

Appendix 3

Preliminary Final Report

Introduced 30/6/2002.

Name of entity

**INTERNATIONAL BUILDING INDUSTRIES LTD & its
controlled entities**

ABN / ACN

116 936 862

1. REPORTING PERIOD

Reporting Period:

Financial year ended 30 June 2006

Previous corresponding Period

Not applicable - FY 2006 is first year of existence

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All figures in this report are in Australian Dollars unless otherwise stated)

		Change		Amount
2.1 Revenues from ordinary activities		N/A	to	A\$ 2,318,334
2.2 Profit from ordinary activities after tax attributable to members		N/A	to	74,745
2.3 Profit for the year attributable to members		N/A	to	74,745
2.4 Dividends (distributions)	Amount per security		Franked amount per security	
Final dividend	NIL ¢		NIL ¢	
Interim dividend	NIL ¢		NIL ¢	
Previous corresponding period	NIL ¢		NIL ¢	
2.5 Record date for determining entitlements to the dividend, (in the case of a trust, distribution)		N/A		

2.6 Brief explanation of figures 2.1 to 2.4

International Building Industries Limited ("IBIL") was incorporated on 1 November 2005. Hence, the financial year ended 30 June 2006, is the first year of existence of the IBIL and its controlled entities.

During the year, main activities of the group included the acquisition of all the issued capital of International Building Solutions Pty Limited for \$3,500,000 including the distribution rights from Liquid Rubber Inc. The IBIL group has also acquired the exclusive distribution rights for Australia and New Zealand regions of Non Skidding Inc's products. During the year the group has appointed a sole sub-distributor in New Zealand for a consideration of \$500,000 as well as a number of licensed branch distributors of our waterproofing range of products. During the year, the company has also generated sales of over \$760K of mainly Liquid Rubber products. An agreement was also entered into with The Shell Company of Australia Limited for the national distribution of Shell Flintkote and Shell Tixophalte brand ranges of Shell consumer and industrial waterproofing products.

Other than the above mentioned transactions, the Company did not conduct any other activities during the current year.

Due to this being the first year of operations, there are no comparatives included for the previous financial year in this report, since the company nor the group did not exist at that time.

Condensed income statement

	Economic Entity (A\$)	Parent Entity (A\$)
1.1 Revenues from ordinary activities (see items 1.23 -1.25)	2,233,334	78,937
1.2 Expenses from ordinary activities (see items 1.26 & 1.27)	(2,082,382)	(66,922)
1.3 Borrowing costs	(6,995)	(3,226)
1.4 Share of net profits (losses) of associates and joint venture entities (see item 16.7)	(1)	(1)
1.5 Profit / (loss) from ordinary activities before tax	143,957	8,788
1.6 Income tax (expense) benefit on ordinary activities	(69,212)	-
1.7 Profit / (loss) from ordinary activities after tax	74,745	8,788
1.8 Profit / (loss) from extraordinary items after tax	-	-
1.9 Net profit / (loss)	74,745	8,788
1.10 Net profit / (loss) attributable to outside equity interests	-	-
1.11 Net profit /(loss) for the year attributable to members	74,745	8,788
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	74,745	8,788
Earnings/(Loss) per security (EPS)	Economic Entity (A\$)	Parent Entity (A\$)
1.18 Basic EPS	0.34	0.04
1.19 Diluted EPS	0.34	0.04

Notes to the condensed income statement

Profit (loss) from ordinary activities attributable to members	Economic Entity (A\$)	Parent Entity (A\$)
1.20 Profit / (loss) from ordinary activities after tax (item 1.7)	74,745	8,788
1.21 Less (plus) outside equity interests	-	-
1.22 Profit / (loss) from ordinary activities after tax, attributable to members	74,745	8,788

Revenue and expenses from ordinary activities (see note 15)	Economic Entity (A\$)	Parent Entity (A\$)
1.23 Revenue from sales or services	2,228,862	76,829
1.24 Interest revenue	4,472	2,108
1.25 Other relevant revenue		
-Dividends received	-	-
-Proceeds from disposal of equity investments	-	-
-Gain on revaluation of investment	-	-
-Adjustment for debt forgiveness and loan accounts with controlled entities disposed / wound up	-	-
-Sundry income	-	-
Total revenue	2,233,334	78,937
1.26 Details of relevant expenses		
-Cost of goods sold	(934,497)	-
Employee expenses	(18,374)	-
-Occupancy costs	-	-
-Directors fees	-	-
-Professional and consultants fees (including related party transactions)	-	-
-Administration expenses	(1,114,766)	(66,923)
-Borrowing costs	(6,995)	(3,226)
-Other expenses from ordinary activities	-	-
-Goodwill amortisation	-	-
-Adjustments due to write down of investments in controlled entities	-	-
-Net carrying value of equity investments sold	-	-
1.27 Depreciation and amortisation excluding amortisation of intangibles (see item 2.3)	(14,745)	-
Total expenses	(2,089,378)	(70,149)
Profit / (loss) before income tax expense	143,957	8,788

