



APPENDIX 4E

Preliminary final report
GRD Limited
ACN 009 201 754

Reporting period

The financial year ended 31 December 2007, with comparative information for the financial year ended 31 December 2006.

Results for announcement to the market

	2007 \$'000	2006 \$'000	Percentage Change
Revenue and income from continuing operations	240,884	218,856	10%
Profit from ordinary activities after tax attributable to members	3,947	78,926	(95%)
Net profit for the period attributable to members	3,947	78,926	(95%)
Dividends	Amount per security	Franked amount per security	
Final dividend	3 cents	Nil	
Interim period	3 cents	Nil	
Record date for determining entitlements to the final dividend	11 March 2008		
Brief explanation of any of the figures reported above:			
Net Profit			
Refer to section 2.			
Dividend on Ordinary Shares			
The Directors have today announced a final 2007 dividend of 3 cents per share, unfranked, to be paid on 4 April 2008.			

Consolidated Income Statement

	Notes	2007 \$'000	2006 \$'000
Continuing Operations			
Revenue	3(a)	234,258	207,874
Other income	3(b)	6,626	10,982
Expenses excluding finance costs	3(c)	(229,396)	(208,671)
Share of net profit of associates accounted for using the equity method		5,492	-
Profit from continuing operations before tax and finance costs		16,980	10,185
Finance costs	3(d)	(7,182)	(7,547)
Profit before income tax		9,798	2,638
Income tax expense	7	(4,525)	(609)
Profit from continuing operations		5,273	2,029
Profit/(Loss) from discontinued operations after income tax	10(a)	(1,326)	55,477
Net profit for the period		3,947	57,506
Profit is attributable to:			
Members of GRD Limited		3,947	78,926
Minority interest		-	(21,420)
		3,947	57,506
Earnings per share (cents per share)			
	5		
Basic earnings per share		2.0	41.1
Diluted earnings per share		2.0	40.8
Basic earnings per share – continuing operations		2.7	1.1
Diluted earnings per share - continuing operations		2.7	1.1

Consolidated Balance Sheet

	Note	2007 \$'000	2006 \$'000
Current Assets			
Cash and cash equivalents	8	39,817	111,984
Trade and other receivables		70,203	49,787
Inventories		1,997	3,299
Other assets		1,758	1,348
Total Current Assets		113,775	166,418
Non-Current Assets			
Investments accounted for using the equity method		66,723	-
Other financial assets		132	67
Property, plant and equipment		81,587	70,978
Project development costs		-	74,513
Intangible assets and goodwill		18,857	16,641
Deferred tax assets		21,937	9,107
Derivatives		1,979	616
Total Non-Current Assets		191,215	171,922
Total Assets		304,990	338,340
Current Liabilities			
Trade and other payables		23,957	45,445
Interest bearing liabilities		4,572	4,700
Provisions		7,348	7,176
Tax liabilities		709	232
Total Current Liabilities		36,586	57,553
Non-Current Liabilities			
Trade and other payables		-	19
Interest bearing liabilities		92,727	94,330
Deferred tax liabilities		1,634	108
Provisions		2,111	1,711
Total Non-Current Liabilities		96,472	96,168
Total Liabilities		133,058	153,721
NET ASSETS		171,932	184,619
Equity			
Issued capital		81,989	81,753
Reserves		34,826	40,584
Retained profits		55,117	62,356
Parent entity interest		171,932	184,693
Minority interests		-	(74)
TOTAL EQUITY		171,932	184,619

