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PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED INCOME STATEMENTS

(Amounts expressed in thousands of Australian Dollar ("AUD") currency)

These statements have not been audited.

	GROUP			GROUP		
			+/(-)			+/(-)
	4Q08	4Q07	%	FY08	FY07	%
	AUD\$'000	AUD\$'000		AUD\$'000	AUD\$'000	
Revenue	99,155	83,618	18.6	378,980	281,131	34.8
Cost of Sales	(95,840)	(69,024)	38.9	(330,780)	(231,179)	43.1
Gross Profit	3,315	14,594	(77.3)	48,200	49,952	(3.5)
Gross Margin	3.3%	17.5%		12.7%	17.8%	
Other income	1,352	870	55.4	1,961	2,293	(14.5)
Other operating expenses	8,165	(2,040)	(500.2)	(11,259)	(7,809)	44.2
Administrative expenses	(3,750)	(5,211)	(28.0)	(15,671)	(15,455)	1.4
Marketing and distribution expenses	(305)	(32)	853.1	(1,515)	(434)	249.1
Profit from operations	8,777	8,181	7.3	21,716	28,547	(23.9)
Finance costs	(887)	(321)	176.3	(2,153)	(1,488)	44.7
Profit before taxation	7,890	7,860	0.4	19,563	27,059	(27.7)
Income tax expense	(2,192)	(1,718)	27.6	(5,191)	(7,151)	(27.4)
Profit after taxation	5,698	6,142	(7.2)	14,372	19,908	(27.8)
Net Profit %	5.7%	7.3%		3.8%	7.1%	
Attributable to:						
Equity holders of the company	5,698	6,142		14,372	19,133	
Minority interests	0	0		0	775	
	5,698	6,142		14,372	19,908	

NOTES TO FINANCIAL STATEMENTS

A. PROFIT FROM OPERATIONS

The following items have been included in determining the profit before taxation:

	GROUP		GROUP	
	4Q08	4Q07	FY08	FY07
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Other Income				
Interest Income	288	145	509	630
(Loss) / Profit on disposal of property, plant and equipment	(45)	12	(8)	112
Reversal of impairment loss on leasehold properties	648	462	648	462
Sundry Income	231	219	614	852
Foreign exchange gain	230	32	198	237
	<u>1,352</u>	<u>870</u>	<u>1,961</u>	<u>2,293</u>
Amortisation and Depreciation				
Amortisation of leased plant & equipment included in cost of sales	62	0	302	0
Depreciation of property, plant & equipment included in cost of sales	1,443	870	4,772	3,196
Depreciation of property, plant & equipment included in administrative expenses	221	468	747	628
Total Amortisation and Depreciation	<u>1,726</u>	<u>1,338</u>	<u>5,821</u>	<u>3,824</u>
Employee Share Option Scheme Expenses	<u>(17)</u>	<u>0</u>	<u>689</u>	<u>0</u>

B. FINANCE COSTS

	GROUP		GROUP	
	4Q08	4Q07	FY08	FY07
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Finance Costs				
Bank overdrafts and loans	477	94	1,173	739
Bank guarantee fees	116	104	296	252
Finance leases and hire purchase	294	123	684	497
Total Finance Costs	887	321	2,153	1,488

C. INCOME TAX EXPENSE

	GROUP		GROUP	
	4Q08	4Q07	FY08	FY07
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Profit before taxation	7,890	7,860	19,563	27,059
Prima facie taxation calculated at applicable rate on profit before taxation	(2,315)	(2,210)	(5,610)	(7,643)
Income not subject to tax	170	(56)	170	(56)
Tax effect of non deductible expenses	(346)	173	(346)	173
Adjustment for capital allowance incentives	226	104	521	104
Overprovision in prior years	73	271	73	271
Total Income Tax Expense	(2,192)	(1,718)	(5,191)	(7,151)
Income tax expense percentage	27.8%	21.9%	26.5%	26.4%

