

International Building Industries Limited
(ABN 42 116 936 862)
and Controlled Entities

Half Year Report
31 December 2005

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International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

DIRECTORS' REPORT

Your directors submit the first financial report of the economic entity for the half-year ended 31 December 2005.

Directors

The names of directors who held office during or since the end of the half-year:

Mr Brendon Vine

Mr Ian Hoare

Mr Samuel Hunter

Principal Activities

The economic entity was formed on 8 November 2005 when International Building Industries Limited acquired a 100% stake in International Building Solutions Pty Limited.

The principal activity of the consolidated entity is the procurement of exclusive distribution rights and sale of innovative building products.

There were no significant changes in the nature of the activities of the Company or consolidated entity during the half-year.

Financial Performance

The economic entity had total revenues for the relevant period of \$213,695 and made a loss of \$25,598.

Review of Operations

The parent entity was incorporated on 1 November 2005 and since that time has purchased all of the issued shares in International Building Solutions Pty Ltd in exchange for the issue of three and a half million shares.

The company has commenced work on issuing a Prospectus to raise between \$750,000 and \$1 million and to list on the Stock Exchange of Newcastle.

In addition, the company has concluded negotiations with No Skidding Products Inc. ("NSP") of Toronto, Canada for exclusive distribution rights for Australia for their total product range.

NSP products are recognized worldwide as the leader in the manufacturer of No Skid products.

NSP products cover a range of slip resistant treatments that are arguably the most competitive range of floor safety products in the world.

NSP products coatings and chemical technologies draw on three generations and over 40 years of development experience to increase the colour efficient of friction on virtually all types of common floor surfaces, including ceramic, stone, wood, painted finishes, concrete, vinyl and metals.

NSP products have been used worldwide by leading industries including major hotel chains, shopping centres, Governments and many others.

NSP were recently selected as Non Slip applications in the construction of the Hong Kong airport, one of the largest in the world.

The company has invested heavily in recent months in:

- a) the procurement of the sole rights for NSP products in Australia
- B) the development of marketing plans
- C) the development of marketing manuals
- D) the development of a strategic role out plan for many Australian distribution outlets

The company has also been heavily investing research and development on product evaluation and due diligence on other products in the market which would be suitable for our distributor network.

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

DIRECTORS' REPORT

Comparative information

There is no comparative information provided due to the economic entity having been formed during the period to 31 December 2005, with the parent entity, being International Building Industries Limited also incorporated during the said period.

Adoption of Australian Equivalents to IFRS

This interim financial report has been prepared under Australian equivalents to IFRS. A reconciliation of differences, if any, between previous GAAP and Australian equivalents to IFRS has been included in Note 2 of this report.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 3 for the half year ended 31 December 2005.

This report is signed in accordance with a resolution of the Board of Directors.



Mr. Brendan Vine

Director

Date: 30 March 2006



Chartered accountants since 1985

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Sydney NSW 2000 Australia

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The Board of Directors
International Building Industries Ltd ("IBIL")
Lvl 1, 168 Wharf Street
Brisbane NSW 4000

Kind Attn: Mr. Brendan Vine

Dear Sir,

RE: Declaration of auditor's independence in regards to the review of half-yearly financial statements of IBIL and its controlled entities as at 31 December 2005


With respect to the review of the half-yearly financial statements of IBIL and its controlled entities for the period ended 31 December 2005, as required by section 307C of the Corporations Act 2001 ("the Act"), we make the following representation -

To the best of our knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Act in relation to the audit or review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit or review



BCS Lamb & Ellis
Chartered Accountants



David Lamb
Director

Dated: 30 March 2006

Place: Sydney

BCS Lamb & Ellis ABN 17 109 396 465
Global representation: Integra International

Liability is limited by the Accountants
Scheme approved under the Professional
Standards Act 1994 (NSW)

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	Economic Entity	
	31.12.2005	31.12.2004
	\$	\$
Revenue	213,695	-
Changes in inventories of finished goods and work in progress	-	-
Raw materials and consumables used	(41,021)	-
Employee benefits expense	-	-
Depreciation and amortisation expense	(532)	-
Finance costs	(4,452)	-
Impairment of property, plant and equipment	-	-
Other expenses	(204,259)	-
Share of net profits of associates	-	-
Profit / (loss) before income tax	(36,569)	-
Income tax benefit / (expense)	10,971	-
Profit / (loss) from continuing operations	(25,598)	-
Profit / (loss) from discontinued operations	-	-
Profit / (loss) for the period	(25,598)	-
Profit / (loss) attributable to minority equity interest	-	-
Profit / (loss) attributable to members of the parent entity	(25,598)	-
Overall Operations:		
Basic earnings per share (cents per share)	(0.14)	-
Diluted earnings per share (cents per share)	(0.14)	-

The accompanying notes form part of these financial statements.

