securities	7,475	7,673
	<u>83,268</u>	<u>76,355</u>
Available for sale unlisted investments at fair value – shares in corporation	1,485	1,385
	<u>84,753</u>	<u>77,740</u>

List of securities held and their fair value at 31 January 2008 were:

Stock	No. of Shares Held	Fair Value \$'000	Portfolio Weight %
Australian Gas Light Company	280,000	3,346	4.0
Australia & New Zealand Banking Group Limited	250,000	6,497	7.8
Babcock & Brown Infrastructure Group	392,487	494	0.6
BBI EPS Limited	479,033	370	0.5
BHP Billiton Limited	70,000	2,591	3.1
Bravura Solutions Limited	1,500,000	2,025	2.4
CBD Energy Limited	23,071,429	7,383	8.9
CMA Corporation Limited	37,500,000	23,062	27.7
Coca-Cola Amatil Limited	200,000	1,862	2.2
Commonwealth Bank of Australia	192,000	9,466	11.4
Fairfax Media Limited	400,000	1,608	1.9
National Australia Bank Income Securities	45,500	4,501	5.4
Orica Limited Step Up Preference Securities	25,000	2,474	3.0
Suncorp-Metway Limited	99,733	1,521	1.8
Telstra Corporation Limited	1,402,000	6,085	7.3
Telstra Corporation Limited Instalment Receipts	701,000	1,956	2.3
Transurban Group Triple Stapled Securities	455,000	2,980	3.6
Westfarmers Limited	65,000	2,292	2.8
Westfield Group	123,913	2,255	2.7
Woolworths Limited Unsecured Floating Rate Notes	5,000	500	0.6
		<u>83,268</u>	<u>100.0</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2008 (continued)

4. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Movements during the period in equity accounted investment in associated entities are:

	Carrying value at 31/07/07	Share of profit/(loss)	Dividend received	Carrying value at 31/01/08
	\$'000	\$'000	\$'000	\$'000
Pitt Capital Partners Ltd	6,536	25	(625)	5,936
Special Oncology Property Pty Ltd	1,033	39	(24)	1,048
Austgrains Pty Ltd	2,520	(116)	-	2,404
Asian Property Investment Ltd	2,515	1,199	-	3,714
Ampcontrol Pty Ltd	18,206	2,410	(475)	20,141
Supercorp Pty Ltd	3,592	(5)	-	3,587
Source Engine Asia Ltd	-	-	-	-
Belaroma Coffee Pty Ltd	3,101	81	-	3,182
Krispy Kreme Holdings Australia Pty Ltd	15,191	(351)	-	14,840
Total	52,694	3,282	(1,124)	54,852

5. EARNINGS PER SHARE

	31/01/08 cents	31/01/07 cents
Basic earnings per share	0.89	1.34
Diluted earnings per share	0.89	1.34
Weighted average number of shares used in the calculation of basic and diluted earnings per share	593,517,770	593,490,031

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2008 (continued)**

6. EQUITY SECURITIES

Movement in ordinary shares during the half year to 31 January 2008 were:

	31/01/08		31/01/07	
	Number of Shares	\$000	Number of Shares	\$000
Beginning of the period	593,513,927	144,924	593,485,726	144,916
Issued during the period:				
- share options exercised	10,614	3	8,834	3
End of the period	<u>593,524,541</u>	<u>144,927</u>	<u>593,494,560</u>	<u>144,919</u>

Movement in listed options during the half year to 31 January 2008 were:

	31/01/08	31/01/07
	Number of options	Number of Options
Beginning of the period	73,739,731	73,767,932
Share options exercised	(10,614)	(8,834)
End of the period	<u>73,729,117</u>	<u>73,759,098</u>

Movement in unlisted options during the half year to 31 January 2008 were:

Beginning of the period	8,480,000	10,000,000
Issued during the period	1,020,000	-
Cancelled during the period	(760,000)	-
Exercised during the period	-	-
End of the period	<u>8,740,000</u>	<u>10,000,000</u>

7. DIVIDENDS

	2008		2007	
	Cents	\$000	Cents	\$000
Final dividend for the year ended 31 July 2007, fully franked, paid during the half-year on 593,517,297 (2006: 593,488,477) ordinary fully paid shares	<u>0.75</u>	<u>4,451</u>	<u>0.50</u>	<u>2,967</u>
Special dividend for the year ended 31 July 2007, fully franked, paid during the half-year on 593,517,297 (2006: 593,488,477) ordinary fully paid shares	<u>0.25</u>	<u>1,484</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2008 (continued)**

8. RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place and there have been no significant changes in these arrangements since 31 July 2007. For details on these arrangements, refer to the 31 July 2007 annual financial report.