Retained profits / (Accumulated losses)	Economic Entity (A\$)	Parent Entity (A\$)
2.1 Retained profits (Accumulated losses) at start of financial year	-	-
2.2 Profit / (Loss) attributable to members (item 1.11)	74,745	8,788
2.3 Dividends and other equity distributions paid or payable	-	-
2.4 Retained profits (Accumulated losses) at end of financial year	74,745	8,788

Balance Sheet

	Economic Entity (A\$)	Parent Entity (A\$)
Current assets		
4.1 Cash	7,464	23
4.2 Receivables	915,687	94,081
4.3 Investments	-	-
4.4 Inventories	60,951	-
4.5 Tax assets	-	-
4.6 Other	23,391	-
4.7 Total current assets	1,007,493	94,104
Non-current assets		
4.8 Receivables	-	1,302,538
4.9 Investment in subsidiaries	-	3,500,106
4.10 Other investments	50,000	50,000
4.11 Inventories	-	-
4.12 Expenditure capitalised	-	-
4.13 Development properties (+mining entities)	-	-
4.14 Other property, plant and equipment (net)	522,548	-
4.15 Intangibles (net)	4,251,723	-
4.16 Tax assets	121,358	-
4.17 Other (provide details if material)	-	-
4.18 Total non-current assets	4,945,629	4,852,644
4.19 Total assets	5,953,122	4,946,748
Current liabilities		
4.20 Payables	842,864	27,588
4.21 Interest bearing liabilities	74,789	-
4.22 Tax liabilities	-	-
4.23 Provisions excl. tax liabilities	7,200	-
4.24 Other (provide details if material)	-	-
4.25 Total current liabilities	924,853	27,588
Non-current liabilities		
4.26 Payables	-	6
4.27 Interest bearing liabilities	127,244	84,087
4.28 Tax liabilities	-	-
4.29 Provisions exc. tax liabilities	-	-
4.30 Other (provide details if material)	-	-
4.31 Total non-current liabilities	127,244	84,093
4.32 Total liabilities	1,052,097	111,681
4.33 Net assets	4,901,025	4,835,067
Equity		
4.34 Capital/contributed equity	5,000,001	5,000,001
4.35 Capital raising costs	(173,722)	(173,722)
4.36 Accumulated losses	74,745	8,788
4.37 Equity attributable to members of the parent entity	4,901,024	4,835,067
4.38 Outside equity interests in controlled entities	-	-
4.39 Total equity	4,901,024	4,835,067
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.)

	Economic Entity (A\$)	Parent Entity (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)

	Economic Entity (A\$)	Parent Entity (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 consolidated cash flow statement

	Economic Entity (A\$)	Parent Entity (A\$)
Cash flows related to operating activities		
7.1 Receipts from customers	1,374,784	-
7.2 Payments to suppliers and employees	(1,545,274)	(136,642)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	-	-
7.5 Interest and other items of similar nature received	4,472	2,108
7.6 Interest and other costs of finance paid	(6,995)	-
7.7 Income taxes paid	-	-
7.8 Other (provide details if material)	-	-
7.9 Net operating cash flows	(173,013)	(134,534)
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment	(568,120)	-
7.11 Proceeds from sale of business	-	-
7.12 Payment for purchase of equity investments	(50,106)	(50,106)
7.13 Net cash balance acquired of subsidiary	4,210	4,210
7.14 Loans to related entities	-	(1,229,919)
7.15 Loans by related entities	-	6
7.16 Other	-	-
-Payments for acquisition of other non-current assets	(733,819)	-
-Proceeds from disposal of physical non-current asset	-	-
-Net cash balances of entities acquired during the year	-	-
-Net cash balances of entities disposed during the year	-	-
-Other	-	-
7.17 Net investing cash flows	(1,347,835)	(1,275,809)
Cash flows related to financing activities		
7.18 Proceeds from issues of securities (shares, options, etc.)	1,500,001	1,500,001
7.19 Proceeds from borrowings	127,244	84,087
7.20 Repayment of borrowings	-	-
7.21 Dividends paid	-	-
7.22 Other (Capital raising costs during the year)	(173,722)	(173,722)
7.23 Net financing cash flows	1,453,523	1,410,366
7.24 Net increase (decrease) in cash held	(67,325)	23
7.25 Cash at beginning of year (see Reconciliation of cash)	-	-
7.26 Exchange rate adjustments to item 7.25.	-	-
7.27 Cash at end of year (see Reconciliation of cash)	(67,325)	23

Notes to the condensed cash flow statement

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.)

No such transactions during the current year.

