



**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.

	ACTUAL	ACTUAL	ACTUAL
	1 July 2006 to 31 December 2006	1 July 2005 to 31 December 2005	Variance Increase / (Decrease)
	AUD\$'000	AUD\$'000	
Revenue	126,087	104,700	20%
Cost of Sales	(97,651)	(88,205)	11%
Gross Profit	28,436	16,495	72%
Other income	714	403	77%
Other operating expenses	(10,434)	(6,903)	51%
Administrative expenses	(6,532)	(4,440)	47%
Profit from operations	12,184	5,555	119%
Finance costs	(601)	(501)	20%
Profit before taxation	11,583	5,054	129%
Income tax expense	(3,337)	(1,508)	121%
Profit after taxation	8,246	3,546	133%



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## NOTES TO FINANCIAL STATEMENTS

### A. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

- a) AusGroup Limited (the "Company") was incorporated in the Republic of Singapore under the name of AusGroup Pte Ltd on 9 October 2004 as a private limited company. On 5 April 2005, it changed its name to AusGroup Limited as the Company converted to a public company limited by shares and was admitted to the Official List of the SGX-St Dealing and Automated Quotation Systems (the "SGX-SESDAQ") on 27 April 2005.
- b) AusGroup Limited Group (the "Group") was formed as a result of acquiring 100% of the issued share capital of Ausclad Group of Companies Limited ("AGC") on 30 November 2004. AGC is an integrated multi-disciplinary engineering services provider serving mainly the global needs of the oil & gas, LNG and resource mining (including the extraction and processing of mineral ores) industries. AGC operates predominately in Australia.
- c) AusGroup Limited Group (the "Group") purchased a 100% interest in Sinergy Innovations Pte Ltd on 28 July 2006. Sinergy Innovations Pte Ltd owned 76.4% of Cactus Engineering & Trading Pte Ltd. On 21 November 2006, Sinergy Innovations Pte Ltd acquired the remaining minority shareholding in Cactus Engineering & Trading Pte Ltd. Sinergy Innovations Pte Ltd subsequently changed its name to AGL Cactus Pte Ltd ("AGL Cactus"). The AGL Cactus Group is based in Singapore and provides a wide range of engineering services, including machining and fabrication specialists in the oil and gas exploration and extraction industry. The AGL Cactus Group also provides maintenance and other engineering services which align with its core business.
- d) Actual results of the Group include the results of AGC for the half year from 1 July 2006 to 31 December 2006 and the period 1 July 2005 to 31 December 2005 and the results of Cactus Engineering & Trading Pte Ltd from 28 July 2006 (76.6%) and from 21 November 2006 (100%) to 31 December 2006.



**B. PROFIT FROM OPERATIONS**

The following items have been included in determining the profit from operations:

	ACTUAL	
	1 July 2006 to 31 December 2006	1 July 2005 to 31 December 2005
	AUD\$'000	AUD\$'000
<b>Other Income</b>		
Interest income	304	150
Profit on disposal of plant & equipment	1	-
Rental income	-	34
Sundry income	409	219
	<b>714</b>	<b>403</b>
<b>Amortisation and Depreciation</b>		
Amortisation of leased plant & equipment	158	169
Depreciation of property, plant & equipment	1,632	826
<b>Total Amortisation and Depreciation</b>	<b>1,790</b>	<b>995</b>

**C FINANCE COSTS**

	ACTUAL	
	1 July 2006 to 31 December 2006	1 July 2005 to 31 December 2005
	AUD\$'000	AUD\$'000
<b>Finance Costs</b>		
Bank overdraft and loans	152	128
Bank guarantee fees	124	88
Other loans	203	82
Finance leases and hire purchase	314	203
Foreign exchange (gain)	(192)	-
<b>TOTAL INTEREST EXPENSE</b>	<b>601</b>	<b>501</b>



