



**Appendix 4D – Half Year Report
For the Half Year Ended 31 December 2008**

E&A Limited

ABN 22 088 588 425

This Half Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.

Current Reporting Period:	Half Year Ended 31 December 2008
Previous Corresponding Period:	Half year Ended 31 December 2007

Contents

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- 2. Results for Announcement to the Market**
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23 February 2008

The Manager
Company Announcements Platform
Australian Stock Exchange Ltd

REVIEW OF OPERATIONS

OVERVIEW

E&A Limited (ASX:EAL) announced today its results for the half-year ended 31 December 2008 with a reported after tax profit of \$1.291 million, an increase of 7.5% on the previous corresponding period (pcp).

E&A Limited achieved consolidated sales revenue of \$55.7 million (63% increase on pcp) resulting in earnings before interest and tax (EBIT) of \$3.3 million (45% up on pcp) for the 6 months ended 31 December 2008.

EAL Executive Chairman, Mr Stephen Young, said “Notwithstanding the improvement on reported prior period revenue and operating results, the result for the six month period is a consequence of the extreme volatility in financial, commodity and industrial markets. Shareholders would be aware that a number of EAL’s largest clients, including OneSteel, BHP Billiton, Rio Tinto and Xstrata have all downsized their operations over the last three months.” Furthermore, Mr Young said, “The performance of a number of our companies in respect of large contracts undertaken in the last quarter of 2008 was unsatisfactory.” Mr Young said, “This unbudgeted poor performance was primarily a consequence of increased costs due to the impact of the lower Australian dollar and projects being deferred or rescheduled in circumstances where subsidiaries were unable to recover the associated stand-down and contract prolongation costs.”

EAL’s exposure to risks arising from the Global Financial Crisis and in particular, the weakening of the mining services sector was a contributing factor to the earnings performance.

EAL’s second-half performance is budgeted to be stronger than the first half and expectations for this outcome remain.

A fully franked interim dividend of 1.5¢ per share has been declared, payable on 15 May 2009 to E&A Limited shareholders registered on 24 April 2009.

Mr Young's comments in respect of E&A Limited's operating segments are as follow:

INVESTMENT & ADVISORY

Operating Businesses

This segment comprises the services provided by Equity & Advisory and includes the costs and other income associated with the parent entity E&A Limited.

Services

The Investment and Advisory segment provides a comprehensive range of corporate advisory services relating to the analysing, negotiating, financing and completing of business transactions for external and internal clients. Investment and Advisory provides corporate advisory services to public, private and government organisations. In addition, Investment and Advisory provides a range of corporate advisory services to E&A Limited subsidiaries as they continue to expand both organically and through acquisition.

Operating Performance

The following table provides a summary of the financial performance of the Investment & Advisory segment for the half-year ended 31 December 2008 in comparison to the half-year ended 31 December 2007.

SEGMENT REPORTING	FY09	FY08
INVESTMENT & ADVISORY <i>(in thousands)</i>	1ST HALF	1ST HALF ¹
Segment Revenue ²	2,261	1,981
Operating Results (Before Finance Expense and Income Tax Expense)	523	(471)

¹ Note: FY08 1ST HALF results include non-recurring expenses of \$0.7 million associated with the IPO and listing of EAL on the ASX.

² Note: Segment Revenue excludes intercompany dividend revenue.

The Investment & Advisory segment achieved revenue growth of 14.1% over the previous corresponding period and an improvement in operating results. The improvement in operating results was primarily due to one-off expenses of \$0.7 million incurred in 1st Half FY08 relating to the IPO and listing of E&A Limited on the ASX.

The Investment and Advisory business performed in line with expectations for the first half given the considerable reduction in mergers, acquisitions and divestment transaction mandates during the period. Advisory services revenue has been primarily derived from capital restructure mandates and also internally with the provision of advisory services for the AWD Block Construction Bid.



PROCUREMENT

Operating Businesses

This segment comprises the services provided by Louminco and Blucher.

Services

Louminco provides procurement, maintenance, engineering support and project management services to the industrial, mining, base metals, defence and power generation industries. Louminco is focused on sourcing fabricated and manufactured components and spare parts.

Blucher Australia supplies high quality stainless steel products for both drainage and supply systems for industrial, commercial and residential applications.

Operating Performance

The following table provides a summary of the financial performance of the Procurement segment for the half-year ended 31 December 2008 in comparison to the half-year ended 31 December 2007.

SEGMENT REPORTING PROCUREMENT (<i>in thousands</i>)	FY09 1ST HALF	FY08 1ST HALF ¹
Segment Revenue	17,980	16,040
Operating Results (Before Finance Expense and Income Tax Expense)	1,063	841

¹ Note: FY08 1ST HALF results do not include impact of Blucher Australia earnings. Blucher Australia was acquired effective 1 May 2008.