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group As at 30/06/2008 AUD \$ '000	Group As at 30/06/2007 AUD \$ '000	Company As at 30/06/2008 AUD \$ '000	Company As at 30/06/2007 AUD \$ '000
NON-CURRENT ASSETS				
Property, plant and equipment	61,452	31,579	0	0
Goodwill	9,264	9,264	0	0
Investment in subsidiaries	0	0	22,310	22,310
Due from subsidiaries	0	0	21,134	7,502
Deferred tax assets	2,524	2,467	0	0
Total non-current assets	73,240	43,310	43,444	29,812
CURRENT ASSETS				
Construction work in progress in excess of progress billings	16,244	8,396	0	0
Trade receivables	106,440	62,924	0	0
Other receivables	2,672	1,614	530	70
Taxation recoverable	1,905	0	0	0
Due from subsidiaries	0	0	3,000	0
Bank and cash balances	18,768	16,676	7,771	12,590
Total current assets	146,029	89,610	11,301	12,660
Total Assets	219,269	132,920	54,745	42,472
CURRENT LIABILITIES				
Trade payables	27,262	17,704	7	75
Other payables and accruals	17,761	8,899	322	292
Interest bearing liabilities	4,386	3,829	1,059	0
Progress billings in excess of construction work in progress	33,851	4,076	0	0
Provisions	7,606	7,107	0	0
Provisions for taxation	0	5,476	165	(61)
Total current liabilities	90,866	47,091	1,553	306
NON-CURRENT LIABILITIES				
Interest bearing liabilities	35,117	5,803	10,920	0
Deferred tax liabilities	1,912	1,404	0	0
Other payables and accruals	2,757	2,890	0	0
Total non-current liabilities	39,786	10,097	10,920	0
Total liabilities	130,652	57,188	12,473	306
NET ASSETS	88,617	75,732	42,272	42,166
SHAREHOLDERS' EQUITY				
Share capital	43,159	43,159	43,159	43,159
Share based payment reserve	689	0	0	0
Foreign currency translation reserve	(2,368)	(2,115)	(2,242)	(2,106)
Retained earnings	47,137	34,688	1,355	1,113
Total shareholders' equity	88,617	75,732	42,272	42,166

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Actual as at 30 June 2008		Actual as at 30 June 2007	
Secured	Unsecured	Secured	Unsecured
AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
4,386	0	3,829	

Amount repayable after one year

Actual as at 30 June 2008		Actual as at 30 June 2007	
Secured	Unsecured	Secured	Unsecured
AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
35,117	0	5,803	0

Details of collateral

New loan facility

In June 2008 AusGroup entered into a new syndicated loan facility with Westpac Banking Corporation and United Overseas Bank. Westpac as the trustee of the syndicated facility holds the guarantees.

Westpac Banking Corporation

First registered fixed & floating charge over all the present & future undertakings, assets and rights of Ausgroup Limited including real & personal property, goodwill, uncalled & called but unpaid capital.

Mortgages and charges provided by subsidiary companies to:

Westpac Banking Corporation

First registered fixed & floating charges over all the present & future undertakings, assets and rights of Ausclad Group of Companies Limited, AGC Industries Pty Ltd & Seagate Structural Engineering Pty Ltd including real & personal property, goodwill, uncalled & called but unpaid capital.

First registered real property mortgage by Ausclad Group of Companies Limited over the commercial property located at 15 Beach Street, Kwinana WA 6167.

First registered real property mortgage by Seagate Structural Engineering Pty Ltd over the commercial property located at Lot 430 Beach Street, Kwinana WA 6167.

Fixed & floating charge over all of the present & future undertaking, assets and rights of Cactus Engineering & Trading Pte Ltd including real & personal property, goodwill, uncalled & called but unpaid capital.

First open legal mortgage over the whole of Lot 2603L of Mukim 7 together with all buildings & structures erected thereon and known as 14 Tuas Link 1, Singapore 638596, or, where applicable, deed of assignment and mortgage signed in escrow.

First open legal mortgage over the whole of Private Lot A22510, known as government survey Lot 2608P Mukim 7 known as 4 Tuas Link 1, Singapore 638591.

First open legal mortgage over the whole of Lot 2772C of Mukim 7 together with all buildings & structures erected thereon and known as 36 Tuas Road, Singapore 638505.

Fixed & floating charge over all of the present & future undertaking, assets and rights of AGL Cactus Pte Ltd Ltd including real & personal property, goodwill, uncalled & called but unpaid capital.