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005

	Economic Entity	
	31.12.2005	31.12.2004
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	53,378	-
Trade and other receivables	213,800	-
Inventories	97,011	-
Current tax asset	103,750	-
TOTAL CURRENT ASSETS	467,939	-
NON-CURRENT ASSETS		
Property, plant and equipment	8,820	-
Incorporation & listing expenses	58,015	-
Intangible assets	3,640,576	-
Deferred tax asset	97,791	-
TOTAL NON-CURRENT ASSETS	3,805,202	-
TOTAL ASSETS	4,273,141	-
CURRENT LIABILITIES		
Trade and other payables	143,500	-
Current tax liabilities	-	-
TOTAL CURRENT LIABILITIES	143,500	-
NON-CURRENT LIABILITIES		
Borrowings	70,073	-
Deferred tax liability	85,165	-
TOTAL NON-CURRENT LIABILITIES	155,238	-
TOTAL LIABILITIES	298,738	-
NET ASSETS	3,974,403	-
EQUITY		
Issued capital	4,000,001	-
Retained earnings / (Accumulated losses)	(25,598)	-
TOTAL EQUITY	3,974,403	-

The accompanying notes form part of these financial statements.

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

		\$	\$	\$	\$	\$
		Share Capital	Retained Profits	Asset Revaluation	Minority Interests	Total
	Note	Ordinary				
Balance at 1.7.2004		-	-	-	-	-
Profit attributable to members of parent entity		-	-	-	-	-
Profit attributable to minority shareholders		-	-	-	-	-
Sub-total		-	-	-	-	-
Dividends paid or provided for		-	-	-	-	-
Balance at 31.12.2004		-	-	-	-	-
Balance at 1.7.2005		-	-	-	-	-
Shares issued during the year		4,000,001	-	-	-	4,000,001
Profit attributable to members of parent entity		-	(25,598)	-	-	(25,598)
Profit attributable to minority shareholders		-	-	-	-	-
Revaluation increment		-	-	-	-	-
Sub-total		4,000,001	(25,598)	-	-	3,974,403
Dividends paid or provided for		-	-	-	-	-
Balance at 31.12.2005		4,000,001	(25,598)	-	-	3,974,403

The accompanying notes form part of these financial statements.

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	Economic Entity	
	31.12.2005	31.12.2004
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	136,830	-
Payments to suppliers and employees	(485,485)	-
Dividends received	-	-
Interest received	142	-
Finance costs	(4,452)	-
Income tax paid	-	-
Net cash provided by (used in) operating activities	(352,965)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of non-current assets	-	-
Purchase of non-current assets	-	-
Proceeds from disposal of entities	-	-
Payment for subsidiary, net of cash acquired	-	-
Net cash provided by (used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	500,001	-
Proceeds from borrowings	-	-
Repayment of borrowings	(97,868)	-
Dividends paid	-	-
Net cash provided by (used in) financing activities	402,313	-
Net increase in cash held	49,168	-
Cash at 1 July	-	-
Net cash acquired on acquisition of subsidiary	4,210	-
Cash at 31 December	53,378	-

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 and any public announcements made by International Building Industries Limited ("IBIL") and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Since this is the first year of existence of the economic entity as well as the parent entity, there does not exist an annual report for the year ended 30 June 2005. Hence, there are no comparatives disclosed throughout this financial report.