D. INCOME TAX EXPENSE

	ACTUAL	ACTUAL
	1 July 2006 to 31 December 2006	1 July 2005 to 31 December 2005
	AUD\$'000	AUD\$'000
Profit before taxation	11,583	5,054
Income tax	3,337	1,508
Adjustments for		
Under (over) provision of tax - prior years	-	-
Tax effect of non deductible items	-	-
Foreign tax credit	-	-
Total Income Tax Expense	3,337	1,508



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 Actual as at 31 Dec 2006	Group Actual as at 30 June 2006	Company Actual as at 31 Dec 2006	Company Actual as at 30 June 2006
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
<b>NON-CURRENT ASSETS</b>				
Property, plant & equipment	28,163	19,167	-	-
Goodwill	8,694	1,490	-	-
Investment in subsidiaries	-	-	23,976	10,492
Deferred tax assets	1,161	1,161	-	-
<b>Total non-current assets</b>	<b>38,018</b>	<b>21,818</b>	<b>23,976</b>	<b>10,492</b>
<b>CURRENT ASSETS</b>				
Construction work in progress in excess of progress billings	16,571	10,759	-	-
Inventories	497	-	-	-
Trade debtors	45,324	40,126	-	-
Other debtors	1,339	307	537	178
Due from subsidiaries	-	-	7,992	11,090
Bank and cash balances	21,065	26,393	12,948	11,141
<b>Total current assets</b>	<b>84,796</b>	<b>77,585</b>	<b>21,477</b>	<b>22,409</b>
<b>Total Assets</b>	<b>122,814</b>	<b>99,403</b>	<b>45,453</b>	<b>32,901</b>
<b>CURRENT LIABILITIES</b>				
Trade creditors	14,068	20,243	-	41
Other creditors and accruals	5,340	4,167	159	208
Interest bearing liabilities	11,280	7,905	-	-
Progress billings in excess of construction work in progress	7,493	5,658	-	-
Provisions	4,332	3,736	-	-
Provision for taxation	3,049	2,751	219	233
Due to related parties	-	-	-	-
<b>Total current liabilities</b>	<b>45,562</b>	<b>44,460</b>	<b>378</b>	<b>482</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest bearing liabilities	5,642	4,856	-	-
Deferred tax liabilities	595	-	-	-
Other creditors and accruals	3,503	2,876	-	-
<b>Total non-current liabilities</b>	<b>9,740</b>	<b>7,732</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>55,302</b>	<b>52,192</b>	<b>378</b>	<b>482</b>
<b>NET ASSETS</b>	<b>67,512</b>	<b>47,211</b>	<b>45,075</b>	<b>32,419</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	43,159	30,371	43,159	30,371
Foreign currency translation reserve	552	1,285	1,044	1,148
Retained earnings	23,801	15,555	872	900
<b>Total shareholders' equity</b>	<b>67,512</b>	<b>47,211</b>	<b>45,075</b>	<b>32,419</b>

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 31 DECEMBER 2006		ACTUAL AS AT 30 JUNE 2006	
Secured	Unsecured	Secured	Unsecured
AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
11,280	-	7,856	49

Amount repayable after one year

ACTUAL AS AT 31 DECEMBER 2006		ACTUAL AS AT 30 JUNE 2006	
Secured	Unsecured	Secured	Unsecured
AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
5,642	-	4,856	-

Details of collateral

On 14 February 2006 the Group successfully renegotiated its Australian banking facilities with St George Bank Limited comprising extended facility sub-limits for bank loans, overdraft and bank guarantee facilities totaling AUD \$31.350 million.

