Verticon Group Limited

Appendix 4E
Preliminary Final Report to the Australian Stock Exchange

NAME OF ENTITY	Verticon Group Limited
ABN	53 111 398 040
Financial year ended	30 June 2008
Previous corresponding reporting period	30 June 2007

Results for Announcement to Market

	$'000	**% Increase/ (Decrease) over previous corresponding period**
Revenue from continuing operations	46,144	24%
Revenue from discontinued operations	3,974	-62%
Profit from continuing operations after tax attributable to members	-48,497	-279%
Net Profit attributable to members	-59,523	-527%

Dividends	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	N/A
Interim Dividend	Nil	N/A
Record date for determining entitlements to the dividends	N/A	

Net loss after tax was $59.52m on turnover of $50.12m, including discontinued operations. Included in the consolidated result is a $27.30m plant and equipment write-down, a $14.84m intangible asset (goodwill) write-down, a $4.82m reduction in deferred tax balances and $5.64m of depreciation and amortisation, including discontinued operations.

Dividends

Dividends paid during the current period	**Reporting period**
Nil	$0

Dividend reinvestment plans

At 30 June 2008 no dividend reinvestment plan was in place.

NTA Backing

	Reporting period	Previous corresponding period
Net tangible asset backing per share.	-$0.10	$0.43

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

As at 30 June 2008 the Group has a working capital deficiency and negative net assets and has also experienced an operating loss and negative operating cash flow for the year ending on that date. Although the Group is in breach of debt covenants existing at reporting date, the Group has subsequently confirmed ongoing facility arrangements with Westpac until 1 July 2010.

Management has completed a number of strategies to improve the financial performance of the Group since the last reporting date including the divestment of the New Zealand business and consolidation of four plant yards into one yard in Queensland.

In addition, management is continuing to implement a number of actions over the coming twelve months in order to improve the financial position and cash flow of the Group. These include the following:

a) continued review of fleet including disposing of under performing and non-hireable assets
b) reduced yard and workshop expenditure particularly resulting from the consolidation of the yards in Queensland
c) reducing erection and dismantle costs including rigging, mobile crane and transport costs through standardisation of training, equipment and documentation
d) reduction of overheads and focus on minimising discretionary spending
e) exploit Verticon's points of difference in the market and extract higher rental rates from clients, and
f) no dividend has been declared for the full year to 30 June 2008

The above actions will improve the operational performance of the business and are anticipated to result in a positive operating result (before interest and depreciation) for the year to 30 June 2009. The directors have already commenced a number of these initiatives.

Commentary on Results

Earnings per security and the nature of any dilution aspects

There has been no dilution on EPS as at 30 June 2008. Refer attached Income Statement in the 2008 Financial Report Note 35.

Returns to shareholders including distributions and buy backs

Nil

Significant features of operating performance

Included in the consolidated result is a $27.30m plant and equipment write-down, a $14.84m intangible asset (goodwill) write-down, a $4.82m reduction in deferred tax balances and $5.64m of depreciation and amortisation, including discontinued operations.

Results of segments that are significant to an understanding of the business as a whole
During the year, Verticon Group Limited sold the net assets of its New Zealand based business. The sale was carried out in two parts and concluded by 31 January 2008 and resulted in a profit on sale at subsidiary level of $2.05m.

Discussion of trends in performance
The directors foresee that the market share across the group will remain stable during the next financial year.

Other factors that affected results in the period or which are likely to affect results in the future
Verticon Developments No.1 Pty Ltd, a 100% owned subsidiary of Verticon Group Limited, has entered into a binding heads of agreement with a party related to the Directors for the acquisition of land and/or development rights for a property development that is expected to generate considerable profit and cash flow on completion in the 2009/2010 financial year or earlier. The binding heads of agreement is dated 28 August 2008 and is subject to due diligence by Verticon prior to the execution of a transaction document and the following conditions precedent: ● Verticon shareholder approval if required ● approval if required by ASIC and/or the ASX ● Verticon arrangement of development and construction finance ● the other party to the head of agreement acquiring vacant possession of and clear title to the land

Audit / review of accounts on which this report is based

This report is based on accounts to which one of the following applies (tick one):			
The accounts have been audited (refer to attached financial statements for audit report)	✔	The accounts have been subject to review (refer to attached financial statements)	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

Accounts not yet audited or reviewed
Not applicable

Qualification of audit / review
Not applicable

Attachments forming part of Appendix 4E

Attachment	**Details**
1	2008 Annual Financial Report
2	Independent Audit Report

Signed by Company Secretary	
Print Name	Chris Hipwell
Date	29 August 2008