The Procurement segment achieved revenue growth of 12.1% and operating earnings growth of 26.4% over the previous corresponding period for 1st Half FY09. Blucher was acquired effective 1 May 2008 and accordingly the earnings contribution of Blucher to the Procurement segment is not included in 1st Half FY08.

Louminco's revenue and consequently earnings were adversely impacted by the implementation of a new SAP Information Management System by its largest customer, OneSteel Whyalla, which resulted in the slower processing of orders in the quarter ended September 2008. In addition the downsizing of BHP Billiton, Rio Tinto and Xstrata's operations during the December quarter also adversely impacted on earnings.

Due to the weakening Australian Dollar the competitiveness of Louminco's Hong Kong based procurement business also made a lower than expected contribution to earnings.

OneSteel advised Louminco of its intention to move its entire procurement functions for manufactured and fabricated spare parts in-house in December 2008. It is expected that the transition from Louminco to OneSteel will take place during the first quarter of the next financial year. Louminco has been informed that it has been placed on a National Panel to supply manufactured and fabricated spare parts for OneSteel throughout Australia. Management is confident that it will continue to support OneSteel through the National Panel



arrangement in the years to come. Louminco's management have received an enquiry from a large mining house to implement a procurement service contract and management anticipate that the combination of this new contract and participation on the OneSteel National Panel should ensure Louminco's turnover and profitability remain stable.

The integration of the Blucher business has been in line with management expectations. Blucher's earnings were approximately 12.7% behind budget primarily due to lower than expected sales in New Zealand as a result of the downturn in New Zealand's economy. In addition, margin has been impacted by the declining AUD to EURO.

Management remains confident about the opportunities for the Blucher business and expects that it will continue to make a significant contribution to earnings during FY09 and beyond.

FABTECH

Operating Businesses

This segment comprises the services provided by Fabtech SA.

Services

Fabtech SA is a national leader in the provision of flexible geomembrane liners and floating covers for dams, reservoirs, channels & tunnels in such industries as mining, resources, potable and waste water containment, waste management and agriculture.

Operating Performance

The following table provides a summary of the financial performance of the Fabtech segment for the half-year ended 31 December 2008 in comparison to the half-year ended 31 December 2007.

SEGMENT REPORTING FABTECH (<i>in thousands</i>)	FY09 1ST HALF	FY08 1ST HALF
Segment Revenue	10,625	6,099
Operating Results (Before Finance Expense and Income Tax Expense)	(97)	1,038

The Fabtech segment achieved revenue growth of 74.2% and a reduction in operating earnings of 109.3% over the previous corresponding period for 1st Half FY09.

Fabtech's first half profit performance was disappointing. The contributing factors to Fabtech's performance were:

- Completing contracts in Victoria during an unprecedented period of wet and windy weather resulting in low productivity;
- Significant investment in additional personnel and systems to handle the growth plus contract administration and contract efficiency difficulties arising from the rapid expansion of Fabtech;



- Unrecovered contract costs due to clients rescheduling commencement dates which could not be recovered as they were not specified in contract terms and conditions; and
- Foreign exchange losses due to the collapse of the AUD in circumstances where these losses could not be recovered due to fixed price contracts.

Fabtech announced in January an alliance with Layfield Geosynthetics & Industrial Fabrics Ltd. It is expected this alliance will further strengthen Fabtech's technical competence and assist with the securing of further geomembrane lining and supply contracts.

Management remains positive about the prospects for this business given the current order book and level of tender enquiries compared to this time last year, and expects Fabtech to deliver earnings for the second half in line with the second half performance in the prior year.

HEAVY STEEL FABRICATION & ENGINEERING

Operating Businesses

This segment comprises the services provided by Ottoway Engineering and Whyalla Fabrications. This segment's performance represents a significant improvement on the prior period.

Services

Ottoway operates as a pipe fabrication and installation business involving all aspects of turn-key project management including design, engineering, procurement, manufacture, fabrication, machining, installation and maintenance.

Whyalla Fabrications provides a range of steel fabrication and structural engineering services, including project management, design, structural steel fabrication and erection, pipe welding and pipework installation, pneumatic and hydraulic installations, and light machining.

This segment offers services across a range of industries including industrial, petro-chemical, oil and gas, mining, water, defence, power generation, infrastructure and wine.

Operating Performance

The following table provides a summary of the financial performance of the Heavy Steel Fabrication & Engineering segment for the half-year ended 31 December 2008 in comparison to the half-year ended 31 December 2007.

SEGMENT REPORTING	FY09	FY08
HEAVY STEEL FABRICATION & ENGINEERING <i>(in thousands)</i>	1ST HALF	1ST HALF ¹
Segment Revenue	22,027	10,568
Operating Results (Before Finance Expense and Income Tax Expense)	1,605	408

¹ Note: FY08 1ST HALF results include only 3 months contribution of Whyalla Fabrications. Whyalla Fabrications was acquired effective 1 September 2007.