9. FINANCIAL REPORTING BY SEGMENTS

The following table presents the revenue and profit information regarding business segments for the half-year periods ended 31 January 2008 and 31 January 2007

31 January 2008	Private equity investments \$'000	Other investments ^(a) \$'000	Elimination \$'000	Consolidated \$'000
<u>Revenues</u>				
Revenues	9,299	4,752	(1,511)	12,540
Other revenue	9,599	(5,503)	-	4,096
Operating revenue	18,898	(751)	(1,511)	16,636
Equity accounted net profits	3,282	-	-	3,282
Total segment revenue	22,180	(751)	(1,511)	19,918
<u>Results</u>				
Results before non cash items	12,219	(3,696)	(1,124)	7,399
Depreciation	(535)	-	-	(535)
Share based payment	-	(6)	-	(6)
Income tax expenses	(3,226)	1,660	-	(1,566)
Profit after tax	8,458	(2,042)	(1,124)	5,292
<u>Assets</u>				
Segment assets	60,054	66,798	-	126,852
Equity accounted investments	54,852	-	-	54,852
Unallocated assets	7,765	-	-	7,765
Total assets	122,671	66,798	-	189,469
<u>Liabilities</u>				
Segment liabilities	12,193	4,494	-	16,687

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2008 (continued)

9. FINANCIAL REPORTING BY SEGMENTS (continued)

	Private equity investments \$'000	Other investments ^(a) \$'000	Elimination \$'000	Consolidated \$'000
31 January 2007				
<u>Revenues</u>				
Revenues	5,249	4,017	(799)	8,467
Other revenue	1,721	7,092	-	8,813
Operating revenue	6,970	11,109	(799)	17,280
Equity accounted net profits	3,394	-	-	3,394
Total segment revenue	10,364	11,109	(799)	20,674
<u>Results</u>				
Results before non cash items	2,965	10,083	(1,439)	11,609
Depreciation	(333)	-	-	(333)
Share based payment	-	(10)	-	(10)
Income tax expenses	(941)	(2,489)	-	(3,430)
Profit after tax	1,691	7,584	(1,439)	7,836
<u>Assets</u>				
Segment assets	32,711	91,114	-	123,825
Equity accounted investments	50,850	-	-	50,850
Total assets	83,561	91,114	-	174,675
<u>Liabilities</u>				
Segment liabilities	1,837	7,765	-	9,602

Note (a) – other investments is made up of cash and the Listed Share Portfolio (excluding CBD Energy Ltd and CMA Corporation Ltd, which are treated as an SME investment)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2008 (continued)**

10. ACQUISITION OF CONTROLLED ENTITIES

The Company did not acquire any controlled entities during the six months to 31 January 2008. However, in the corresponding period to 31 January 2007, the Company acquired the remaining 50% interest in an associate, Food and Beverage Company Limited and Food and Beverage Company Limited became a wholly owned subsidiary.

Details of the acquisitions are:	31/01/08 \$'000	31/01/07 \$'000
Fair value of assets acquired:		
Investments	-	17,590
Liquid and other assets	-	10,415
Liabilities	-	(30,698)
Accumulated losses	-	627
Impairment of goodwill	-	(2,066)

11. EVENTS SUBSEQUENT TO BALANCE DATE

Since 31 January 2008 to the date of this report there has been no event of which the directors are aware which has had a material effect on the Company or its financial position.

However, Directors note that there has been a substantial correction in the markets in which the Company invests between the half year end and the date of this report. Changes in the value of the Company's investments are reflected in the Company's Net Asset Backing per share which is reported to the ASX monthly.

12. CONTINGENT LIABILITIES

The consolidated entity has no contingent liabilities as at 31 January 2008 and there has been no change since the last annual reporting date.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Souls Private Equity Limited, the directors state that:

1. The financial statements and notes as set out on pages 12 to 23
 - (a) give a true and fair view of the consolidated entity's financial position as at 31 January 2008 and of its performance for the half year ended on that date, and
 - (b) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations.
2. In the directors' opinion 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



Robert G Westphal
Director

Sydney
20 March 2008

Grant Thornton NSW
ABN 25 034 787 757

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SOULS PRIVATE EQUITY LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Souls Private Equity Limited for the half-year ended 31 January 2008, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON NSW
Chartered Accountants



A J ARCHER
Partner

Sydney, 20 March 2008

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ABN 25 034 787 757

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SOULS PRIVATE EQUITY LIMITED

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Souls Private Equity Limited, which comprises the balance sheet as at 31 January 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors declaration of the consolidated entity comprising the company and the entities it controlled during the half year.

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 Engagement 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 financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 January 2008 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 Souls Private Equity 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.

**INDEPENDENT AUDITOR'S REVIEW REPORT (continued)
TO THE MEMBERS OF SOULS PRIVATE EQUITY LIMITED**

Independence

In conducting our review, we 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 Souls Private Equity 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 January 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON NSW
Chartered Accountants



A J ARCHER
Partner

Sydney, 20 March 2008