The bank facilities are secured by the following securities:

- First registered fixed and floating charges over all the assets and undertakings of Ausclad Group of Companies Limited and its controlled entities;
- First registered mortgage by Ausclad Group of Companies Limited over 15 Beach Street, Kwinana Western Australia, Australia;
- Unlimited guarantee and indemnity from Ausclad Group of Companies Limited and all its controlled subsidiaries to the full amount of the total banking facilities;
- Deposit and set-off deed over all cash deposits held by St George Bank Limited;
- First registered fixed and floating charge over the assets and undertakings of Seagate Structural Engineering Pty Ltd;
- First registered mortgage by Seagate Structural Engineering Pty Ltd over Lot 430 Beach Street, Kwinana Western Australia, Australia;
- Unlimited guarantee and indemnity from Seagate Structural Engineering Pty Ltd to the full amount of the total banking facilities;
- Unlimited guarantee and indemnity from the Company to the full amount of the total banking facilities;
- Equitable mortgage given by the Company over the shares held in Ausclad Group of Companies Limited, and
- Deed of priority and subordination in relation to all monies owed by the Company to Ausclad Group of Companies Limited granting St George Bank Limited first right priority for the total amount of the total banking facilities.



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As at 31 December 2006 the Group had performance guarantees of AUD\$15.432 million (30 June 2006: AUD\$13,396 million) issued.

The AGL Cactus group deals with a number of banks and has been extended facilities for overdrafts, special advance facilities, accounts receivable financing, term loans, guarantees, equipment financing and foreign exchange facilities totaling SGD \$ 10.71 million.

The bank facilities are secured by the following securities:

- Existing first open legal mortgage over property at 14 Tuas Link 1 Singapore 638596.
- Existing first open legal mortgage over property at 4 Tuas Link 1 Singapore 638591.
- Fixed charge over equipment financed.
- Charge over fixed deposits.
- Deed of guarantee and indemnity for all monies from AusGroup Limited.



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

	ACTUAL	ACTUAL
	1 July 2006 to 31 December 2006	1 July 2005 to 31 December 2005
	AUD\$'000	AUD\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	11,583	5,054
Add/ (less) adjustments for		
Depreciation and amortization of property, plant and equipment	1,790	995
Profit on disposal of property, plant and equipment	(1)	-
Interest income	(304)	(150)
Interest expense	601	501
<b>Operating cash flows before working capital changes</b>	<b>13,669</b>	<b>6,400</b>
<b>Changes in operating assets and liabilities net of effects from acquisitions of subsidiaries</b>		
Construction work in progress	9	(8,661)
Trade debtors	1,962	(11,685)
Other debtors and prepayments	433	(692)
Trade and other payables	(9,103)	(623)
Increase in provisions	596	1,594
<b>Cash generated from/(used in) operations</b>	<b>7,566</b>	<b>(13,667)</b>
Interest paid	(793)	(501)
Interest received	304	150
Income tax paid	(3,697)	(2,547)
<b>Net cash generated from/(used in) operating activities</b>	<b>3,380</b>	<b>(16,565)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of plant and equipment	7	20
Purchase of plant and equipment	(1,214)	(1,299)
Net cash (outflow) on acquisition of subsidiary (see Note A below)	(3,550)	(4,837)
<b>Net cash used in investing activities</b>	<b>(4,757)</b>	<b>(6,116)</b>