The Heavy Steel Fabrication & Engineering segment achieved revenue growth of 108.4% and operating earnings growth of 293.4% over the previous corresponding period for 1st Half FY09. The 1st Half FY08 earnings include only 3 months operating contribution from Whyalla Fabrications.

Whyalla Fabrications has reported a significant increase in turnover and operating results compared to the previous corresponding period notwithstanding a significant level of volatility and uncertainty. The market place has responded positively to the business improvement initiatives implemented by Whyalla Fabrications' Management.

Furthermore, the securing of the E & A building in Whyalla has further enhanced both Whyalla Fabrications' profile and presence in the market place.

The performance for Ottoway Engineering for the first half has also been pleasing. Revenue was 75.1% up on the prior corresponding period.

The outlook for Ottoway Engineering remains sound with significant opportunities with AE&E for their Cape Preston Iron Project. Ottoway Engineering has recently submitted a tender to provide pipe spooling services to ASC Shipbuilding in relation to the AWD Program.

Ottoway Engineering's order book remains strong and management expect to improve on the first half performance during the second half of FY09.

In addition, Ironhorse BB Pty Ltd, a special purpose vehicle established by E&A Limited, is expecting a response to its tender to construct blocks for the AWD Program within the next month.

MAINTENANCE ENGINEERING & PLANT CONSTRUCTION

Operating Businesses

This segment comprises the services provided by Heavymech and QMM.

Services

Heavymech provides emergency breakdown, maintenance and machining services to a wide variety of industries including mining, earthmoving, foundry, water hydraulic, marine, defence and power generation.

QMM is a provider of superior technical and customer focused services in the supply and construction of processing plants, spare parts, repair, and onsite maintenance to the quarry, recycling and mining sectors.

Demand in these sectors has been affected by the downturn of construction work and the deferment of planned maintenance.



Operating Performance

The following table provides a summary of the financial performance of the Maintenance Engineering & Plant Construction segment for the half-year ended 31 December 2008 in comparison to the half-year ended 31 December 2007.

SEGMENT REPORTING	FY09	FY08
MAINTENANCE ENGINEERING & PLANT CONSTRUCTION (<i>in thousands</i>)	1ST HALF	1ST HALF ¹
Segment Revenue	6,116	1,780
Operating Results (Before Finance Expense and Income Tax Expense)	163	432

¹ Note: FY08 1ST HALF results do not include impact of QMM earnings. QMM was acquired effective 1 January 2008.

The Maintenance Engineering & Plant Construction segment achieved revenue growth of 243.6% and a reduction in operating earnings of 62.3% over the previous corresponding period for 1st Half FY09. QMM SA and QMM Qld (QMM) were acquired effective 1 January 2008 and accordingly the earnings contribution of QMM to this segment is not included in 1st Half FY08.

QMM performance for the first half was below expectations due to a major plant construction project being delayed and another major construction project being cancelled. Management expects the delayed project now to be undertaken during the next six months.

QMM has invested in both its management team and processes to improve and strengthen its safety, quality and contract administration skills so as to meet the demands of a weakening market place and to enable the successful completion of larger contracts.

QMM's largest South Australian based competitor, Tain Engineering, went into liquidation in January 2009. QMM has been able to secure the employment services of a number of key management personnel and is confident of winning significant additional plant construction and maintenance opportunities as a consequence of this employment.

During the first half QMM Queensland successfully managed the relocation of premises to its new larger premises located in Brendale Queensland.

Management expects a significant earnings improvement during the second half of FY09 as a consequence of the commencement of the aforementioned delayed major plant construction project and the additional work expected to be secured.

Heavymech's performance was below budget for the first half as a consequence of its exposure to the mining and industrial markets both of which incurred significant downturns especially during the last quarter.

It has been agreed to relocate the QMM machine shop to Heavymech's premises. This machine shop involves a number of machines and 2 full time men and generates a turnover in the order of \$500,000 per annum.



This additional turnover is expected to assist with Heavymech's profitability whilst simultaneously creating fabrication space for QMM's expanded South Australian operation.

INTERIM DIVIDEND

E&A Limited Directors have approved a fully franked interim dividend of 1.5 cents per share. This dividend can be taken in cash or reinvested in E&A Limited shares at a discount of 2.5% to the volume weighted average price of all E&A Limited shares traded on the Australian Securities Exchange during the five trading days after the record date.

The record date for the interim dividend will be 24 April 2009 and the final dividend will be paid on 15 May 2009.

CASHFLOW

Cash generated from operations for the six month period ended 31 December 2008 was a positive \$6.355 million and after interest and tax a positive \$3.656 million.

