

Appendix 4D

Half-Year Report

Name of entity

Ausenco Limited

ABN or equivalent company reference

31 114 541 114

Half year ended ('current period')

30 June 2006

Results for announcement to the market

Extracts from this report for announcement to the market.

\$A'000

				Current period
Revenues from ordinary activities	Up	84.6%	To	59,689
Profit from ordinary activities after tax	Up	106.8%	To	4,411
Net profit for the period attributable to members	Up	106.8%	To	4,411
Dividends (distributions)	Amount per security		Franked amount per security at 30% tax	
Final dividend paid in respect of the financial year ended 31 December 2005	N/A		N/A	
Interim dividend declared subsequent to 30 June 2006	2.5 cents		2.5 cents	
Record date for determining entitlements to the interim dividend, (in the case of a trust, distribution)	11 October 2006			

NTA backing

	Current period	Previous corresponding Period 30 June 2005
Net tangible asset backing per ordinary security	\$0.26	\$0.14

AUSENCO LIMITED
ABN 31 114 541 114

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2006

+DIRECTORS' REPORT

Your directors submit their report on the consolidated entity consisting of Ausenco Limited and the entities it controlled at the end of, or during the half-year ended 30 June 2006.

DIRECTORS

Directors were in office for this entire period unless otherwise stated. The names of the Company Directors in office during the half year and until the date of this report are as follows:

Wayne Goss
George Lloyd
Zimi Meka
Bob Thorpe
Hank Tuten

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the consolidated entity consisted of:

- design of mineral processing plants
- procurement of equipment for mineral processing plants on behalf of principals
- project management and construction supervision of mineral processing plants
- design and construction of mineral processing plants on a turnkey basis, and
- operating and maintenance of mineral processing plants.

DIVIDENDS

Dividends paid to members during the financial year were as follows:

	2006	2005
	\$'000	\$'000
Interim ordinary dividend declared 6 April 2006 on ordinary shares	2,071	
Interim ordinary dividend declared 6 April 2006 on ordinary shares	1,719	
Interim ordinary dividend paid 26 April 2005 on ordinary shares		414
	<u>3,790</u>	<u>414</u>

Subsequent to the half-year end, on 27 August, the Directors declared an interim franked dividend of 2.5 cents per share in respect of the half-year ended 30 June 2006. The amount of the dividend is \$2.0 Million. The dividend has not been provided for in the 30 June interim financial statements.

REVIEW OF OPERATIONS

Refer to ASX Release.

ROUNDING OF AMOUNTS

The company is a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR

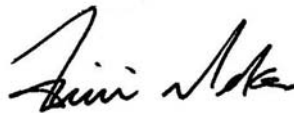
PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

A copy of the Auditors Independence Declaration as required under section 307 C of the *Corporations Act 2001* is set out on page 3.

This report is made in accordance with a resolution of the directors.



W K Goss
Director



L H Meka
Director

Brisbane,
27 August 2006

PricewaterhouseCoopers
ABN 5 780 433 757


Waterfront Place
1 Eagle Street
BRISBANE QLD 4000
GPO Box 150
BRISBANE QLD 4001
DX 77 Brisbane
Australia
www.pwc.com/au
Telephone +61 7 3257 5000
Facsimile +61 7 3257 5999
Direct Phone +61 7 3257 5076
Direct Fax +61 7 3023 0808

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Ausenco Limited for the half year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ausenco Limited and the entities it controlled during the period.



Stephen R Snook
Partner
PricewaterhouseCoopers

27th of August 2006
Brisbane

INCOME STATEMENT for the half-year ended 30 June 2006

		CONSOLIDATED	
	Notes	June 2006 \$'000	June 2005 \$'000
Revenue from continuing operations	2	59,682	32,334
Other income	2	7	6
Staff and contractors costs		(38,133)	(15,679)
Reimbursable costs		(13,443)	(13,610)
Changes in work in progress		179	344
Office and administration costs		(1,539)	(1,099)
Other expenses		(287)	(529)
Depreciation and amortisation expense	3	(556)	(197)
Borrowing Costs	3	(36)	(3)
Share of net profits of associates and joint venture partnerships accounted for using the equity method		1	1,251
Profit before income tax		5,875	2,818
Income tax expense	4	(1,464)	(685)
Net profit attributable to members of Ausenco Limited		4,411	2,133
Basic earnings per share (cents per share)	8	6.1	3.0
Diluted earnings per share (cents per share)	8	6.0	3.0

The above income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET as at 30 June 2006