Consolidated Statement of Changes in Equity

	Issued Capital \$'000	Retained Profits \$'000	Reserves \$'000	Total Parent \$'000	Minority Interest \$'000	Total Equity \$'000
Balance at 31 December 2006	81,753	62,356	40,584	184,693	(74)	184,619
Exchange differences on translation of foreign operations	-	-	(5,582)	(5,582)	-	(5,582)
Movement in fair value of interest rate hedges, net of tax	-	-	(898)	(898)	-	(898)
Net income recognised directly in equity	-	-	(6,480)	(6,480)	-	(6,480)
Profit for the year	-	3,947	-	3,947	-	3,947
Total recognised income and expense for the year	-	3,947	(6,480)	(2,533)	-	(2,533)
Transactions with equity holders in their capacity as equity holders:						
Transfer of gain on dilution upon disposal of subsidiary	-	357	(357)	-	-	-
Disposal of subsidiary	-	-	-	-	74	74
Share-based payment	-	-	1,079	1,079	-	1,079
Net movement of shares reserved for the GRD share plan	(80)	-	-	(80)	-	(80)
Issue of share capital	316	-	-	316	-	316
Equity dividends	-	(11,543)	-	(11,543)	-	(11,543)
	236	(11,186)	722	(10,228)	74	(10,154)
Balance at 31 December 2007	81,989	55,117	34,826	171,932	-	171,932
	Issued Capital \$'000	Retained Profits \$'000	Reserves \$'000	Total Parent \$'000	Minority Interest \$'000	Total Equity \$'000
Balance at 31 December 2005	101,098	(76,158)	115,822	140,762	67,898	208,660
Exchange differences on translation of foreign operations	-	-	(10,477)	(10,477)	(7,416)	(17,893)
Movement in fair value of interest rate hedge, net of tax	-	-	1,059	1,059	-	1,059
Net transfer of deferred gain or loss on designated gold hedges to hedge reserve	-	-	(16,786)	(16,786)	(12,692)	(29,478)
Net income recognised directly in equity	-	-	(26,204)	(26,204)	(20,108)	(46,312)
Profit/ (Loss) for the year	-	78,926	-	78,926	(21,420)	57,506
Total recognised income and expense for the year	-	78,926	(26,204)	52,722	(41,528)	11,194
Transactions with equity holders in their capacity as equity holders:						
Share-based payment	-	-	1,776	1,776	75	1,851
Transfer of gain on dilution upon disposal of OceanaGold	-	71,116	(71,116)	-	-	-
Disposal of OceanaGold	-	-	20,306	20,306	(24,193)	(3,887)
Equity component of OceanaGold convertible note	-	-	-	-	(2,326)	(2,326)
Capital Return	(19,237)	-	-	(19,237)	-	(19,237)
Net movement of shares reserved for the GRD share plan	(230)	-	-	(230)	-	(230)
Issue of share capital	122	-	-	122	-	122
Equity dividends	-	(11,528)	-	(11,528)	-	(11,528)
	(19,345)	59,588	(49,034)	(8,791)	(26,444)	(35,235)
Balance at 31 December 2006	81,753	62,356	40,584	184,693	(74)	184,619

Consolidated Cash Flow Statement

	Note	Inflows / (Outflows)	
		2007 \$'000	2006 \$'000
Cash Flows from Operating Activities			
Receipts from customers		255,590	287,469
Interest received		5,833	5,819
Payments to suppliers and employees		(275,774)	(267,075)
Fees received on financial close of Lancashire Waste Project		19,570	-
Interest and other costs of finance paid		(7,790)	(8,852)
Income tax paid		(1,721)	-
Net cash flows (used in)/ from operating activities		(4,292)	17,361
Cash Flows from Investing Activities			
Payment for investment in Lancashire Waste Project		(57,988)	-
Proceeds on disposal of subsidiary	9(a)	9,114	-
Proceeds on disposal of discontinued operation	10(d)	-	95,112
Recovery of project development costs		24,581	-
Payments for project development costs		(1,514)	(10,388)
Settlement of financial derivative contracts under guarantee		-	(23,257)
Proceeds from sale of plant and equipment		152	508
Payments for property, plant and equipment		(15,838)	(5,927)
Payments for mining assets: exploration and evaluation		-	(827)
Payments for mining assets: development		-	(648)
Payments for mining assets: in production		-	(7,601)
Proceeds from sale of assets held for sale		-	1,568
Payments for intangible assets		(1,671)	(1,289)
Net cash flows (used in)/ from investing activities		(43,164)	47,251
Cash Flows from Financing Activities			
Proceeds from the issue of shares		316	122
Net payments for shares reserved for the GRD share plan		(80)	(230)
Return of capital		-	(19,237)
Proceeds from interest bearing borrowings		-	9,986
Proceeds from borrowings, non-interest bearing		-	11,718
Repayment of borrowings, non-interest bearing		(11,699)	-
Repayment of borrowings, interest bearing		(1,819)	(9,046)
Dividends paid		(11,543)	(11,528)
Principal repayment of finance leases		(399)	(2,821)
Net cash flows used in financing activities		(25,224)	(21,036)
Net (decrease)/ increase in cash held		(72,680)	43,576
Cash at the beginning of the financial year		109,494	68,551
Exchange rate variations on foreign cash balances		179	(2,633)
Cash at the end of the financial year	8	36,993	109,494