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the prior accounting periods as those would be in line with the previous Australian GAAP. Accordingly, a summary of the significant accounting policies under Australian equivalents to IFRS has been included below. A reconciliation of equity and profit and loss between previous GAAP and Australian equivalents to IFRS has been prepared per Note 2.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

(a) Principles of Consolidation

A controlled entity is any entity controlled by IBIL whereby IBIL has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2005**

NOTE 1: BASIS OF PREPARATION (Cont'd)

IBIL and its wholly-owned Australian subsidiaries have elected to form an income tax consolidated group under the Tax Consolidation Regime. IBIL will be responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The group will notify the ATO that it has formed an income tax consolidated group to apply from 1 July 2005, when the tax returns for the year ended 30 June 2006 are due to be lodged. The tax consolidated group will enter a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Leasehold improvements	33.33%
Plant and equipment	33.33%
Leased plant and equipment	33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2005**

NOTE 1: BASIS OF PREPARATION (Cont'd)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (Cont'd)

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(i) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those policies.

(j) Interests in Joint Ventures

The economic entity's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought to account using the cost method.

(k) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a definite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 15 to 20 years.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when technically feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(l) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2005**

NOTE 1: BASIS OF PREPARATION (Cont'd)

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(m) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(n) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(o) Provision for Warranties

Provision is made in respect of the economic entity's estimated liability on all products and services under warranty at balance date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the economic entity's history of warranty claims.

(p) Debt Defeasance

Where assets are given up to extinguish the principal repayments and all future interest payments of a debt any differences in the carrying values of assets foregone and the liability extinguished are brought to account in the profit from ordinary activities. Costs incurred in establishing the defeasance are expensed in the period that the defeasance occurs.

Where only part of a debt is extinguished the interest payments and principal repayments are defeased proportionately and a liability recognised for the net present value of the remaining future interest and principal repayments. The discount factor applied is the implicit rate in the original debt.

In all cases where defeasance occurs, it is highly unlikely that the company will again be required to pay any part of the debt or meet any guarantees or indemnities associated with the debt.

(q) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the balance sheet.

(r) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(s) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
 HALF-YEAR ENDED 31 DECEMBER 2005**

NOTE 1: BASIS OF PREPARATION (Cont'd)

take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("AIFRS")

As disclosed earlier in Note 1, this is the first year of existence of the parent entity (IBIL) and the economic entity. To that extent, there are no changes required to be made for balances as at 1 July 2004, 31 December 2004 or 1 July 2005, to bring the same in line with the requirements of AIFRS. Hence, there is no need to prepare reconciliations of equity as at the aforementioned dates, nor is there a need to prepare a reconciliation of profit and loss for the half year to 31 December 2004 or the full year to 30 June 2005.

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

	Economic Entity	
	31.12.2005	31.12.2004
	\$000	\$000
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Depreciation	532	-
Interest paid	4,452	-

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

NOTE 4: ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND RESTRUCTURING

The parent entity acquired 100% of International Building Solutions Pty Limited on 8 November 2005, a distributor of innovative building products for the construction industry. The purchase was satisfied by the issue of 17,500,000 ordinary shares at an issue price of \$0.20 each.

The purchase price was allocated as follows:	\$
Purchase consideration	3,500,000

Assets and liabilities acquired at acquisition date:

Cash	4,210
Receivables	137,077
Inventories	97,011
Current tax assets	94,279
Property, plant and equipment	9,352
Intangibles	283,883
Deferred tax asset	96,291
Payables	(196,051)
Borrowings	(263,761)
Deferred tax liability	(85,165)
Net assets acquired	177,126
Goodwill on consolidation	3,322,874
Total	3,500,000

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to their carrying value at acquisition date.

Loss relating to International Building Solutions Pty Limited amounting to \$21,149 is included in the consolidated income statement for the half-year ended 31 December 2005. Had the results relating to International Building Solutions Pty Limited been consolidated from 1 July 2005, consolidated revenue would have been \$871,822 and consolidated loss \$348,928 for the half year ended 31 December 2005.

NOTE 5: SEGMENT INFORMATION

Due to the early stages of the parent entity and the economic entity, the Directors believe that the economic entity operates in only one geographical segment being the whole of Australia. Presently, the economic entity operates with only a few products all of which, the Directors believe, to be part of the same business segment. Hence, the Directors believe splitting the business into any further segments would be irrelevant at this stage.

NOTE 6: CONTINGENT LIABILITIES

The Directors believe there are no material reportable contingent liabilities as at the date of this report..

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

The Directors believe there are no reportable material events subsequent to reporting date other than the listing of the equity shares of the parent entity on the Newcastle Stock Exchange on 7 March 2006, raising \$1,000,000 in fresh equity capital.