		CONSOLIDATED		
		June 2006	Dec 2005	June 2005
Notes		\$'000	\$'000	\$'000
ASSETS				
<i>Current assets</i>				
	Cash assets	10,153	10,686	3,622
	Receivables	24,504	16,148	11,545
5	Inventories	182	285	424
	Other	1,058	1,088	3,273
	Total current assets	35,897	28,207	18,864
<i>Non-current assets</i>				
	Receivables	149	82	97
	Investments accounted for using the equity method	124	196	909
	Available-for-sale financial assets	145	1,560	1,087
	Property, plant and equipment	3,935	2,571	1,539
	Deferred tax asset	1,369	675	505
	Intangible assets	2,559	2,118	1,504
	Total non-current assets	8,281	7,202	5,641
	TOTAL ASSETS	44,178	35,409	24,505
LIABILITIES				
<i>Current liabilities</i>				
	Payables	16,114	17,264	12,136
	Borrowings	21	305	17
	Current tax liabilities	2,156	1,004	216
	Other	1,362	2,172	447
	Total current liabilities	19,653	20,745	12,816
<i>Non-current liabilities</i>				
	Borrowings	41	17	52
	Deferred tax liabilities	-	104	2
	Provisions	358	291	395
	Total non-current liabilities	399	412	449
	TOTAL LIABILITIES	20,052	21,157	13,265
	NET ASSETS	24,126	14,252	11,240
EQUITY				
	Contributed equity	11,215	2,007	2,007
	Reserves	45	-	-
	Retained profits	12,866	12,245	9,233
	TOTAL EQUITY	24,126	14,252	11,240

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY for the half-year ended 30 June 2006

		CONSOLIDATED	
		June 2006	June 2005
		\$'000	\$'000
	Notes		
Total equity at the beginning of the half-year		14,252	9,521
Profit for the half-year		4,411	2,133
		18,663	11,654
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity net of transaction costs		9,208	-
Employee share options		45	-
Dividends provided for or paid	9	(3,790)	(414)
		5,463	(414)
Total equity at the end of the half-year		24,126	11,240
Total recognised income and expense for the half-year is attribute to members of:			
Ausenco Limited		4,411	2,133
		4,411	2,133

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT for the half-year ended 30 June 2006

		CONSOLIDATED	
		June 2006	June 2005
Notes		\$'000	\$'000
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>			
	Receipts from customers (inclusive of goods and services tax)	51,924	27,370
	Payments to suppliers and employees (inclusive of goods and services tax)	(55,625)	(27,417)
		(3,701)	(47)
	Interest received	84	105
	Joint venture partnership distributions received	73	895
	Borrowing costs paid	(36)	(3)
	Income taxes paid	(771)	(380)
	Net cash inflow/(outflow) from operating activities	(4,351)	570
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>			
	Payments for purchase of equity and other investments	(304)	(604)
	Payments for property, plant, and equipment	(2,360)	(1,758)
	Net cash inflow/(outflow) from investing activities	(2,664)	(2,362)
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>			
	Proceeds from borrowings	37	-
	Repayment of borrowings	(296)	(16)
	Proceeds from issue of equity	10,000	-
	Share issue costs	(1,100)	-
	Loans to related parties	(100)	(73)
	Repayment of loans to related parties	12	29
	Dividends paid	(2,071)	(414)
	Net cash inflow/(outflow) from financing activities	6,482	(474)
	NET (DECREASE) IN CASH HELD	(533)	(2,266)
	Cash at the beginning of the financial years	10,686	5,888
	Effects of exchange rate changes on cash	-	-
	CASH AT THE END OF THE FINANCIAL YEAR	10,153	3,622

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION OF HALF-YEAR REPORT

This general purpose financial report for the interim half-year reporting period ended 30 June 2006 has been prepared in accordance with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2005 and any public announcements made by Ausenco Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

		CONSOLIDATED	
		June 2006	June 2005
Notes		\$'000	\$'000
NOTE 2 REVENUE			
<i>From continuing operations</i>			
	Services	59,598	32,229
	Interest	84	105
		59,682	32,334
<i>Other Income</i>			
	Other	7	6
		7	6
		59,689	32,340
NOTE 3 EXPENSES			
Profit before income tax includes the following specific expenses:			
	Depreciation of property, plant and equipment	494	185
	Amortisation of leasehold improvements	62	12
	Total depreciation and amortisation	556	197
	Borrowing costs		
	Interest and finance charges paid/payable	36	3
	Total borrowing costs	36	3
	Other expenses and losses		
	Operating lease rentals – minimum lease payments	780	494
	Total other expenses and losses	780	494
NOTE 4 INCOME TAXES			
(a) Income tax expense			
	Current tax	1,957	597
	Deferred tax	(493)	88
		1,464	685
(b) Numerical reconciliation of income tax to prima facie tax payable			
	Profit from continuing operations before income tax expense	5,875	2,818
	Tax at the Australian rate of 30% (2005 – 30%)	1,763	845
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Non deductible entertainment	7	-
	Non deductible legal and professional expenses	1	-
	International exempt income	(135)	-
		1,636	845
	(Over) provision for prior years	(87)	(160)
	International tax rate differential ¹	(85)	-
	Income tax expense	1,464	685

¹ represents tax expense for foreign tax rate differential, international withholding taxes and foreign tax losses unable to be utilised within the Group.