Given the tough and challenging economic conditions of the industry within which the majority of EAL Group companies operate, cashflow management will continue to be a key focus for management.

2009 REVISED EARNINGS GUIDANCE & OUTLOOK

EAL expects volatility in financial, commodity and industrial markets to continue for the remainder of the financial year.

EAL's exposure to risks arising from the Global Financial Crisis and in particular, the impact on our larger mining clients will continue to be an unknown factor that may result in fluctuations in earnings for the second half.

Notwithstanding, EAL's second-half performance is budgeted to be stronger than the first half and expectations for this outcome remain.

E&A Limited Directors have revised the guidance for NPAT downwards to between \$4.2 million (FY08 NPAT) and \$5.0 million for the 2009 financial year.



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Results for announcement to the market

Half Year Report for the Period Ended 31 December 2008

Revenue and Net Profit

		Percentage Change %		Amount \$'000
Revenue from ordinary activities	Up	63%	To	55,658
EBIT from ordinary activities	Up	45%	To	3,257
Net profit from ordinary activities after tax attributable to members	Up	7.5%	To	1,291

Dividends

	Amount per security	Percentage Franked %
Interim Dividend	1.5 cents	100%
Record Date for determining entitlements to the dividend	24 April 2009	
Date of Dividend Payment	15 May 2009	
Previous corresponding period	3.0 cents	100%

Earnings Per Share

	2008	2007
Earnings Per Share (undiluted)	2.21 cents	2.36 cents
Earnings Per Share (diluted)	2.19 cents	2.33 cents

Net Tangible Assets

	31 Dec 2008	31 Dec 2007
NTA Per Share (undiluted)	-16.79 cents	-6.92 cents

E&A Limited

Directors' report

The directors present their report together with the consolidated financial report for the six months ended 31 December 2008 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period are:

Name	Period of directorship
Non-executive	
Mr Michael L Abbott	Appointed 16/10/2007
Mr Michael J Terlet	Appointed 16/10/2007
Mr David J Klingberg	Appointed 16/10/2007
Executive	
Mr Stephen Elliott Young (Chairman)	Appointed 12/07/1999
Mr Mark Gabriel Vartuli	Appointed 26/07/2007

Review of operations

The Company has achieved a net profit after tax of \$1.291 million (2007: \$1.201 million) or 2.21 cents per share.

Dividends

The Board of Directors have declared an interim dividend of 1.5 cents per share fully franked payable on 15 May 2009.

The record date for the dividend will be 24 April 2009.

Auditor's independence declaration

The auditor's independence declaration is set out on page 21 and forms part of the directors' report for the six months ended 31 December 2008.

Rounding of amounts

The Company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Adelaide (City) this 20th day of February 2009.

Signed in accordance with a resolution of the directors:



S E Young
Executive Chairman

Consolidated Interim Income Statement

For the six months ended 31 December 2008

In thousands of SAUD

	31 Dec 2008	31 Dec 2007
Continuing Operations		
Revenue	55,658	34,060
Cost of sales	(41,723)	(23,508)
Gross Profit	13,935	10,552
Other income	149	198
Operations expenses	(3,790)	(3,546)
Administrative expenses	(5,848)	(3,535)
Marketing expenses	(202)	(171)
Occupancy expenses	(973)	(546)
Other expenses	(14)	(704)
Results from operating activities	3,257	2,248
Finance income	33	109
Finance expenses	(1,403)	(660)
Net finance income / (expense)	(1,370)	(551)
Profit before income tax	1,887	1,697
Income tax expense	(596)	(496)
Profit from continuing operations	1,291	1,201
Attributable to:		
Equity holders of the Company	1,291	1,201
Minority interest	-	-
Profit for the period	1,291	1,201
Earnings per share		
Basic earnings per share (AUD)	2.21 cents	2.36 cents
Diluted earnings per share (AUD)	2.19 cents	2.33 cents

The notes on pages 8 to 17 are an integral part of these consolidated interim financial statements.