International Building Industries Limited
ABN 42 116 936 862 and Controlled Entities

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on 4 to 14:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2005 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr. Brendan Vine
Director

Date: 30 March 2006



Independent Review Report

To the members of

International Building Industries Limited & its controlled entities

Chartered accountants since 1985

612 9248 2500

612 9248 2555

Level 2 / 123 Clarence Street

Sydney NSW 2000 Australia

GPO Box 3789 Sydney NSW 2001

Scope

We have reviewed the financial report of International Building Industries Limited and its controlled entities for the half-year ended 31 December 2005 as set out on pages 4 to 15. The financial report includes the financial statements of the economic entity comprising of International Building Industries Limited and all the entities it controlled during the period under review. The company's directors are responsible for the financial report. We have performed the review of the financial report 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 is not presented fairly in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cashflows, and in order to lodge the financial report with the Australian Securities and Investments Commission / Australian Stock Exchange.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of International Building Industries Limited and its controlled entities is not in accordance with:

- a. the Corporations Act 2001, including:
 - i. giving a true and fair view of the entity's financial position at 31 December 2005 and of its performance for the half-year ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- b. other mandatory professional reporting requirements in Australia.

BCS Lamb & Ellis

Chartered Accountants

David Lamb

Director

Dated: 30 March 2006

Place: Sydney

BCS Lamb & Ellis ABN 17 108 396 465
Global representation: Integra International

Liability is limited by the Accountants
Scheme approved under the Professional
Standards Act 1994 (NSW)

Appendix 3

Half yearly report

Introduced 01/01/2003

Name of entity	INTERNATIONAL BUILDING INDUSTRIES LIMITED
ABN	42 116 936 862
Half-year ended	31 December 2005

For announcement to the market

				\$A
Revenues from ordinary activities (item 1.1)	Up / Down	N/A	to	213,695
Loss from ordinary activities after tax attributable to members (item 1.22)	Up / Down	N/A	to	(25,598)
Loss from extraordinary items after tax attributable to members (item 2.5(d))	Gain / Loss	-	-	-
Loss for the period attributable to members (item 1.11)	Up / Down	N/A	to	(25,598)
Dividends (distributions)	Amount per security		Franked amount per security	
Final dividend (<i>Preliminary final report only - item 15.4</i>)	NIL ¢		NIL ¢	
Interim dividend (<i>Half yearly report only - item 15.6</i>)	NIL ¢		NIL ¢	
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)	NIL ¢		NIL ¢	
Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)				N/A
This half yearly report for the period ended 31 December 2005 is the first report prepared by the economic entity due to the fact that the parent entity was incorporated on 1 November 2005 and the economic entity was formed on 8 November 2005, being the date on which the parent entity, International Building Industries Limited, acquired a 100% in International Building Solutions Pty Limited. It is for this reason that there was no financial report prepared for the year ended 30 June 2005, or for the period ended 31 December 2004. Hence, there are no comparative numbers disclosed in this half yearly report, due to the economic entity not existing in the prior periods.				

This half yearly report is to be read in conjunction with the most recent annual financial report.

Condensed income statement

	Current period A\$	Previous corresponding period A\$
1.1 Revenues from ordinary activities (see items 1.23 -1.25)	213,695	-
1.2 Expenses from ordinary activities (see items 1.26 & 1.27)	(245,812)	-
1.3 Borrowing costs	(4,452)	-
1.4 Share of net profits (losses) of associates and joint venture entities (see item 16.7)	-	-
1.5 Loss from ordinary activities before tax	(36,569)	-
1.6 Income tax on ordinary activities (see note 4)	10,971	-
1.7 Loss from ordinary activities after tax	(25,598)	-
1.8 Profit (loss) from extraordinary items after tax (see item 2)	-	-
1.9 Net loss	(25,598)	-
1.10 Net (profit) / loss attributable to outside equity interests	-	-
1.11 Net loss for the period attributable to members	(25,598)	-
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17 Total changes in equity not resulting from transactions with owners as owners	(25,598)	-
Earnings/(Loss) per security (EPS)	Current period ¢	Previous corresponding period ¢
1.18 Basic EPS	(0.14)	-
1.19 Diluted EPS	(0.14)	-