**Notes to the Preliminary Final Report
For the Financial Year Ended 31 December 2007**

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1. Basis of preparation

The information presented in this Preliminary Final Report has been prepared in compliance with the Australian Accounting Standards. The accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report.

2. Commentary on results

DISCUSSION OF OPERATING PERFORMANCE

GRD Limited recorded a net profit after tax attributable to its continuing operations of \$5.273 million for the 2007 full year, up \$3.244 million (160%) on the comparative 2006 result of \$2.029 million. Earnings before tax for the continuing operations of \$9.798 million was up \$7.160 million on the 2006 result of \$2.638 million.

The increase in the Group's earnings from continuing operations reflects the strengthening of GRD Minproc coupled with the contribution to profit from the financial close of the Lancashire Waste Project.

GRD Minproc delivered solid growth in earnings before tax for the full year to \$26.521 million, with the majority of the growth achieved through its operations in South Africa, Brazil and the UK. Growth in Australia was constrained in part by the highly competitive labour market in Western Australia and thus the ability to attract additional high quality staff to complement the company's existing work force. GRD Minproc's strong performance was offset in part by the under-performance of its construction, fabrication and maintenance subsidiary, Kirfield Limited, with this business recording a loss from continuing operations of \$0.992 million due to increased international competition and the finalisation of significant projects early in the year (2006: profit of \$2.757 million).

The core GRD Minproc business, excluding Kirfield, generated a 30% increase in earnings before tax in 2007 to \$27.513 million. The results of GRD Minproc and Kirfield are consolidated to reflect GRD's Engineering segment result.

The Waste-to-Resources business recorded a loss before tax of \$5.130 million, incorporating the gain on the financial close of Lancashire, continued investment in business development and an operating loss at the Eastern Creek UR-3R Facility.

Establishing the Lancashire Waste Project in early 2007, in partnership with Bovis Lend Lease Limited, was a significant achievement and milestone for Global Renewables, being the culmination of several years of development and providing a strong platform to secure further waste projects of this sort in the UK. The profit before tax to the consolidated GRD group from the financial close of the Lancashire Waste Project was \$8.787 million.

Global Renewables business development activity continues to be focused in the UK, with all costs being expensed as incurred until preferred bidder status is achieved.

Completion of the Eastern Creek fire rectification and other plant enhancements, including the commissioning of the intermediate refinery circuit, was delayed relative to the original timetables. These delays impacted the Facility's ability to operate at full capacity, thus reducing revenue levels and was a significant factor in the Facility recording a trading loss for the year.

The Group's corporate and unallocated expenditure for the year of \$8.905 million represents a significant reduction on the 2006 comparative of \$11.100 million.

The consolidated Group recorded a loss after tax from discontinued operations in 2007 of \$1.326 million, reflecting the closure of Kirfield's fabrication workshop in Western Australia. The 2006 profit from discontinued operations of \$55.477 million largely represents the gains made on disposal of the OceanaGold business.

2. Commentary on results (continued)

Earnings Per Share

The Company had a weighted average number of shares on issue during the year of 192,370,078. Basic earnings per share (EPS) for 2007 is 2.0 cents per share (2006: 41.1 cents). Diluted EPS for 2007 is 2.0 cents (2006: 40.8 cents). For the continuing operations basic EPS for 2007 was 2.7 cents per share, up from 1.1 cents per share in 2006.

Dividends

On 28 February 2008 the Company declared a final unfranked dividend of three cents per share for 2007, payable on 4 April 2008. This brings the total 2007 dividend to six cents per share, unfranked.