St Georges Bank

A first fixed charge over certain machinery, equipment and vehicles on term loans provided by the bank.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP 4Q08 AUD \$ '000	GROUP 4Q07 AUD \$ '000	GROUP 12M08 AUD \$ '000	GROUP 12M07 AUD \$ '000
Cash flows from operating activities				
Profit before taxation	7,890	7,860	19,563	27,059
Add / (less) adjustments for				
Depreciation and amortisation of property, plant and equipment	1,726	1,338	5,821	3,824
Employee share option scheme expenses	(17)	0	689	0
Reversal of impairment loss on leasehold properties	(648)	(462)	(648)	(462)
Allowance for impairment of trade debtors	(10,300)	0	0	0
(Loss) / Profit on disposal of property plant and equipment	45	(12)	8	(112)
Interest income	(288)	(145)	(509)	(630)
Interest expense	887	321	2,153	1,488
Operating cash flows before working capital changes	(705)	8,900	27,077	31,167
Changes in operating assets and liabilities net of effects from acquisitions of subsidiaries				
Construction work in progress	26,911	263	21,927	4,952
Trade receivables	(40,387)	(5,695)	(43,516)	(16,136)
Other receivables and prepayments	(124)	(723)	(1,058)	57
Trade and other payables	13,146	2,814	18,286	(2,197)
Increase in provisions	(533)	1,526	499	3,371
Cash (utilised in) / generated from operations	(1,692)	7,085	23,215	21,214
Interest paid	(887)	(321)	(2,153)	(1,488)
Interest received	288	145	509	630
Income tax paid	(2,187)	(1,838)	(12,122)	(6,178)
Net cash (utilised in) / generated from operating activities	(4,478)	5,071	9,449	14,178
Cash flows from investing				
Proceeds from disposal of plant and equipment	1,208	312	1,274	319
Purchase of property, plant and equipment	(9,558)	(3,663)	(36,327)	(7,151)
Net cash outflow on acquisition of subsidiary (Note A)	0	0	0	(3,490)
Net cash used in investing activities	(8,350)	(3,351)	(35,053)	(10,322)

Cash flow continued	GROUP 4Q08 AUD \$ '000	GROUP 4Q07 AUD \$ '000	GROUP 12M08 AUD \$ '000	GROUP 12M07 AUD \$ '000
Cash flows from financing activities				
Dividends paid	0	0	(1,923)	0
Proceeds from borrowings	26,372	3,316	40,758	3,316
Repayment of loans, leases and hire purchase	(2,999)	(1,589)	(10,887)	(13,489)
Net cash inflow / (outflow) from financing activities	23,373	1,727	27,948	(10,173)
Net increase / (decrease) in cash and cash equivalent	10,545	3,447	2,344	(6,317)
Effect of exchange rate changes	(1,043)	(558)	(252)	(3,400)
Movement in cash and cash equivalents for the period / year	9,502	2,889	2,092	(9,717)
Cash and cash equivalents at beginning of period / year	9,266	13,787	16,676	26,393
Cash and cash equivalents at end of period / year	18,768	16,676	18,768	16,676
Cash and cash equivalents represented by				
Cash and bank balances	18,768	4,677	18,768	4,677
Fixed deposits	0	11,999	0	11,999
Bank overdraft	0	0	0	0
Total cash and cash equivalents at end of period / year	18,768	16,676	18,768	16,676
Note A				
Analysis of acquisition of subsidiary				
Assets and liabilities acquired				
Cash and bank balances	0	0	0	650
Trade receivables	0	0	0	7,262
Inventories and work in progress	0	0	0	4,548
Other receivables and prepayments	0	0	0	2,316
Property, plant and equipment	0	0	0	9,632
Intangible assets - Goodwill	0	0	0	1,294
Deferred tax liability	0	0	0	(1,415)
Trade and other payables	0	0	0	(5,784)
Interest bearing liabilities	0	0	0	(7,679)
Provision for taxation	0	0	0	(628)
Net assets acquired	0	0	0	10,196
Less: Minority interest	0	0	0	(775)
Goodwill	0	0	0	9,421
Goodwill	0	0	0	7,507
Shares issued as consideration	0	0	0	16,928
Shares issued as consideration	0	0	0	(12,788)
Cash consideration	0	0	0	(650)
Net cash outflow on acquisition	0	0	0	3,490