Notes to the condensed income statement

Profit (loss) from ordinary activities attributable to members	Current period A\$	Previous corresponding period A\$
1.20 Loss from ordinary activities after tax (item 1.7)	(25,598)	-
1.21 Less (plus) outside equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	(25,598)	-

Revenue and expenses from ordinary activities (see note 15)	Current period A\$	Previous corresponding period A\$
1.23 Revenue from sales or services	211,356	-
1.24 Interest revenue	142	-
1.25 Other relevant revenue	2,197	-
1.26 Details of relevant expenses		
Administration expenses	(234,309)	-
Borrowing costs	(4,452)	-
Other expenses from ordinary activities	-	-
Goodwill written off	-	-
1.27 Depreciation and amortisation excluding amortisation of intangibles (see item 2.3)	(532)	-
	(25,598)	-
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an acquisition of a business)	-	-

Consolidated retained profits	Current period A\$	Previous corresponding period A\$
1.30 Accumulated losses at the beginning of the financial period	-	-
1.31 Loss attributable to members (item 1.11)	(25,598)	-
1.32 Net transfers from (to) reserves (details if material)	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	-	-
1.35 Accumulated losses at end of financial period	(25,598)	-

Intangible and extraordinary items

	Current period A\$			
	Before tax (a)	Related tax (b)	Related outside equity interests (c)	Amount (after tax) attributable to members (d)
2.1 Amortisation of goodwill	-	-	-	-
2.2 Amortisation of other intangibles	-	-	-	-
2.3 Total amortisation of intangibles	-	-	-	-
2.4 Extraordinary items (details)	-	-	-	-
2.5 Total extraordinary items	-	-	-	-

Comparison of half year profits *(Preliminary final report only)*

	Current period A\$	Previous corresponding period A\$
3.1 Consolidated loss from ordinary activities after tax attributable to members reported for the 1st half year (item 1.22 in the half yearly report)	(25,598)	-
3.2 Consolidated loss from ordinary activities after tax attributable to members for the 2nd half year	-	-

Condensed balance sheet

	At end of current period A\$	As shown in last annual report A\$	As in last half yearly report A\$
Current assets			
4.1 Cash	53,378	-	-
4.2 Receivables	213,800	-	-
4.3 Investments (Held-for-sale)	-	-	-
4.4 Inventories	97,011	-	-
4.5 Tax assets	103,750	-	-
4.6 Other	-	-	-
4.7 Total current assets	467,939	-	-
Non-current assets			
4.8 Receivables	-	-	-
4.9 Investments (equity accounted)	-	-	-
4.10 Other investments	-	-	-
4.11 Inventories	-	-	-
4.12 Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-	-
4.13 Development properties (mining entities)	-	-	-
4.14 Other property, plant and equipment (net)	8,820	-	-
4.15 Intangibles (net)	3,640,576	-	-
4.16 Tax assets	97,791	-	-
4.17 Other (incorporation & listing expenses)	58,015	-	-
4.18 Total non-current assets	3,805,202	-	-
4.19 Total assets	4,273,141	-	-
Current liabilities			
4.20 Payables	143,500	-	-
4.21 Interest bearing liabilities	-	-	-
4.22 Tax liabilities	-	-	-
4.23 Provisions exc. tax liabilities	-	-	-
4.24 Other (provide details if material)	-	-	-
4.25 Total current liabilities	143,500	-	-
Non-current liabilities			
4.26 Payables	-	-	-
4.27 Interest bearing liabilities	70,073	-	-
4.28 Tax liabilities	85,165	-	-
4.29 Provisions exc. tax liabilities	-	-	-
4.30 Other (provide details if material)	-	-	-
4.31 Total non-current liabilities	155,238	-	-

Condensed balance sheet *continued*

	At end of current period A\$	As shown in last annual report A\$	As in last half yearly report A\$
4.32 Total liabilities	298,738	-	-
4.33 Net assets	3,974,403	-	-
Equity			
4.34 Capital/contributed equity	4,000,001	-	-
4.35 Reserves	-	-	-
4.36 Accumulated losses	(25,598)	-	-
4.37 Equity attributable to members of the parent entity	3,974,403	-	-
4.38 Outside equity interests in controlled entities	-	-	-
4.39 Total equity	3,974,403	-	-
4.40 Preference capital included as part of 4.37	-	-	-

