



**22<sup>nd</sup> February 2007**

## **ASX ANNOUNCEMENT**

The Verticon Group today announced a \$6.93 million loss for the six months ended 31 December 2006, which included a \$8.22 million write down in non revenue earning plant and equipment identified in an extensive review of the company's operations in Australia and New Zealand.

Verticon estimates that it will incur a loss of about \$9.7 million for the year to the end of June 2007 which includes the plant and equipment write down.

The Managing Director of Verticon, Rob Lockett, said the write down followed a "line by line" review of the business operations. The review included an extensive stock take and re-evaluation of the Verticon fleet. Verticon has also adopted a new depreciation policy to more accurately reflect the useful life and recoverable value of plant and equipment for future years.

The Chairman of Verticon, Noel Henderson, said the review has led Verticon to laying a clear path for the future and to maximise efficiencies by rationalising the Verticon fleet, lowering debt and overheads and refocusing on high margin segments of the industry.

"In a nutshell, we aim to operate better in fewer markets." Mr Henderson said.

Verticon today also released a three year business plan.

"The plan will help investors and customers better understand the size, state and actual standing of Verticon today than what was forecast when the company publicly listed in December 2004," Mr Henderson said.

For further information, contact

**Noel Henderson**  
Chairman  
(03) 9539-5001

**Andrew Torrington**  
Company Secretary  
(03) 9522-5704

**Rob Lockett**  
Managing Director  
(03) 9522-5703