BALANCE SHEET

At 31 December 2007 the GRD balance sheet reflects total assets of \$304.990 million (2006: \$338.340 million). Net working capital has reduced from \$108.865 million at the beginning of the year to \$77.189 million at 31 December 2007, as funds were used to invest in the Lancashire Waste Project and plant and equipment.

The Group's non-current assets have increased from \$171.922 million to \$191.215 million at 31 December 2007, with the most significant change during the year being the new \$66.273 million balance for investments in associates. This balance comprises mainly the Group's 50% investment in the Lancashire Waste Project of \$63.928 million, which at December 2006 was largely classified as project development costs. The other investment in associate is GRD Minproc's 50% interest in the UK joint venture undertaking the design and construction of the Lancashire Waste Project's facilities.

There has been no significant change to GRD's gearing during the year. Excluding cash and other net working capital, the Group has interest bearing debt of \$96.413 million at 31 December 2007 (2006: \$98.632 million). Of this debt, \$1.748 million is due for repayment in 2008 and \$1.696 million in 2009.

CASH FLOWS

The Group's cash holdings at 31 December 2007 are \$36.993 million, a reduction of \$72.501 million during the year. Due to the growth of GRD Minproc and some unfavourable timing factors, the Group's investment in non-cash net working capital during 2007 has increased \$40.363 million, accounting for a significant component of the reduction in cash and explaining why the net cash flows from operating activities is negative.

Mainly from an investment perspective, the net cash outflow during 2007 in establishing the Group's investment in the Lancashire Waste Project was \$17.936 million. The Group also invested significantly in plant equipment of \$15.838 million (2006: \$5.927 million) and intangible assets of \$1.671 million (2006: \$1.289 million).

The significant financing activities were that the Group repaid debt of \$1.819 million (2006: \$9.046 million) and paid dividends to shareholders of \$11.543 million (2006: \$11.528 million).

3. Profit/ (loss) from continuing activities

	2007	2006
	\$'000	\$'000
(a) Revenue		
Sales revenue		
Construction contracts revenue	92,388	68,743
Consulting services	113,287	118,413
Waste treatment lease rentals	10,273	6,928
Total sales revenue	215,948	194,084
Other revenue		
Interest income	4,241	5,211
Fees received on establishment of the Lancashire Waste Project (Note 9)	9,809	-
Insurance proceeds - business interruption	1,703	8,579
Management services fee	2,557	-
Total other revenue	18,310	13,790
Total revenue	234,258	207,874
(b) Other Income		
Insurance proceeds – repair of property damage	3,607	10,225
Net gain on disposal of plant and equipment	3	84
Fair value gain on available-for-sale investment	65	-
Foreign exchange gain	860	-
Other	2,091	673
Total other income	6,626	10,982
Total revenue and other income	240,884	218,856
(c) Expenses Excluding Finance Costs		
Employee expenses	140,137	122,721
Share-based payments expense	1,079	1,675
Depreciation, impairment and amortisation	7,741	4,969
Engineering services materials and consumable costs	35,885	34,650
Insurance premiums	2,446	2,751
Repair of property damage	3,607	10,225
Waste processing materials and consumable costs	5,951	6,959
Foreign exchange loss	583	157
Doubtful debts expense	1,915	432
Operating lease expenses	4,490	3,286
Loss on sale of subsidiary (Note 9)	1,022	-
Other expenses	24,540	20,846
Total expenses excluding finance costs	229,396	208,671
(d) Finance Costs		
Interest expense	6,989	7,355
Finance charges related to finance leases	39	92
Amortisation of banking establishment costs	154	100
Total Finance costs	7,182	7,547

4. Dividends paid or proposed

	2007 \$'000	2006 \$'000
(a) Dividends Paid During the Year		
Previous year final:		
Unfranked dividends (3 cents per share) (2006: nil)	5,771	-
Current year interim:		
Unfranked dividends (3 cents per share) (2006: 6 cents)	5,772	11,528
	<u>11,543</u>	<u>11,528</u>
(b) Dividends Proposed and not recognised as a Liability	<u>5,772</u>	<u>5,771</u>