1(d)(i) A statement (for the issuer and group) showing either

- (i) all changes in equity, or
- (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	SHARE CAPITAL	CURRENCY TRANSLATION RESERVE	SHARE OPTION RESERVE	RETAINED EARNINGS	TOTAL
Group	AUD\$ '000	AUD\$ '000	AUD\$ '000	AUD\$ '000	AUD\$ '000
FY2008					
Balance as at 1 July 2007	43,159	(2,115)	0	34,688	75,732
Profit for the year	0	0	0	14,372	14,372
Dividends paid	0	0	0	(1,923)	(1,923)
Share based payment reserve	0	0	689	0	689
Foreign currency translation difference	0	(253)	0	0	(253)
Balance as at 30 June 2008	43,159	(2,368)	689	47,137	88,617
Group					
FY2007					
Balance as at 1 July 2006	30,371	1,285	0	15,555	47,211
Issue of shares	12,788	0	0	0	12,788
Profit for the year	0	0	0	19,133	19,133
Foreign currency translation difference	0	(3,400)	0	0	(3,400)
Balance as at 30 June 2007	43,159	(2,115)	0	34,688	75,732

	SHARE CAPITAL	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
	AUD\$ '000	AUD\$ '000	AUD\$ '000	AUD\$ '000
Company				
FY2008				
Balance as at 1 July 2007	43,159	(2,106)	1,113	42,166
Profit for the year	0	0	2,166	2,166
Dividends paid	0	0	(1,924)	(1,924)
Foreign currency translation difference	0	(136)		(136)
Balance as at 30 June 2008	43,159	(2,242)	1,355	42,272
Company				
FY2007				
Balance as at 1 July 2006	30,371	1,148	900	32,419
Issue of shares	12,788	0	0	12,788
Profit for the year	0	0	213	213
Foreign currency translation difference	0	(3,254)	0	(3,254)
Balance as at 30 June 2007	43,159	(2,106)	1,113	42,166

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	30 June 2008	30 June 2007
Number of issued shares	393,954,773	393,954,773

No sales, transfers, disposal or cancellation of shares have taken place in the current financial year.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have been not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not Applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year compared to the audited financial statements for the year ended 30 June 2007 except for the adoption of the applicable new and revised Financial Reporting Standards (FRS) that became effective for the Group for the financial year beginning 1 July 2007 as follows:

- FRS107: Financial Instrument Disclosures
- FRS1 (Amendment): Presentation of Financial Statements - Capital Disclosures

The adoption of the new and revised FRS did not have any significant financial impact on the Group. FRS107 and the complementary amended FRS1 introduce new disclosures relating to financial instruments and capital, respectively.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

There were no changes in the accounting policies and methods of computation, except for the reclassification of certain costs within the income statement. As part of its program to continuously improve financial reporting, management has examined in detail how costs are allocated to specific projects. The purpose of this program was to ensure that all specific costs that can be allocated to a project are recognised to enhance the accuracy of job quotations and measurement of job performance as well as project management accountability.

As a result of this review, in the current year certain costs previously included under "other operating expenses" in the Income Statement have been allocated to specific contracts and accordingly reclassified to cost of sales. As a result, comparative results have been adjusted to reflect this classification.

The impact of the reclassification on the comparative year ended 30 June 2007 is to reduce gross profit from AUD\$ 64.7 million to AUD\$ 50.0 million and the gross margin from 23.0% to 17.8%. There is no impact on the net profit before tax of the Group.

Please refer to paragraph 4.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	4Q08	4Q07	FY08	FY07
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Profit after taxation	5,698	6,142	14,372	19,908
Weighted average number of ordinary shares in issue applicable to earnings ('000)	393,955	389,925	393,955	389,925
Earnings per ordinary share (AUD cents)				
- Basic	1.4	1.6	3.6	4.9
- Diluted	1.4	1.6	3.6	4.9

Basic earnings per share is calculated by dividing the profit after tax attributable to members of the Company by the weighted average of the number of shares outstanding during the period.