	ACTUAL	ACTUAL
	1 July 2006 to 31 December 2006	1 July 2005 to 31 December 2005
<b>Cash flows from financing activities</b>		
Repayment from directors and director related entities	-	(900)
Proceeds from other loans	-	4,140
Proceeds from leases and hire purchase	264	163
Repayment of leases and hire purchase	(3,674)	(798)
<b>Net cash (used in)/ from financing activities</b>	<b>(3,410)</b>	<b>2,605</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,787)</b>	<b>(20,076)</b>
Effect of exchange rate changes	(541)	41
<b>Movement in cash and cash equivalents for the year</b>	<b>(5,328)</b>	<b>(20,035)</b>
Cash and cash equivalents at beginning of period	26,393	19,752
<b>Cash and cash equivalents at end of the year</b>	<b>21,065</b>	<b>(283)</b>
<b>Cash and cash equivalents represented by:</b>		
Cash and bank balances	21,315	2,871
Fixed deposits	264	-
Bank overdraft	(514)	(3,154)
<b>Total cash and cash equivalents at end of year</b>	<b>21,065</b>	<b>(283)</b>
<b>Note A</b>		
<b>Analysis of acquisition of subsidiary</b>		
<b>Assets and liabilities acquired</b>		
Cash and bank balances	641	709
Trade debtors	7,160	824
Stocks and work in progress	4,483	35
Other receivables and prepayments	1,463	100
Property, plant & equipment	9,578	4,779
<b>Interest bearing Liabilities</b>	<b>(7,570)</b>	<b>-</b>
Amount due to AusGroup	(969)	-
Trade and other payables	(4,728)	(763)
Deferred tax liability	(674)	-
Provision for taxation	(580)	(138)
<b>Net assets acquired</b>	<b>8,804</b>	<b>5,546</b>
Shares issued as consideration	12,788	-
Cash consideration	3,222	5,546
<b>Total purchase consideration</b>	<b>16,010</b>	<b>5,546</b>
Cash consideration	3,222	5,546
Less cash and cash equivalents acquired	(641)	(709)
Add amount due to AusGroup	969	-
<b>Net cash consideration</b>	<b>3,550</b>	<b>4,837</b>

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	RETAINED EARNINGS	TOTAL
	31 Dec 2006	31 Dec 2006	31 Dec 2006	31 Dec 2006
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
<b>Group</b>				
<u>Actual</u>				
Balance at 1 July 2006	30,371	1,285	15,555	47,211
Issue of shares	12,788			12,788
Profit for the period			8,246	8,246
Foreign currency translation difference		(733)		(733)
<b>Balance at 31 December 2006</b>	<b>43,159</b>	<b>552</b>	<b>23,801</b>	<b>67,512</b>
<b>Company</b>				
<u>Actual</u>				
Balance at 1 July 2006	30,371	1,148	900	32,419
Issue of shares	12,788			12,788
Loss for the period			(28)	(28)
Foreign currency translation difference		(104)		(104)
<b>Balance at 31 December 2006</b>	<b>43,159</b>	<b>1,044</b>	<b>872</b>	<b>45,075</b>

The Company issued 54,477,773 ordinary shares on 28 July 2006 to provide funds for the acquisition of AGL Cactus Pte Ltd in Singapore. The newly issued shares rank pari passu in all respects with the previously issued shares.

On 30 January 2006, in accordance with the Companies (Amendment) Act 2005, the concept of "Par values" and "Authorised capital" was abolished and on that date, the shares of the company ceased to have a par value. In addition the amount standing in the share premium reserve has become part of the company's share capital.



	SHARE CAPITAL	SHARE PREMIUM	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
	31 Dec 2005	31 Dec 2005	31 Dec 2005	31 Dec 2005	31 Dec 2005
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
<b>Group</b>					
<u>Actual</u>					
Balance at 1 July 2005	11,720	9,316	260	4,276	25,572
Profit for the period				3,546	3,546
Foreign currency translation difference			41		41
<b>Balance at 31 December 2005</b>	<b>11,720</b>	<b>9,316</b>	<b>301</b>	<b>7,822</b>	<b>29,159</b>
<b>Company</b>					
<u>Actual</u>					
Balance at 1 July 2005	11,720	9,316	-	362	21,398
Profit for the period				88	88
Foreign currency translation difference			1,047		1,047
<b>Balance at 31 December 2005</b>	<b>11,720</b>	<b>9,316</b>	<b>1,047</b>	<b>450</b>	<b>22,533</b>

- 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

The Company issued 54,477,773 ordinary shares on 28 July 2006 to provide funds for the acquisition of AGL Cactus Pte Ltd and this was the only change in issued capital for the period from 1 July 2006 to 31 December 2006.