Notes to the condensed balance sheet

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period A\$	Previous corresponding period A\$
5.1 Opening balance	-	-
5.2 Expenditure incurred during current period	-	-
5.3 Expenditure written off during current period	-	-
5.4 Acquisitions, disposals, revaluation increments, etc.	-	-
5.5 Expenditure transferred to Development Properties	-	-
5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)	-	-

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period A\$	Previous corresponding period A\$
6.1 Opening balance	-	-
6.2 Expenditure incurred during current period	-	-
6.3 Expenditure transferred from exploration and evaluation	-	-
6.4 Expenditure written off during current period	-	-
6.5 Acquisitions, disposals, revaluation increments, etc.	-	-
6.6 Expenditure transferred to mine properties	-	-
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)	-	-

Condensed cash flow statement

	Current period A\$	Previous corresponding period A\$
Cash flows related to operating activities		
7.1 Receipts from customers	136,830	-
7.2 Payments to suppliers and employees	(485,485)	-
7.3 Dividends received from associates	-	-
7.4 Other dividends received	-	-
7.5 Interest and other items of similar nature received	142	-
7.6 Interest and other costs of finance paid	(4,452)	-
7.7 Income taxes paid	-	-
7.8 Other (provide details if material)	-	-
7.9 Net operating cash flows	(352,965)	-
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipt.	-	-
7.11 Proceeds from sale of property, plant and equipment	-	-
7.12 Payment for purchases of equity investments	-	-
7.13 Proceeds from sale of equity investments	-	-
7.14 Loans to other entities	-	-
7.15 Loans repaid by other entities	-	-
7.16 Other (Cash balances of controlled entities)	-	-
7.17 Net investing cash flows	-	-
Cash flows related to financing activities		
7.18 Proceeds from issues of securities	500,001	-
7.19 Proceeds from borrowings	-	-
7.20 Repayment of borrowings	(97,868)	-
7.21 Dividends paid	-	-
7.22 Other (provide details if material)	-	-
7.23 Net financing cash flows	402,133	-
7.24 Net increase (decrease) in cash held	49,168	-
7.25 Cash at beginning of period	-	-
7.26 Cash acquired on acquisition of subsidiary	4,210	-
7.27 Cash at end of period	53,378	-

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (If an amount is quantified, show comparative amount.)

During the half year period covered in this report, International Building Industries Limited, acquired 100% of the equity shares of International Building Solutions Pty Limited. The purchase consideration was 17,500,000 equity shares in the former, involving no cash flow from the acquiring company.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period A\$	Previous corresponding period A\$
8.1 Cash on hand and at bank	53,378	-
8.2 Deposits at call	-	-
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	53,378	-

APPENDIX 3
Half Yearly Report

International Building Industries Ltd
31 Dec 2005

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
Profit before tax / revenue (%) 9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	-17%	-
Profit after tax / equity interests (%) 9.2 Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	-1%	-

Earnings per security (EPS) (cents) **(0.14)** **-**

10 Details of basic and diluted EPS reported separately are as follows:		
Earnings (A\$)	(25,598)	-
Weighted average number of ordinary shares for the period	17,704,919	-

	Current period	Previous corresponding period
NTA backing (see note 7)		
11.1 Net tangible asset backing / ordinary security	0.20	-

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclose

12.1 Discontinuing Operations

None

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	International Building Solutions Pty Ltd
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	(25,598)
13.3 Date from which such profit has been calculated	8 November 2005
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	None
14.2 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
14.3 Date to which the profit (loss) in item 14.2 has been calculated	N/A
14.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A
14.6	

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable

N/A

15.2 Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time

N/A

15.3 If it is a final dividend, has it been declared? *(Preliminary final report only)*

N/A

Amount per security

	Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
<i>(Preliminary final report only)</i>			
15.4 Final dividend: Current year	NIL ¢	NIL ¢	NIL ¢
15.5 Previous year	NIL ¢	NIL ¢	NIL ¢
<i>(Half yearly and preliminary final reports)</i>			
15.6 Interim dividend: Current year	NIL ¢	NIL ¢	NIL ¢
15.7 Previous year	NIL ¢	NIL ¢	NIL ¢

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8 Ordinary securities	NIL ¢	NIL ¢
15.9 Preference securities	NIL ¢	NIL ¢

Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final

	Current period A\$	Previous corresponding period A\$
15.10 Ordinary securities <i>(each class separately)</i>	NIL	NIL
15.11 Preference securities <i>(each class separately)</i>	NIL	NIL
15.12 Other equity instruments <i>(each class separately)</i>	NIL	NIL
15.13 Total	NIL	NIL

The dividend or distribution plans shown below are in operation.