For the purposes of calculating diluted earnings per share, the weighted average number of shares on issue have been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive shares is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the profit after tax.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year

	FY08	FY07
	AUD\$'000	AUD\$'000
Net assets	88,617	75,732
Net asset value per ordinary share based on issued share capital at the end of the respective periods (AUD cents)	22.5	19.2

Net asset value per ordinary share is calculated based on 393,954,773 ordinary shares as at 30 June 2008 (30 June 2007: 393,954,773 ordinary shares)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

A Income Statement (FY2008 vs FY2007)

(i) Revenue

Revenue for the fourth quarter of FY2008 increased by 18.6% to AUD\$99.2 million (FY2007: AUD\$83.6 million). This increase was primarily due to increased work being undertaken in Australia.

Revenue for the twelve months has increased by 34.8% to AUD\$ 379.0 million (FY2007: AUD\$ 281.1 million) which reflects the continuing strong revenue growth being enjoyed by the Group in Australia.

(ii) Cost of Sales and Gross Profit

Cost of Sales

The cost of sales for the fourth quarter increased by 38.9% to AUD\$95.8 million (FY2007: AUD\$69.0 million). Cost of sales for the twelve months increased by 43.1% to AUD\$330.8 million (FY2007: AUD\$ 231.2 million). This increase is largely in line with the revenue growth with additional cost of sales impacted by some lower margin contracts, timing of variation approvals and project cost which are not recoverable through contract conditions.

Gross Profit

Gross margins declined from 17.5% during the fourth quarter of FY2007 to 3.3% during the fourth quarter of FY2008. Gross margins declined due to certain variation claims associated with the work undertaken within the Engineering division that had not been finalized prior to the end of the reporting period. In accordance with the Group's accounting policy, revenue has not been recognized for work done under variation where the outcome of the variation is uncertain. With the continuing strong growth of the company, management personnel and systems have slipped behind business needs in some areas. This has been impacted by a tightening in the market for skilled personnel, particularly experienced commercial managers, and project managers. This has resulted in reduced margins from some contracts with the overall effect of an erosion of the group gross profit margin.

Gross margins declined from 17.8% during the FY2007 to 12.7% during the FY2008 for the reasons stated above.

(iii) **Operating and Administration Expenses**

Operating Expenditure

Excluding the reversal of the impairment to trade receivables, operating costs for the fourth quarter FY2008 increased by 4.7% to AUD\$2.1 million (FY2007: AUD\$2.0 million). Employee costs were the main contributor to the increased costs. The impairment to trade receivables of AUD\$10.3 million was reversed in the fourth quarter resulting in operating expenditure for the fourth quarter being negative AUD\$8.2 million.

Operating costs for the FY2008 increased by 44.2% to AUD\$11.3 million (FY2007: AUD\$7.8 million) due principally to increased employment costs for additional resources employed to manage and support the expanding Group's operations, together with the associated recruitment costs incurred.

Administration Expenditure

Administration expenses for the fourth quarter FY2008 declined by 28.0% to AUD\$3.8 million (FY2007: AUD\$5.2 million). The decrease is mainly due to the reversal of bonus provisions.

Administration expenses for FY2008 increased by 1.4% to AUD\$15.7 million (FY2007: AUD\$15.5 million).

(iv) **Other Income**

Other income for the fourth quarter of FY2008 increased by 55.4% to AUD\$1.4 million (FY2007: AUD\$0.9 million) due mainly to increased interest income earned and the reversal of impairment losses of \$0.7 million on leasehold buildings during the quarter.

Other income for FY2008 decreased by 14.5% to AUD\$2.0 million (FY2007: AUD\$2.3 million) due principally to lower sundry income earned during the year.

(v) **Finance Costs**

Finance costs for the fourth quarter of FY2008 increased by 176.3% to AUD\$0.9 million (FY2007: AUD\$0.3 million). This increase is attributable to increased guarantee and surety costs on increased projects on hand, increased working capital funded by overdraft and also longer term funding utilized for the capital acquisition program.

Finance costs for the FY2008 increased by 44.7% to AUD\$2.2 million (FY2007: AUD\$1.5 million) for the reasons stated above.

(vi) **Income Tax**

Please refer to Section 1 (a) Note C.