The newly issued shares rank pari passu in all respects with the previously issued shares.

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

The figures have 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 period compared to the audited financial statements as at 30 June 2006 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 2006.

The adoption of these new and revised FRS did not have any significant financial impact to the Group.

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

Not Applicable.

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

	ACTUAL	ACTUAL
	1 July 2006 to 31 December 2006	1 July 2005 to 31 December 2005
	AUD\$'000	AUD\$'000
Profit after taxation	8,246	3,546
Weighted average number of ordinary shares in issue applicable to earnings ('000)	385,961	300,000
Earnings per ordinary share (AUD cents)		
- Basic	2.1	1.2
- Diluted	2.1	1.2

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

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

	Group Actual As at 31 Dec 2006	Group Actual As at 30 June 2006	Company Actual As at 31 Dec 2006	Company Actual As at 30 June 2006
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Net Asset Value				
Net assets (AUD \$'000)	67,512	47,211	45,075	32,419
Net asset value per ordinary share based on issued share capital at the end of the respective periods (AUD cents)	17.1	13.9	11.4	9.5

Net asset value per ordinary share was calculated based on 393,954,773 ordinary shares as at 31 December 2006 (30 June 2006: 339,477,000 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 (HY2006/07 vs HY2005/06)**

The following discussion on the performance of the Group is based on the comparison between the HY2006/07 (6 months of trading) and the HY2005/06 (6 months of trading).

**(i) Revenue**

Revenue was AUD\$126 million for HY2006/07 representing a 20% increase over the corresponding HY2005/06 financial year. The increase was primarily due to increased demand from our Engineering Division (primarily the Fabrication and Industrial Construction business units) and Services Division (primarily Maintenance and Insulation Services) resulting from the continued increase in growth in the Mineral Resources industries within Australia, which has been fuelled by excellent increases in commodity prices, mainly driven by demand from China.

During the period the AGL Cactus Group was acquired and contributed AUD\$9.6 million or 7.6% of the revenue.

**(ii) Cost of Sales and Gross Profit**

Cost of sales was AUD\$97.7 million for HY2006/07 representing an increase of 11% over the corresponding financial period (HY2005/06). This reflects a much lower increase of costs than the corresponding revenue base, resulting in increased margins.

As a result of the growth in revenue and improved margins, gross profit increased by AUD\$11.9 million or 72% from AUD\$16.5 million to AUD\$28.4 million. As a result of the lower cost increase compared to the increase in revenue the gross profit margin increased from 15.8% during HY2005/06 to 22.6% during HY2006/07.

In late 2004 and early 2005, several large contracts were tendered on and awarded to the Group. The market was highly competitive at that time and strategically it was important to win these tenders in order to expand the business. These contracts were completed in prior periods and their margins were lower than normally achieved and this is reflected in the lower overall margins achieved in the period 1 July 2005 to December 2005. Margins have returned to a more acceptable level in the six months under review.

The acquisition of the AGL Cactus Group has also contributed positively towards the increased margins with substantially higher margins being earned in the Singapore operations compared to the Australian operations.

**(iii) Operating and Administration Expenses**

Other operating expenses comprising divisional overheads, including selling, marketing and tendering costs, increased 51% to AUD\$10.4 million. Operating costs in Australia increased by 18% which was consistent with the growth of overheads required for the expanding operations. The consolidation of the AGL Cactus Group for the first time accounts for the remainder of the increase in operating costs.

Administration expenses increased to AUD\$6.5 million representing a 47% increase in costs in this area. The huge growth in the Group over the past two years has necessitated the employment of additional commercial, information systems, accounting, finance and executive staff to support the expansion process. Increased costs associated with the expansion also included increased regulatory and compliance costs. The costs of the AGL Cactus Group acquisition contributed to a 10% increase in the overall costs compared to the prior period.