NIL

The last date(s) for receipt of election notices for the dividend/distribution plans

N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period A\$	Previous corresponding period A\$
16.1 Profit (loss) from ordinary activities before tax	-	-
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	-	-
16.4 Extraordinary items net of tax		
16.5 Net profit (loss)	-	-
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	-	-

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
17.1 Equity accounted associates and joint venture entities	Current period A\$	Previous corresponding period A\$	Current period A\$	Previous corresponding period A\$
17.2 Total	NIL	NIL	NIL	NIL
17.3 Other material interests				
17.4 Total	NIL	NIL	NIL	NIL

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference securities <i>(description)</i>	NIL	NIL	NIL	NIL
18.2 Changes during current period				
(a) Increases through issues	NIL	NIL	NIL	NIL
(b) Decreases through returns of capital, buybacks, redempti	NIL	NIL	NIL	NIL
18.3 Ordinary securities	20,000,001	NIL	-	20
18.4 Changes during current period				
(a) Increases through issues	NIL	NIL	NIL	NIL
(b) Decreases through returns of capital, buybacks	NIL	NIL	NIL	NIL
18.5 Convertible debt securities <i>(description and conversion factor)</i>	NIL	NIL	NIL	NIL
18.6 Changes during current period				
(a) Increases through issues	NIL	NIL	NIL	NIL
(b) Decreases through securities matured, converted	NIL	NIL	NIL	NIL
18.7 Options <i>(description and conversion factor)</i>	NIL	NIL	<i>Exercise price</i>	<i>Expiry date (if any)</i>
18.8 Issued during current period	NIL	NIL	NIL	NIL
18.9 Exercised during current period	NIL	NIL	NIL	NIL
18.10 Expired during current period	NIL	NIL	NIL	NIL
18.11 Debentures <i>(description)</i>	NIL	NIL	NIL	NIL
18.12 Changes during current period				
(a) Increases through issues	NIL	NIL	NIL	NIL
(b) Decreases through securities matured, converted	NIL	NIL	NIL	NIL
18.13 Unsecured notes <i>(description)</i>				
18.14 Changes during current period				
(a) Increases through issues	NIL	NIL	NIL	NIL
(b) Decreases through securities matured, converted	NIL	NIL	NIL	NIL

Segment reporting

NOT APPLICABLE

Comments by directors

NONE

Basis of financial report preparation

19.1 This report is a half yearly report and is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements made by the company during the relevant period. This half yearly report is the first interim financial report prepared under Australian equivalents to the International Financial Reporting Standards. Hence, some of the accounting policies applied are inconsistent with those applied in the annual report for the year ended 30 June 2005 as that report was prepared under the previous Australian GAAP. The half yearly report does not include full disclosures of the type normally included in an annual financial report.

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

NONE

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Subsequent to balance date, the parent entity, International Building Industries Limited raised fresh equity capital by listing its ordinary shares on the Newcastle Stock Exchange, with official listing commencing on 7 March 2006.

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

NONE

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report.

The accounting policies, estimation methods and measurement bases used in this report are different from those used in the last annual report, if any, to the extent dictated by the new Australian equivalents to International Financial Reporting Standards.

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

NONE

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report.

The directors believe there are no reportable contingent liabilities at this stage.

Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

N/A

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

N/A

Identify:

*initial service charges

*management fees

*other fees

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

N/A

Date

N/A

Time

N/A

Approximate date the +annual report will be available

N/A

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

NONE

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed (see note 2).

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

(Tick one)

The accounts have been audited.

x

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.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached / ~~will follow immediately they are available~~* (*delete one*). **(Half yearly report only - the audit report or review by the auditor must be attached to this Appendix**

6 The entity has / ~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here:
(Director)

Date:

30 March 2006

Print name: Mr Brendon Vine