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.	Economic Entity (A\$)	Parent Entity (A\$)
8.1 Cash on hand and at bank	7,464	23
8.2 Deposits at call	-	-
8.3 Bank overdraft	(74,789)	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	(67,325)	23

Other notes to the condensed financial statements

Ratios

Profit (Loss) before tax / revenue (%)

9.1 Profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)

Profit /(loss) after tax / equity interests (%)

9.2 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)

	Economic Entity (A\$)	Parent Entity (A\$)
Profit (Loss) before tax / revenue (%)	6	11
Profit /(loss) after tax / equity interests (%)	1.5%	0.2%

Earnings (loss) per security (EPS) (cents) (Comparative restated)

0.34 0.04

10 Details of basic and diluted EPS reported are as follows:

Earnings /(losses) (A\$'000)	74,745	8,788
Weighted average number of ordinary shares for the year	21,825,727	21,825,727

NTA backing

11.1 Net tangible asset backing per ordinary security

	Economic Entity (A\$)	Parent Entity (A\$)
11.1 Net tangible asset backing per ordinary security	29.749	221.531

Other notes to the condensed financial statements (cont'd)

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations)

12.1 Discontinuing Operations

Not applicable

Control gained over entities having material effect (A\$'000)

13.1 Name of entity (or group of entities)

International Building Solutions Pty Limited

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

(249,796)

13.3 Date from which such profit has been calculated

9 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 (A\$'000)

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

Not applicable

14.3 Date to which the profit (loss) in item 14.2 has been calculated

Not applicable

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

Not applicable

14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

Not applicable

Other notes to the condensed financial statements (cont'd)

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable

NONE

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 CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are CHESS approved)

NONE

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

NONE

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)

15.8 Ordinary securities

15.9 Preference securities

Current year	Previous year
NIL ¢	NIL ¢
NIL ¢	NIL ¢

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

No dividend has been declared by the economic entity.

15.10 Ordinary securities *(each class separately)*

15.11 Preference securities *(each class separately)*

15.12 Other equity instruments *(each class separately)*

15.13 Total

Current year A\$'000	Previous year A\$'000
NIL	NIL
NIL	NIL
NIL	NIL
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 or distribution plans

N/A

Any other disclosures in relation to dividends (distributions).

Other notes to the condensed financial statements (cont'd)

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

Group's share of associates' and joint venture entities':	Current year A\$'000	Previous year A\$'000
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 ("

Name of entity	Percentage of ownership interest held at end of year or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current year	Previous corresponding year	Current year A\$'000	Previous year A\$'000
17.1 Equity accounted associates and joint venture entities				
	NIL	NIL	NIL	NIL
17.2 Total	NIL	NIL	NIL	NIL
17.3 Other material interests	NIL	NIL	NIL	NIL
17.4 Total	NIL	NIL	NIL	NIL

Other notes to the condensed financial statements (cont'd)

Issued and quoted securities at end of current year

(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 (description)	NIL	NIL	NIL	NIL
18.2 Changes during current year				
(a) Increases through issues	NIL	NIL	NIL	NIL
(b) Decreases through returns of capital, buybacks, redemptions	NIL	NIL	NIL	NIL
18.3 Ordinary securities	25,000,001	25,000,001	-	-
18.4 Changes during current year				
(a) Increases through issues	25,000,001	25,000,001	0.2	0.2
(b) Decreases through returns of capital, buybacks	-	-	n/a	n/a
18.5 Convertible debt securities (description and conversion factor)				
	NIL	NIL	10 Cents	n/a
18.6 Changes during current year				
(a) Increases through issues	N/A	N/A	N/A	N/A
(b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
18.7 Options (description and conversion factor)			Exercise price	Expiry date (if any)
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 (Quoted options)	NIL	NIL	NIL	NIL
18.11 Debentures (description)				
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 (description)				
18.14 Changes during current period				
(a) Increases through issues	NIL	NIL	NIL	NIL
(b) Decreases through securities matured, converted	NIL	NIL	NIL	NIL

Other notes to the condensed financial statements (cont'd)

Segment reporting

The IBIL group operated in only one business segment in this first year of operations in Australia. The directors believe that there is no need for any further segment reporting in the current reporting period.

Comments by directors

None

Basis of financial report preparation

19.1 If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last +annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]

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

The following items had a material effect on the revenues and expenses for the year:

Revenue and performance

NONE

The following items had a material effect on the revenues and expenses for the year:

Other significant matters:

No such items during the current financial year.

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):

NONE

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. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

The company has adopted the new Australian Equivalents to International Financial Reporting Standards ("AIFRS") from 1 July 2005. Since the IBIL group was incorporated on 1 November 2005, there are no material differences in the change to AIFRS that need to be brought to account as required by AASB 1 First-time Adoption of 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.

None

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.

NONE

Identify:

*initial service charges

*management fees

*other fees

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the +annual report will be available

Details of venue, date & time

to be determined by

Board in

due course

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.

The +accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

X

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

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

Sign here:
(Director / Company Secretary)

Date: 13 September 2006