**(iv) Other Income**

Other income was AUD\$0.7 million for HY2006/07 being a 77% increase over HY2005/06. Interest income increased due to the improved cash flow from the capital raising completed in May 2006. In addition there was an increase in government rebates on the use of diesel.

**(v) Finance Costs**

Financing costs amounted to AUD\$0.6 million for HY2006/07 representing a 20% increase over the HY2005/06. The continued growth in revenue accompanied by a large working capital requirement, a significant capital investment program over the past 12 months and increases in the rate of interest in Australia all contributed to the increased interest bill.

**(vi) Income Tax**

Please refer to Section 1 (a) Note D.

**(vii) Profit after tax**

Profit after tax was AUD\$8.2 million for HY2006/07, representing a 133% increase over HY2005/06. This increase in profitability is consistent with the growth in the gross profit % when read in conjunction with notes 8 A (i) to (vi) above.

**B Balance Sheet (HY2006/07 vs FY2005/06)**

**(i) Shareholders' Equity**

Total shareholders' equity at 31 December 2006 amounted to AUD\$67.5 million, representing a 43% increase over the period ending FY2005/06. The increase was due primarily to the issue of shares on 28 July 2006 in consideration for the purchase of AGL Cactus Pte Ltd, and the contributions from the current period's net profit.

**(ii) Non-current Assets**

Total non-current assets amounted to AUD\$38 million at 31 December 2006, representing a 74% increase over the period ending FY2005/06. This was mainly due to the acquisition of the AGL Cactus Group in Singapore in the form of Property plant and equipment and goodwill on acquisition. During the half year under review there were also other additions of new plant and equipment amounting to AUD\$1.2 million.

**(iii) Current Assets**

Total current assets amounted to AUD\$84.8 million at 31 December 2006, representing a 9% increase over the period ended FY2005/06. This was mainly due to the acquisition of the AGL Cactus Group in Singapore. The Group's construction work in progress and trade debtors increased while cash and bank deposits declined marginally due to the increased working capital requirements. Receivables are well managed and there are no anticipated unprovided doubtful debts.

**(iv) Current Liabilities**

Total current liabilities amounted to AUD\$45.6 million, representing a 2% increase over the period ended FY2005/06. There were small increases in interest bearing liabilities and progress billings in



excess of construction work in progress offset by the decrease in trade creditors which resulted from improved cash flows being able to be used to pay creditors promptly.

(v) **Non-current Liabilities**

Total non-current liabilities amounted to AUD\$9.7 million, representing a 26% increase over the period ended FY2005/06. The increase was mainly due to the acquisition of the AGL Cactus Group in Singapore which included additional long term borrowings on its balance sheet.

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**

For the next twelve to eighteen months, the Group is optimistic about its business growth in view of the strong demand in the oil and gas and resources sectors in Australia and from the new market available to the Group from the acquisition of the AGL Cactus Group based in Singapore. Our order books for Singapore and Australia, including the recurring maintenance business, amounts to approximately AUD\$214 million. The Group is expecting to secure additional business from existing and new customers. These will continue to contribute positively to the Group's performance.

The Board expects the Group to continue to perform well.

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?

No dividend has been declared for the current financial period.

*(b) Corresponding Period of the Immediately Preceding Financial Year*

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

No dividend was declared for the previous financial period.

*(c) Date payable*

Not applicable



(d) Books closure date

Not applicable

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

No dividend has been declared/recommended during the financial period.

**CONFIRMATION PURSUANT TO RULE 705 (4) OF THE LISTING MANUAL**

To the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited interim financial results of the Group for the 1<sup>st</sup> half year ended 31<sup>st</sup> December 2006 to be false or misleading in any material respect.

**ON BEHALF OF THE BOARD**

Mr Koh Soo Keong  
Chairman

Mr Stuart Kenny  
Managing Director

12 February 2007

**BY ORDER OF THE BOARD**

Mr Stuart Kenny  
Managing Director

12 February 2007

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