5. Earnings per share (EPS)

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2007 \$'000	2006 \$'000
Profit from continuing operations attributable to GRD	5,273	2,105
Profit/(loss) from discontinued operations attributable to GRD	<u>(1,326)</u>	<u>76,821</u>
Profit attributable to members of GRD	<u>3,947</u>	<u>78,926</u>
Weighted Average Number of Shares		
	2007 Number of Shares	2006 Number of Shares
Weighted average number of ordinary shares used in the calculation of basic earnings per share	192,370,078	192,159,455
Effect of dilutive securities:		
- Share Options	<u>1,437,463</u>	<u>1,236,044</u>
Adjusted weighted average number of ordinary shares used in the calculation of diluted earnings per share	<u>193,807,541</u>	<u>193,395,499</u>

6. NTA backing

	2007 ¢	2006 ¢
Net tangible asset backing per ordinary security	<u>79.57</u>	<u>87.43</u>

7. Income tax expense reconciliation

Reconciliation of the income tax expense applicable to accounting profit from continuing operations before income tax at the statutory rate to income tax expense from continuing operations reported in the Income Statement.

	2007 \$'000	2006 \$'000
Accounting profit before tax from continuing operations	9,798	2,638
At the statutory income tax rate of 30% (2006: 30%)	2,939	791
Assessable income not recognised for accounting purposes	(56)	-
Expenditure not allowable for income tax purposes	1,358	853
Effect of different tax rate for overseas subsidiaries	138	(16)
Adjustments in respect of prior periods	121	(118)
Tax losses not brought to account	43	183
Tax losses not previously recognised, now brought to account	-	(923)
Other	(18)	(161)
Income tax expense relating to continuing operations	4,525	609

8. Notes to consolidated cash flow statement

	2007 \$'000	2006 \$'000
Reconciliation of cash		
Cash per the balance sheet (comprising cash on hand and on deposit)	39,817	111,984
Less: Bank overdraft	(2,824)	(2,490)
Cash for cash flow statement purposes	36,993	109,494

9. Disposal of Subsidiary and Establishment of the Lancashire Waste Project

During the year GRD's subsidiary Global Renewables executed contracts establishing the Lancashire Waste Project in the United Kingdom, in joint ownership with Bovis Lend Lease Limited. As part of these transactions the GRD group ceased to control its subsidiary Global Renewables Lancashire Holdings Limited on 8 February 2007, which is now a 50% owned associate. GRD carries this interest in the Lancashire Waste Project on its Balance Sheet as an investment in an associate, accounted for using the equity method.

Prior to its disposal Global Renewables Lancashire Holdings Limited was not operating, and therefore made no contribution to the GRD financial result for the year to the date of disposal.

The contribution from the financial close of the Lancashire Waste Project to consolidated GRD profit for the period has been significant.

	2007
	\$'000
(a) Details of Disposal	
Consideration received on disposal (cash)	9,238
Less: Net assets disposed (refer below)	<u>(10,260)</u>
Loss on disposal	<u>(1,022)</u>
Net assets relating to subsidiary disposed:	
Cash	124
Project development costs	43,705
Associated deferred tax liability	<u>(13,112)</u>
Net assets relating to subsidiary disposed	30,717
Costs transferred into equity accounted investment	<u>(20,457)</u>
Net assets relating to subsidiary disposed	<u>10,260</u>
Net cash inflow on disposal:	
Cash consideration received on disposal	9,238
Less cash balances disposed	<u>(124)</u>
Net inflow of cash on disposal	<u>9,114</u>

(b) Contribution to Profit of Establishing the Lancashire Waste Project

The direct impact to GRD profit of the financial close of the Lancashire Waste Project during the period is reconciled to the components disclosed in this financial report as follows:

Fees received on establishment of the Lancashire Waste Project	9,809
Loss on disposal of subsidiary	<u>(1,022)</u>
Contribution to profit before tax	<u>8,787</u>

10. Discontinued operations

During 2007 GRD made the decision to cease the fabrication business of Kirfield Limited, a component of the Engineering group of GRD Minproc. The fabrication business is being closed down, a process that has commenced and will be completed in early 2008. No assets of this discontinued operation are therefore required to be separately classified as held for sale. Financial information relating to the fabrication business for the full 2006 and 2007 years is set out below.