		CONSOLIDATED		
	Notes	June 2006 \$'000	Dec 2005 \$'000	June 2005 \$'000
NOTE 5 CURRENT ASSETS – RECEIVABLES				
Trade Debtors		23,103	14,278	10,941
Less: Provision for doubtful debts		(7)	(165)	(63)
		<u>23,096</u>	<u>14,113</u>	<u>10,878</u>
Other receivables		1,408	2,035	667
		<u>24,504</u>	<u>16,148</u>	<u>11,545</u>
NOTE 6 CONTRIBUTED EQUITY				
Issued Share Capital				
Attributable to members of the Company				
Ordinary Shares		11,215	2,007	2,007
Closing Balance		<u>11,215</u>	<u>2,007</u>	<u>2,007</u>
Movements in Contributed Equity for the period				
Ordinary Shares				
Opening balance		20,709	20,709	20,709
Share division (3,474.33 : 1)		(20,709)	-	-
Share division (3,474.33 : 1)		71,950,000	-	-
Issued Shares – ASX listing		10,000,000	-	-
Balance at the end of the half-year		<u>81,950,000</u>	<u>20,709</u>	<u>20,709</u>
Share capital was divided on the 27 April 2006 from 20,709 ordinary fully paid shares to 71,950,000 ordinary fully paid shares. No consideration was received for this division.				
Ausenco Limited raised \$10 million through the issue of ten million ordinary shares at \$1.00 as per Prospectus dated 5 May 2006. Shares were allotted on the 9 June 2006 to successful applicants. Shares issued under the Prospectus represent 12.20% of total issued capital following completion of the Offer. Shares offered under the Prospectus rank equally in all aspects with the Shares held previously.				
NOTE 7 RESERVES AND RETAINED PROFITS				
Reserves				
Share Based Payments Reserve		45	-	-
		<u>45</u>	<u>-</u>	<u>-</u>
<i>Share Based Payments reserve</i>				
Balance at the beginning of the financial year		-	-	-
Option expense		45	-	-
Balance at the end of the half-year		<u>45</u>	<u>-</u>	<u>-</u>
Retained profits		12,866	12,245	9,233
		<u>12,866</u>	<u>12,245</u>	<u>9,233</u>
<i>Retained Profits</i>				
Balance at the beginning of the financial year		12,245	7,514	7,514
Net profit attributable to members of Ausenco Limited		4,411	5,663	2,133
Dividends provided for or paid	9	(3,790)	(932)	(414)
Balance at the end of the half-year		<u>12,866</u>	<u>12,245</u>	<u>9,233</u>

	CONSOLIDATED	
	June 2006	June 2005
	\$'000	\$'000
NOTE 8 EARNINGS PER SHARE		
Basic earnings per share (cents per share)	6.1	3.0
Diluted earnings per share (cents per share)	6.0	3.0
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	72,765	71,950
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	73,487	71,950
Earnings used in calculating basic and diluted earnings per share	4,411	2,133
NOTE 9 DIVIDENDS		
<i>ORDINARY SHARES</i>		
Final ordinary dividend declared 6 April 2006 on ordinary shares	2,071	
Final ordinary dividend declared 6 April 2006 on ordinary shares	1,719	
Final ordinary dividend paid 26 April 2005 on ordinary shares		414
	<u>3,790</u>	<u>414</u>
<i>Dividends paid in cash or satisfied by investment in available-for-sale financial assets during the half years ended 30 June 2006 and 2005 were as follows:</i>		
Paid in cash	2,071	414
Satisfied by transfer of investment in available-for-sale financial asset	1,719	-
	<u>3,790</u>	<u>414</u>
NOTE 10 NOTES TO THE STATEMENT OF CASH FLOWS		
Reconciliation of operating profit after income tax to net cash flow from operating activities:		
Net profit after income tax expense	4,411	2,133
<i>NON-CASH ITEMS</i>		
Depreciation and amortisation of non-current assets	556	197
Joint venture excess funds received over profits	72	356
Non-cash employee benefits expense – share based payments	45	-
Investment received as payment of services	-	(609)
Cash flow adjusted for non-cash items	<u>5,084</u>	<u>2,077</u>
<i>CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES DURING THE FINANCIAL YEAR</i>		
(Increase) in trade debtors	(8,337)	(2,458)
(Increase)/decrease in inventories	103	(344)
Decrease in deferred revenue	(1,471)	(1,407)
Decrease in other current assets	30	-
(Increase) / decrease in deferred tax asset	(386)	219
Increase / (decrease) in payables	(1,150)	3,782
Increase in provision for income tax	1,152	216
Increase / (decrease) in other current liabilities	661	(1,460)
Increase in other provisions	67	75
(Decrease) in provision for deferred tax	(104)	(130)
Net cash inflow/(outflow) from operating activities	<u>(4,351)</u>	<u>570</u>