(vii) **Profit after tax**

The profit after tax for the fourth quarter of FY2008 decreased by 7.2% to AUD\$5.7 million (FY2007: Profit AUD\$6.1 million). The profit after tax for the twelve months ended 30 June 2008 decreased by 27.8% to AUD\$ 14.4 million (FY2007: AUD\$ 19.9 million) The decreases were due principally to reduced margins associated with work undertaken within the engineering sector in Australia. As discussed earlier, variations not finalized at the end of the reporting period have impacted margins. Revenue was at lower margins in Australia with margins in Singapore improving. This should be read in conjunction with notes 8 A (i) to (vi) above.

B Balance Sheet (FY2008 vs 2007)

(i) Shareholders' Equity

Total shareholders' equity at 30 June 2008 amounted to AUD\$88.6 million, representing a 17% increase over the previous year (FY2007: AUD\$75.7 million). The increase was due primarily to the contributions from the current year's net profit after tax.

(ii) Non-current Assets

Total non-current assets amounted to AUD\$73.2 million at 30 June 2008, representing a 69% increase over the previous year (FY2007: AUD\$43.3 million). This increase was primarily due to the purchase of land, buildings and equipment by Cactus Engineering & Trading Pte Ltd as part of the capital expenditure programme to support its expanding business operations and also included equipment purchases for the Australian operations.

(iii) Current Assets

Total current assets amounted to AUD\$146.0 million at 30 June 2008, representing a 63% increase over the previous year (FY2007: AUD\$89.6 million). The Group's cash and bank balances increased due to the new loan facility put in place for the Group to fund the Group's capital expenditure requirements and growth strategy. Construction work in progress and trade debtors increased significantly due to major contracts being executed at present together with the growth in revenue over the prior year.

(iv) Current Liabilities

Total current liabilities amounted to AUD\$90.9 million, representing a 93% increase over the previous year (FY2007: AUD\$47.1 million). Billings in excess of construction work in progress increased by AUD\$30 million to AUD\$33.9 million due to major contracts being executed at present.

Other payables and accruals increased by AUD\$9 million to AUD\$18 million. This increase is attributable to the timing of the payroll payments which has resulted in increased wages and associated costs payable over the prior year. The GST payable has also increased over the prior year.

(v) Non-current Liabilities

Total non-current liabilities increased by AUD\$29.9 million to AUD\$40.0 million (FY2007: AUD\$10.1 million). This is due to the new loan facility put in place in June 2008. The new facility was used to settle current interest bearing liabilities and to fund long term growth for both capital expenditure and working capital.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group should continue to benefit from the strong demand for fabrication and construction services within the Western Australian natural resources sector - particularly the mining and oil and gas sectors.

The Group should continue to take advantage of the strong activity in the marine and upstream oil and gas sectors, in servicing the Singapore market.

The Group has already secured orders and contracts, to the value of A\$296 million an increase of 50% over December HY2007 order book and is well positioned to continue to secure opportunities in these sectors which will underpin Group growth for the next 12 months.

The Group has a detailed strategy to address the challenges faced over the previous 12 months. The strategy implementation has commenced and will continue to be rolled out within the organization over the next 12 months. The Group expects construction project performance to improve with the implementation of this strategy.

The Group expects, from time to time, delays in the finalising of variations with it's clients around certain types of construction projects. This will create a degree of variability in the Group profit results from quarter to quarter.

Notwithstanding the positive business outlook, the Group is mindful of a slowdown of the global economy. The Group maintains a vigilant stance on the unfolding global economic trends as it executes its business plans.

Barring any unforeseen circumstances, the Board expects that the FY2009 will be profitable.