Consolidated Interim Statement of Changes in Equity

For the six months ended 31 December 2008

In thousands of SAUD

	Share Capital	Retained Earnings	Options Reserve	Total	Minority Interest	Total Equity
Balance at 1 July 2007	560	(457)	-	103	299	402
Income and expense recognised directly in equity	(285)	-	-	(285)	-	(285)
Profit for the period	-	1,201	-	1,201	-	1,201
Total recognised income and expense for the period	(285)	1,201	-	916	-	916
Issue of ordinary shares as consideration for business combinations	32,298	-	-	32,298	-	32,298
Issue of ordinary shares under IPO	5,530	-	-	5,530	-	5,530
Acquisition of minority interest	-	-	-	-	(299)	(299)
Balance at 31 December 2007	38,104	744	-	38,848	-	38,848
Balance at 1 July 2008	38,904	2,071	32	41,007	-	41,007
Income and expense recognised directly in equity	-	-	-	-	-	-
Profit for the year	-	1,291	-	1,291	-	1,291
Total recognised income and expense for the year	-	1,291	-	1,291	-	1,291
Shares issued as consideration for business acquisitions	709	-	-	709	-	709
Dividends provided for or paid	-	(2,605)	-	(2,605)	-	(2,605)
Issue of ordinary shares under DRP	1,206	-	-	1,206	-	1,206
Equity settled transactions, net of tax	-	-	14	14	-	14
Balance at 31 December 2008	40,819	757	46	41,622	-	41,622

The notes on pages 8 to 17 are an integral part of these consolidated interim financial statements.

Consolidated Interim Balance Sheet

As at 31 December 2008

In thousands of SAUD

	Note	31 Dec 2008	30 Jun 2008
Current assets			
Cash and cash equivalents	4	1,881	1,433
Trade and other receivables		21,318	24,400
Inventories		15,536	10,534
Other current assets		-	-
Total current assets		38,735	36,367
Non-current assets			
Other financial assets		3	3
Property, plant and equipment		9,484	9,192
Intangible assets		51,411	51,331
Deferred tax assets		1,801	1,460
Total non-current assets		62,699	61,986
Total assets		101,434	98,353
Current liabilities			
Trade and other payables		19,547	19,613
Loans and borrowings	5	13,369	14,003
Provisions		2,313	2,164
Current tax liability		1,113	1,738
Total current liabilities		36,342	37,518
Non-current liabilities			
Trade and other payables		2,464	2,954
Loans and borrowings	5	19,732	15,862
Provisions		190	161
Deferred tax liability		1,084	851
Other liabilities		-	-
Total non-current liabilities		23,470	19,828
Total liabilities		59,812	57,346
Net assets		41,622	41,007
Equity			
Issued share capital		40,819	38,904
Reserves		46	32
Retained profits		757	2,071
Total equity attributable to equity holders of the Company		41,622	41,007
Minority interest		-	-
Total equity		41,622	41,007

The notes on pages 8 to 17 are an integral part of these consolidated interim financial statements.

Consolidated Interim Cash Flow Statement

For the six months ended 31 December 2008

In thousands of SAUD

	Note	31 Dec 2008	31 Dec 2007
Cash flows from operating activities			
Cash receipts from customers		64,481	35,501
Cash paid to suppliers and employees		(58,126)	(35,343)
Cash generated from operations		6,355	158
Interest paid		(1,403)	(668)
Interest received		33	103
Income taxes paid		(1,329)	(679)
Net cash from (used in) operating activities		3,656	(1,086)
Cash flows from investing activities			
Payments for acquisition of subsidiaries, net of cash acquired*		(4,604)	(3,594)
Payments of vendor earn-out/settlement liability		-	(1,044)
Payments for acquisition of property, plant and equipment		(659)	(614)
Proceeds from disposal of property, plant and equipment		147	-
Payment for acquisition of intangible assets		(18)	-
Net cash from (used in) investing activities		(5,134)	(5,252)
Cash flows from financing activities			
Proceeds from the issue of share capital		1,206	5,530
Proceeds from borrowings		7,121	6,370
Repayment of borrowings		(3,500)	(2,159)
Payment of finance lease liabilities		(411)	(54)
Payment of IPO transaction costs		-	(1,355)
Related party loans (to) from		(5)	93
Dividends paid		(2,020)	(1,143)
Net cash from (used in) financing activities		2,391	7,282
Net increase (decrease) in cash and cash equivalents		913	944
Cash and cash equivalents at 1 July		(138)	497
Cash and cash equivalents at 31 December	4	775	1,441

* The cash payment in the period of \$4.6 million relates to the deferred consideration on the Blucher acquisition completed in the financial year ending 30 June 2008.

The notes on pages 8 to 17 are an integral part of these consolidated interim financial statements.



Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

1. Basis of Preparation

(i) Reporting Entity

E&A Limited (the “Company”) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the period ended 31 December 2008 comprises the Company and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in providing engineering services to the mining and resources, water and defence industries and financial advisory services to the corporate sector (refer Note 3).

(ii) Basis of Presentation

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the notes and information normally included in a full annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by E&A Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

The Company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors’ report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Comparative information has been reclassified where appropriate to enhance comparability.

2. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty related to goodwill and the key assumptions underlying the discounted cash flows that surround its carrying value.



Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

3. Segment Reporting

	Investment & Advisory		Procurement		Fabtech		Heavy Steel Fabrication & Engineering		Maintenance Engineering & Plant Construction		Eliminations		Consolidated	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
<i>In thousands of SAUD</i>														
External sales	1,232	1,299	17,703	15,855	10,582	5,963	20,440	9,534	5,701	1,409	-	-	55,658	34,060
Inter-segment sales	1,029	670	179	179	43	-	1,530	998	374	363	(3,155)	(2,210)	-	-
Dividend revenue	2,878	-	-	-	-	-	-	-	-	-	(2,878)	-	-	-
Other income	-	12	98	6	-	136	57	36	41	8	(47)	-	149	198
Segment Revenue	5,139	1,981	17,980	16,040	10,625	6,099	20,027	10,568	6,116	1,780	(6,080)	(2,210)	55,807	34,258
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Underlying EBITDA	542	631	1,191	914	29	1,109	1,832	558	308	480	-	(402)	3,902	3,290
Depreciation	(19)	(20)	(128)	(73)	(126)	(71)	(227)	(150)	(145)	(48)	-	-	(645)	(362)
Significant items (i)	-	(1,082)	-	-	-	-	-	-	-	-	-	402	-	(680)
Segment Result (EBIT)	523	(471)	1,063	841	(97)	1,038	1,605	408	163	432	-	-	3,257	2,248
NPAT	254	(329)	570	565	(221)	612	757	84	(69)	269	-	-	1,291	1,201
Income tax expense	101	(141)	285	244	(94)	263	329	37	(25)	93	-	-	596	496
Net finance costs	168	(1)	208	32	218	163	519	287	257	70	-	-	1,370	551
Segment Result (EBIT)	523	(471)	1,063	841	(97)	1,038	1,605	408	163	432	-	-	3,257	2,248

Results from operating activities (continuing operations)

1,291 1,201

(i) Significant costs incurred to 31 December 2007 relate to the costs associated with the initial public offering of E&A Limited.

(ii) E&A Limited has capitalised certain direct costs associated with credentialising the Group and tender submissions for the AWD program of \$0.48 million.



Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

3. Segment Reporting (Continued)

The Group comprises the following main business segments:

Investment & Advisory

- **Services:** Investment and Advisory segment provides a comprehensive range of corporate advisory services relating to the analysing, negotiating, financing and completing of business transactions for external and internal clients.
- **Industry Exposure:** Investment and Advisory provides corporate advisory services to public, private and government organisations. In addition, Investment and Advisory provides a range of corporate advisory services to E&A Limited subsidiaries as they continue to expand both organically and through acquisition.

Procurement

- **Services:** This segment comprises the services provided by Louminco and Blucher. Procurement segment provides procurement, maintenance, engineering support and project management services.
- **Industry Exposure:** Procurement segment services the industrial, mining, base metals, defence and power generation industries.

Fabtech

- **Services:** Fabtech provides flexible geomembrane liners and floating covers for dams, reservoirs and tunnels.
- **Industry Exposure:** Fabtech services the mining, potable and waste water containment, waste management and agriculture industries.

Heavy Steel Fabrication and Engineering

- **Services:** This segment comprises the services provided by Ottoway Engineering and Whyalla Fabrications. Ottoway operates as a pipe fabrication and installation business involving all aspects of turn-key project management including design, engineering, procurement, manufacture, fabrication, machining, installation and maintenance. Whyalla Fabrications provides a range of steel fabrication and structural engineering services, including project management, design, structural steel fabrication and erection, pipe welding and pipework installation, pneumatic and hydraulic installations, and light machining.
- **Industry Exposure:** Offers services across a range of industries including industrial, petro-chemical, oil and gas, mining, water, defence, power generation, infrastructure and wine.

Maintenance Engineering & Plant Construction

- **Services:** This segment comprises the services provided by Heavymech and QMM. Heavymech supplies breakdown and repair services to the heavy industrial, mining and power generation industries. QMM supplies equipment, spare parts, plant construction and repair, and onsite maintenance to the quarry, recycling and mining sectors.
- **Industry Exposure:** Offers services across a range of industries including mining, power, quarry, recycling and heavy industrial industries.



Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

4. Cash and Cash Equivalents

In thousands of \$AUD

	Consolidated	
	31 Dec 2008	30 Jun 2008
Cash at bank and in hand	1,876	1,397
Deposits at call	6	36
Cash and cash equivalents	1,882	1,433
Bank overdraft	(1,107)	(1,571)
Balances per statement of cash flows	775	(138)

5. Loans and Borrowings

The following loans and borrowings at their carrying amounts are disclosed below:

In thousands of \$AUD

	Consolidated as at 31 December 2008		
	Total facility	Drawn facilities	Undrawn amount
Current			
Bank overdraft	1,500	1,107	393
Working capital facilities	14,250	7,180	7,070
Commercial bills	3,350	3,350	-
Finance leases	1,144	679	465
Credit cards / other finance	230	41	189
Related party facility	1,306	1,012	294
Total Current Borrowings	21,780	13,369	8,411
Non-Current			
Commercial bills	15,525	15,525	-
Finance leases	1,878	1,513	365
Other finance	-	-	-
Related party facility	2,694	2,694	-
Total Non-Current Borrowings	20,097	19,732	365
Total Borrowings	41,877	33,101	8,776



Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

5. Loans and Borrowings (Continued)

In thousands of \$AUD

	Consolidated as at 30 June 2008		
	Total facility	Drawn facilities	Undrawn amount
Current			
Bank overdraft	2,289	1,571	718
Working capital facilities	11,000	7,096	3,904
Commercial bills	2,700	2,700	-
Finance leases	1,037	506	531
Credit cards / other finance	244	115	129
Related party facility	2,304	2,015	289
Total Current Borrowings	19,574	14,003	5,571
Non-Current			
Commercial bills	12,375	12,375	-
Finance leases	1,780	1,601	179
Other finance	195	190	5
Related party facility	1,696	1,696	-
Total Non-Current Borrowings	16,046	15,862	184
Total Borrowings	35,620	29,865	5,755

All debt facilities are secured. Certain finance facilities contain a number of standard representations, warranties and undertakings (including financial and reporting obligations) from E&A Limited Group companies in favour of the respective lenders.

The following loans and borrowings (non-current and current) were issued and repaid during the six months ended 31 December:

<i>In thousands of \$AUD</i>	31 Dec 2008	31 Dec 2007
Balance as at 1 July	29,865	1,673
Acquisition of interest bearing liabilities through business combinations	-	10,974
New Issues		
Bank overdraft	489	-
Working capital facilities	1,603	1,617
Commercial bills	5,500	4,750
Leasing facilities	495	1,008
Credit cards / other finances	17	3
Related party facility	-	-



Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

5. Loans and Borrowings (Continued)

	31 Dec 2008	31 Dec 2007
Repayments		
Bank overdraft	(953)	(1,197)
Working capital facilities	(1,519)	(231)
Commercial bills	(1,924)	(731)
Leasing facilities	(411)	(54)
Credit cards / other finances	(61)	-
Balance as at 31 December	33,101	17,812

6. Dividends

In thousands of \$AUD

	31 Dec 2008		31 Dec 2007	
	Cents per share	Total \$'000	Cents per share	Total \$'000
Recognised amounts				
Fully franked final dividend declared and paid during the half-year	4.5	2,605	*	1,143
<i>Fully franked at a 30% tax rate</i>				
Unrecognised amounts				
Interim fully franked ordinary dividend proposed and not recognised as a liability at 31 December	1.5	904	3	1,699
<i>Fully franked at a 30% tax rate</i>				

* Comparative information on dividends per share has not been presented as the Company was not a publicly listed company at that time.

Shareholders can elect to have all or a certain number of their shares participate in the Company's Dividend Reinvestment Plan (DRP). Shares allotted under the DRP will be issued at a discount of 2.5% to the volume weighted average price of all E&A Limited shares traded on the Australian Securities Exchange during the five trading days after the record date. The record date for the interim dividend will be 24 April 2009 and the interim dividend will be paid on 15 May 2009.

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

7. Goodwill and Intangible Assets

<i>In thousands of \$AUD</i>	Goodwill		Intangibles		Total	
	31 Dec 2008	30 Jun 2008	31 Dec 2008	30 Jun 2008	31 Dec 2008	30 Jun 2008
Balance at beginning of period	50,246	242	1,085	-	51,331	242
Additional amounts recognised from business combinations occurring during the period	-	50,004	-	1,085	-	51,089
Adjustments during the period to amounts initially recognised from business combinations	62	-	-	-	62	-
Adjustments to provisional purchase allocation	885	-	(885)	-	-	-
Other acquisitions	-	-	18	-	18	-
Balance at end of period	51,193	50,246	218	1,085	51,411	51,331

Goodwill and intangibles are allocated for impairment testing purposes to cash generating units as follows:

<i>In thousands of \$AUD</i>	Consolidated	
	31 Dec 2008	30 Jun 2008
Equity & Advisory	1,058	1,058
Heavymeche	4,033	4,033
Fabtech	17,420	17,420
Ottoway	13,512	13,512
Panado	2,027	2,027
Whyalla Fabrications	4,057	4,057
QMM	3,944	3,944
Blucher	5,360	5,280
Total goodwill and intangibles	51,411	51,331

Each cash generating unit represents one or more operational divisions within the consolidated entity. The recoverable amount of each cash-generating unit was based on value in use calculations. Those calculations use cash flow projections based on actual and forecast operating results, which were extrapolated using a growth rate consistent with the growth prospects of each cash generating unit.