	Notes	CONSOLIDATED		
		June 2006 \$'000	Dec 2005 \$'000	June 2005 \$'000
NOTE 11				
CONTINGENT LIABILITIES				
The consolidated entity is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance related obligations.				
These guarantees and indemnities only give rise to a liability where the entity concerned fails to perform its contractual obligations.				
Bank guarantees outstanding at the balance date in respect of commitments for expenditure				
		2,572	1,527	2,427

NOTE 12 SEGMENT INFORMATION

PRIMARY REPORTING – BUSINESS SEGMENTS

	ENGINEERING \$'000	OPERATIONS AND MAINTENANCE \$'000	ELIMIN \$'000	CONSOLIDATED \$'000
6 MONTHS TO 30 June 2006				
Sales to external customers	57,177	2,421	-	59,598
Inter-segment sales	29	822	(851)	-
Total sales revenue	57,206	3,243	(851)	59,598
Share of net profit of associates	1	-	-	1
Other revenue	88	3	-	91
Total segment revenue	57,295	3,246	(851)	59,690
Segment result	6,267	164	-	6,431
Depreciation and amortisation expense			-	(556)
Profit from ordinary activities before income tax expense				5,875
Income tax expense				(1,464)
Profit from ordinary activities after income tax expense				4,411
Segment assets	43,551	727	(100)	44,178
Segment liabilities	19,456	696	(100)	20,052
Depreciation and amortisation expense	553	3	-	556
Non-cash expenses other than depreciation and amortization				
	ENGINEERING \$'000	OPERATIONS AND MAINTENANCE \$'000	ELIMIN \$'000	CONSOLIDATED \$'000
6 MONTHS TO 30 JUNE 2005				
Sales to external customers	30,423	1,806	-	32,229
Inter-segment sales	38	-	(38)	-
Total sales revenue	30,461	1,806	(38)	32,229
Share of net profit of associates	1,251	-	-	1,251
Other revenue	100	11	-	111
Total segment revenue	31,812	1,817	(38)	33,591
Segment result	2,968	47	-	3,015
Depreciation and amortisation expense				(197)
Profit from ordinary activities before income tax expense				2,818
Income tax expense				(685)
Profit from ordinary activities after income tax expense				2,133
Segment assets	24,594	1,078	(1,167)	24,505
Segment liabilities	13,449	983	(1,167)	13,265
Depreciation and amortisation expense	190	7	-	197
Non-cash expenses other than depreciation and amortisation				

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS

	AUSTRALIA AND NEW ZEALAND	AFRICA	AMERICAS	ASIA AND MIDDLE EAST	EUROPE	TOTAL
6 MONTHS TO 30 June 2006	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	16,263	14,570	2,380	24,512	1,873	59,598
Segment assets	41,897	-	1,256	1,025	-	44,178
	AUSTRALIA AND NEW ZEALAND	AFRICA	AMERICAS	ASIA AND MIDDLE EAST	EUROPE	TOTAL
6 MONTHS TO 30 JUNE 2005	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	21,053	2,459	53	8,107	557	32,229
Segment assets	24,505	-	-	-	-	24,505

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ausenco Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company and of the consolidated entity are:
- (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2006 and of their performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



W K Goss
Director



L H Meka
Director

Brisbane,
27 August 2006

Independent review report to the members of Ausenco Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Ausenco Limited:

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Ausenco Limited as at 30 June 2006 and of its performance for the half-year ended on that date, and
- is not presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Ausenco Limited (the company), for the half-year ended 30 June 2006.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, a view

which is consistent with our understanding of the company's financial position, and its performance as represented by the results of its operations, changes in equity and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of company personnel, and
- analytical procedures applied to financial data.

Our procedures include reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report.

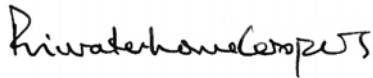
These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

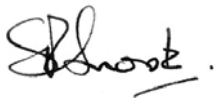
Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers



Stephen R Snook
Partner

Brisbane
27th of August 2006