This release contains certain statements that are not statements of historical fact, i.e. forward looking statements. Readers can identify some of these statements by forward looking terms such as "expect", 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', 'could', or similar words. However, you should note that these words are not the exclusive means of identifying forward looking statements. Forward looking statements are made based on current expectations, projections and assumptions about future events. Although AusGroup believes these expectations, projections and assumptions are reasonable at the time of making them, these forward looking statements are subject to risks (known and unknown), uncertainties and certain assumptions about AusGroup, its business operations, and the environment it operates in. Actual future performance, outcomes and results may therefore differ materially from those expressed in the forward looking statements. Representative examples of these risk factors include (without limitation) general industry and economic conditions, availability of suitably skilled workers, interest rate movements, cost of capital and capital availability, competition from other companies, shifts in customer demands, changes in operating expenses, including employee wages, benefits and training and government and public policy changes. Readers are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final (One-Tier)
Dividend Type	Cash
Dividend Amount Per Share	0.61 Singapore cents
Tax Rate	Tax-exempt

These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2009.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	Final (One-Tier)
Dividend Type	Cash
Dividend Amount Per Share	0.61 Singapore cents
Tax Rate	Tax-exempt

(c) Date payable

Subject to members' approval at the annual general meeting of the Company to be held on 24 October 2008, the final one-tier tax exempt dividend will be paid on 14 November 2008.

(d) Books closure date

Notice is hereby given that the share transfer books and register of members of the Company will be closed on 5 November 2008 for the purpose of determining members' entitlements to the final one-tier tax exempt dividend of 0.61 Singapore cents per ordinary share for the year ended 30 June 2008.

Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 up to 5.00 p.m. on 4 November 2008 will be registered before members' entitlements to the dividend are determined.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 4 November 2008 will be entitled to the dividend.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable

13. Negative Assurance pursuant to Rule 705 (4) of the Listing Manual.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	FY08	FY07	Increase / (Decrease)	
	AUD\$'000	AUD\$'000	AUD\$'000	%
Revenue by division				
Engineering Division	289,911	234,365	55,546	24%
Services Division	89,049	46,715	42,334	91%
Other / Corporate	20	51	(31)	(61%)
Group Total	378,980	281,131	97,849	35%

	FY08	FY07	Increase / (Decrease)	
	AUD\$'000	AUD\$'000	AUD\$'000	%
Revenue by Geographical Location				
Australia	354,750	252,183	102,567	41%
Singapore	24,230	28,948	(4,718)	(16%)
Group Total	378,980	281,131	97,849	35%

- (a) Primary reporting format – business segments
The Group's principal business segments are Engineering and Services business segments.
- (b) Secondary reporting format – geographical segment
The Group's geographical segmentation of revenue is based on the country in which the engineering and maintenance services are conducted. The Group's significant operations are currently conducted in Australia and Singapore.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

For the year ended 30 June 2008 the Engineering division contributed 76.5% (Actual 2007: 83.4%) of the Group's turnover with the Services division contributing the remaining 23.5% (Actual 2007: 16.6%). The increased proportion of the Services revenue in 2008 was due to increased plant maintenance work performed in 2008.

Australian Turnover now accounts for 93.6% of Group turnover (Actual 2007: 89.7%) whilst Singapore made up the remaining 6.4% (Actual 2007: 10.3%). The Australian revenue growth was higher than in Singapore due to the buoyant market conditions in Australia. The significant capital expansion programme embarked upon at the Singapore operations also proved to be disruptive and impacted negatively on the Singapore revenues. In addition, the strong worldwide demand for subsea products did not translate into higher revenues in the current year for the Singapore operations.

16. A breakdown of sales as follows:

	HY2008	FY2008
	AUD\$'000	
Revenue		
Engineering	152,645	289,911
Services	49,563	89,049
Others / Corporate	10	20
	<u>202,218</u>	<u>378,980</u>
Profit after tax		
Engineering	9,446	11,367
Services	2,462	2,824
Others / Corporate	210	181
	<u>12,118</u>	<u>14,372</u>
	HY2007	FY2007
	AUD\$'000 AUD\$'000	
Revenue		
Engineering	103,059	234,365
Services	22,993	46,715
Others / Corporate	35	51
	<u>126,087</u>	<u>281,131</u>
Profit after tax		
Engineering	7,394	17,400
Services	629	1,179
Others / Corporate	945	1,329
	<u>8,968</u>	<u>19,908</u>

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY2008 Proposed	FY2007 Declared
Ordinary final dividend (Sing \$'000)	<u>2,400</u>	<u>2,400</u>

ON BEHALF OF THE BOARD

Mr Koh Soo Keong
Chairman

Mr John Fitzgerald Boyd Sheridan
Managing Director

25 August 2008