During the prior year GRD reduced its shareholding in Oceana Gold Limited (OceanaGold) from 57% to 6.9% and ceased to consolidate that business from 18 May 2006. OceanaGold is reported as a discontinued operation in this financial report, and financial information relating to it from 1 January 2006 until the completion of its disposal on 6 September 2006 is set out below.

(a) Financial performance of discontinued operations

The results of the discontinued operations for the year until disposal are presented below:

	2007	2006		
	Fabrication \$000	Fabrication \$000	OceanaGold \$000	Total \$000
Revenue	5,530	17,343	59,738	77,081
Expenses excluding finance costs	(7,412)	(17,357)	(132,185)	(149,542)
Loss before finance costs and tax	(1,882)	(14)	(72,447)	(72,461)
Finance costs	(13)	(15)	(3,297)	(3,312)
Loss before income tax	(1,895)	(29)	(75,744)	(75,773)
Related income tax benefit	569	9	26,170	26,179
Loss after income tax	(1,326)	(20)	(49,574)	(49,594)
Gain on disposal (b)	-	-	113,135	113,135
Loss on fair value of remaining investment to date of disposal	-	-	(959)	(959)
Loss on fair value of undesignated forward gold contracts under guarantee	-	-	(10,150)	(10,150)
Profit on disposal before income tax	-	-	102,026	102,026
Related income tax benefit	-	-	3,045	3,045
Profit on disposal after tax	-	-	105,071	105,071
Profit/(loss) from discontinued operations after tax	(1,326)	(20)	55,497	55,477

Discontinued Operations: Earnings per share information (cents per share)

	2007	2006
	¢	¢
Basic earnings per share – discontinued operations	(0.7)	40.0
Diluted earnings per share – discontinued operations	(0.7)	39.7

10. Discontinued operations (continued)**(b) Details of the gain on deconsolidation of OceanaGold**

	2006 \$'000
Consideration received or receivable on disposal:	
Cash received	145,800
Less transaction costs	(2,421)
Net cash received on disposal (d)	143,379
Fair value of remaining shares held for sale	20,125
Net disposal consideration	163,504
Less: GRD share of net assets disposed (c)	30,290
Less: Foreign currency translation reserve and hedge reserve relating to OceanaGold at disposal date	20,079
	50,369
Gain on deconsolidation before income tax	113,135
Related income tax expense	-
Gain on deconsolidation of OceanaGold after income tax	113,135

(c) Carrying amounts of assets and liabilities of OceanaGold

The major class of assets and liabilities of OceanaGold at 18 May 2006, measured at the lower of carrying amount and fair value, were as follows:

	2006 \$'000
Assets	
Cash and cash equivalents	67,432
Trade and other receivables	3,751
Inventories	33,220
Property, plant and equipment	103,598
Mining assets	94,066
Other	95
Tax assets	20,138
Total assets	322,300
Liabilities	
Trade and other payables	13,696
Provisions	12,105
Interest bearing liabilities	91,645
Fair value of hedge contracts	150,305
Tax liabilities	351
Total liabilities	268,102
Net assets of OceanaGold disposed	54,198
Less minority interests	(23,908)
GRD share of net assets disposed	30,290

10. Discontinued operations (continued)**(d) Cash flow information**

	2006 \$'000
Net cash inflow on disposal of OceanaGold	
Net cash consideration received on disposal (b)	143,379
Less cash and cash equivalents balances disposed	<u>(67,432)</u>
Net inflow of cash on disposal	<u>75,947</u>
Cash consideration received on disposal of remaining interest	19,250
Less transaction costs	<u>(85)</u>
Net cash received on disposal of remaining interest	<u>19,165</u>
Total net cash inflow on disposal	<u>95,112</u>

Net cash flows of Discontinued Operations

In respect of Discontinued Operations the following net cash flows are included in the Consolidated Cash Flow Statement:

	2007 Fabrication \$000	2006		Total \$000
		Fabrication \$000	OceanaGold \$000	
Operating activities	(1,389)	381	26,558	26,939
Investing activities	-	(62)	(11,616)	(11,678)
Financing activities	(302)	(290)	7,323	7,033
Effect of exchange rate on changes of cash	-	-	(2,520)	(2,520)
Net cash flows from discontinued operations	(1,691)	29	19,745	19,774

11. Segment reporting

GRD operates in two main continuing business segments:

- (i) Engineering: GRD Minproc Limited is a leading engineering construction business, providing high value services specialising in the design, procurement and construction of mineral resource and waste-to-resource projects.
- (ii) Waste-to-Resources: Global Renewables has assembled the world's leading technologies to maximise the recovery of resources from the municipal solid waste stream. The UR-3R Process[®] is a mechanical biological treatment (MBT) that treats municipal solid waste through integrated sorting, biological digestion and composting processes. Global Renewables has successfully implemented this technology at its operating plant at Eastern Creek, Sydney, and has commenced construction of two facilities for the Lancashire Waste Partnership PFI Project, United Kingdom (a 50% associate).

Discontinued Operations

In 2007 the results of the discontinued operations represent that of the fabrication division formerly included within the Engineering Segment. In 2006 the results of the discontinued operations include both this fabrication division and GRD's former mining and exploration subsidiary Oceana Gold Limited, for which there has been no contribution in the current year.

The group accounts for intersegment sales on commercial terms.

	Continuing Operations			Discontinued Operations	Total Operations
	Engineering	Waste-to-Resources	Total Continuing Operations		
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2007					
Revenue from external customers	205,675	24,342	230,017	5,530	235,547
Intersegment revenues	1,906	466	2,372	-	2,372
Segment revenue	207,581	24,808	232,389	5,530	237,919
Unallocated Eliminations			4,241 (2,372)		4,241 (2,372)
Total segment revenue			234,258		239,788
Other income from external customers	310	6,211	6,521	-	6,521
Segment revenue and income	207,891	31,019			
Unallocated Eliminations			85 20		85 20
Total revenue and income			240,884		246,414
Segment result	26,521	(5,130)	21,391	(1,895)	19,496
Unallocated Eliminations			(8,905) (2,688)	- -	(8,905) (2,688)
Profit before income tax			9,798	(1,895)	7,903
Applicable income tax (expense)/ benefit			(4,525)	569	(3,956)
Net profit			5,273	(1,326)	3,947

Share of Profit of Associates:

- The Engineering segment result includes an amount of profit from associates of \$5,589,000 (2006: nil) of which \$2,794,000 is eliminated on consolidation.
- The Waste-to-Resources segment result includes an amount of profit from associates of \$2,697,000 (2006: nil).

11. Segment reporting (continued)

	Continuing Operations			Discontinued Operations	Total Operations
	Engineering	Waste-to-Resources	Total Continuing Operations		
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2006					
Revenue from external customers	187,157	15,507	202,664	77,081	279,745
Intersegment revenues	11,191	-	11,191	-	11,191
Segment revenue	198,348	15,507	213,855	77,081	290,936
Unallocated Eliminations			5,823 (11,804)		5,823 (11,804)
Total segment revenue			207,874		284,955
Other income from external customers	374	11,268	11,642	-	11,642
Segment revenue and income	198,722	26,775			
Unallocated Eliminations			662 (1,322)		662 (1,322)
Total revenue and income			218,856		295,937
Segment result	23,906	(9,334)	14,572	26,253	40,825
Unallocated Eliminations			(11,100) (834)	-	(11,100) (834)
Profit before income tax			2,638	26,253	28,891
Applicable income tax (expense)/ benefit			(609)	29,224	28,615
Net profit			2,029	55,477	57,506

12. Status of audit or review

This report is based on accounts to which one of the following applies.

- The accounts have been audited.
 The accounts have been subject to review.
- The accounts are in the process of being audited or subject to review.
 The accounts have *not* yet been audited or reviewed.



Signed: _____
Company Secretary

Date: 28 February 2008

Name: Peter Bryant