



11 October 2007

ASX ANNOUNCEMENT

Asset Write Down

Verticon Group today confirmed that it has been approached by an interested party regarding the possible sale of its Queensland operations. However, after considering the proposal the Board has decided it will not sell the Queensland business.

In the course of these discussions, Verticon has now become aware that its revenue-earning fleet in Queensland could be significantly overvalued in view of the remaining hireable life of the fleet and the ongoing repairs and maintenance required to keep the fleet operating. The overvaluation relates to the price paid for those assets at the time of the IPO in December 2004.

Verticon incurred a \$8.22 million write-off in December 2006 on its non-hireable fleet in Queensland.

Verticon is now in the process of conducting an independent valuation of all of its assets. It is likely that the property, plant and equipment of the Queensland business will incur a write down of around \$14M. The write down relating to the New Zealand, New South Wales and Victorian businesses has not yet been determined but it could be in the range of \$3M - \$5M. As a result of these write-downs, an intangible asset (goodwill) write-down is also likely in Australia of approximately \$6M and New Zealand of approximately \$9M. The total asset write down could therefore be in the order of \$32M - \$34M.

Verticon will update the market as soon as the outcome of the independent valuation is known.

For further information, contact

Noel Henderson
Executive Chairman
(03) 9539-5001
(0418) 170-035

Andrew Torrington
Managing Director
(03) 9522-5704
(0408) 237-137