A discount rate of between 9.0% and 11.0% has been applied to each cash generating unit in determining the value in use and is based on the gearing level of each cash generating unit.



Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

8. Related Parties

Parent and Ultimate Controlling Party

The ultimate controlling entity of the Group is E&A Limited.

Loans to Directors and Key Management Personnel

As at 31 December 2008 the balance of unsecured loans outstanding to directors and key management personnel was \$nil.

Interest is payable on amounts owing on normal commercial terms and conditions and at market rates.

Other Related Party Transactions

Port Tack and Brendale Property Holdings are entities controlled by Stephen Young, the Chairman of E&A Limited. The following related party transactions were entered into during the six months ended 31 December 2008:

(a) Brendale Property Holdings lease of QMM premises

Brendale Property Holdings (BPH) has entered into a lease agreement dated 19 December 2008 with QMM Qld to lease the QMM Qld premises for \$168,750 (exclusive of GST). The lease was effective from 19 December 2008 and will continue for a period of 3 years with three rights of renewal for a further period of 3 years. The Directors consider the ongoing obligations of QMM Qld to BPH under the Brendale Lease are on commercial arms length terms and conditions, and therefore the financial benefit (i.e. lease payments) which may accrue to BPH as a related party of the Company does not require Shareholder Approval under Chapter 2E of the Corporations Act.

(b) Port Tack "Come & Go" Loan Facility

Port Tack has entered into a "Come and Go" unsecured loan facility to provide finance to E&A Limited and subsidiary companies for the purpose of funding working capital needs and short term acquisition funding requirements on an as required basis. The agreement matures on 30 June 2011 and is for a limit of \$4,000,000. The facility is interest only until 31 December 2009, followed by facility limit reductions of \$1,000,000 six monthly until maturity. Interest is charged on normal commercial terms and conditions. The balance outstanding at 31 December 2008 was \$3,706,000. The Directors consider the Loan Facility is on arms length terms and conditions, and therefore the financial benefit (i.e. interest payments) which may accrue to Port Tack Pty Ltd as a related party of the Company does not require Shareholder approval under Chapter 2E of the Corporations Act.

Outstanding balances arising from sales / purchases of goods and services

The following transactions occurred with related parties:

In thousands of SAUD

	Consolidated	
	31 Dec 2008	31 Dec 2007
Rental paid to other related parties	208	21



Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

8. Related Parties (Continued)

The following balances are outstanding at the reporting date in relation to transactions with related parties:

<i>In thousands of SAUD</i>	Consolidated	
	31 Dec 2008	30 June 2008
Current receivables		
Other related parties	-	-
Current loans and borrowings		
Other related parties	1,012	2,015
Non-Current loans and borrowings		
Other related parties	2,694	1,696

Loans to / from Related Parties

<i>In thousands of SAUD</i>	Loans to other related parties		Loans from other related parties	
	31 Dec 2008	30 Jun 2008	31 Dec 2008	30 Jun 2008
Loans to /from other related parties				
Beginning of the period	-	350	3,711	-
Loans advanced	-	-	-	3,645
Loan repayments received	-	(346)	-	-
Interest charged	-	15	137	66
Interest paid	-	(19)	(142)	-
End of period	-	-	3,706	3,711



Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2008

9. Subsequent events

In accordance with a resolution of the Board of Directors, the Directors declared an interim dividend of 1.5 cents per share on ordinary shares on 20 February 2009. The total amount of the dividend will be \$904,353 and will be payable on 15 May 2009.

10. Contingencies

In the normal course of business certain E&A Limited companies are required to enter into contracts that include performance obligations. These commitments only give rise to a liability where the respective entity fails to perform its contractual obligations. Claims of this nature arise in the ordinary course of construction contracting. Where appropriate a provision is made for these issues. The Directors are not aware of any material claims that have not been appropriately provided for in the financial statements at 31 December 2008.



E&A Limited

Directors' declaration

In the opinion of the directors of E&A Limited ("the Company"):

- 1. the financial statements and notes set out on pages 4 to 17, are in accordance with the Corporations Act 2001 including:**
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2008 and of its performance for the six month period ended on that date; and**
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and**
- 2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.**

Dated at Adelaide (City) this 20th day of February 2009.

Signed in accordance with a resolution of the directors:



Stephen Young
Executive Chairman



Independent auditor's review report to the members of E&A Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of E&A Limited, which comprises the consolidated interim balance sheet as at 31 December 2008, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a description of accounting policies and other explanatory notes 1 to 10 and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of E&A Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of E&A Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


KPMG



Derek Meates
Partner

Adelaide

20 February 2009



Lead Auditor's Independence Declaration under Section 307C of the Corporation Act 2001

To: the directors of E&A Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2008, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Derek Meates'.

Derek Meates
Partner

Adelaide

20 February 2009