



ADVENT LIMITED

DIRECTORS' STATEMENT TO THE STOCK EXCHANGE RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

The Directors of Advent Limited today announced an Operating Profit after Tax of \$5,401,000 for the half year ended 31 December 2005 compared to a profit of \$1,998,000 for the previous corresponding half-year ended 31 December 2004 after AIFRS adjustments noted. Details relative to the performance for the period are included in the Appendix 4D Half Yearly Report released with this statement.

Significant events and factors impacting the future performance of the company are noted below.

Vignette Corporation

The company acquired 1,012,958 shares (after adjusting for a 1 for 10 conversion) in Vignette Corporation as a result of the sale of Tower Technologies in 2004. As at 31 December 2005 the company held 571,448 shares. These shares were valued at US\$16.94 per share representing a total value of A\$12.64 million. Since 31 December 2005 a further 208,490 shares have been sold at an average of US\$17.04 per share.

TR Corporation Pty Ltd (TR)

TR operate in the Australian scientific instruments, communications and computer equipment rental industries. The business has completed a number of strategic investments and is implementing further plans.

On 1 February 2006 the company announced the sale of its shares in TR for \$9,000,000, further details of which are included in the announcement made to the ASX on that day.

Subsequent events

Other than those events noted above and in the Appendix 4D Report, the company announced on 1 February 2006 payment of a fully franked interim dividend for the year of 39.79 cents. Further details of which are included in the announcement made to the ASX on that day.

Returns to Shareholders

The objective remains to return funds to Shareholders as quickly as possible following the successful divestment of the balance of the Vignette shares and settlement of the TR sale. Further returns are dependant on allowances for the constraints of the remaining escrow and warranty arrangements and determination of final issues relative to tax matters and any impact on available franking credits.

As at 28 February 2006, 362,958 Vignette shares remain and as at that date were valued at US\$15.92 and at the Australian dollar to US\$ exchange rate of 73.82, totalled A\$7.8 million.


Dependant on the final settlement price of the Vignette shares, resolution of all taxes, the final settlement of warranty and escrow claims and prudent allowance for continuing expenses to determination of the company, the estimated net asset value of the company's shares after payment of the 39.79 cent dividend is \$0.96 each as at 28 February 2006.

Cash Reserves

The Company has maintained sufficient reserves to meet all commitments through to its eventual wind-up following the completion of the divestment program.

For further information in respect of the announcement please contact the Company Secretary, Mr Roland Stadly on (03) 9690 9566.

Yours sincerely,



Kevin J. Croagh AO
Chairman
8 March 2006

7 March 2006

The Board of Directors
Advent Limited
Level 17, HWT Tower
40 City Road
SOUTHBANK VIC 3006

Dear Board Members

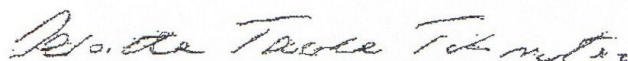
Advent Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Advent Limited.


As lead partner for the review of the financial statements of Advent Limited for the half year ended 31 December 2005, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



G J McLean
Partner
Chartered Accountants

ADVENT LIMITED
ACN 006 509 708

Directors' Report

The Directors of Advent Limited, submit herewith the financial report for the half-year ended 31 December 2005 in the form of Appendix 4D (Rule 4.2A) of the Australian Stock Exchange (ASX) Listing Rules, including the Directors' Declaration and the Independent Review Report to Members of Advent Limited. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of the Directors of the company during or since the end of the half-year are:

Mr K.J. Croagh
Mr R.H. Giles
Mr B.F. Ball
Mr R.A. Harrington (Alternate Director)

REVIEW OF OPERATIONS

The Consolidated Entity achieved an operating profit for the 6 months to 31 December 2005 of \$5,401 thousand after income tax expense. Further detail is included in note 11 of the half-year financial report following.

INDEPENDENCE DECLARATION BY AUDITOR

The Auditors Independence Declaration is included on page 3.

ROUNDING OF AMOUNTS

The company is a kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



K.J. CROAGH
Director
Melbourne, 8 March 2006

Independent review report to the members of Advent Limited

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity, selected explanatory notes and the directors' declaration for the consolidated entity for the half-year ended 31 December 2005 as set out on pages 8 to 27. The consolidated entity comprises both Advent Limited (the 'company') and the entities it controlled at the end of the half-year or from time to time during the half-year.

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

Review Approach

We have performed an independent 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 the Corporations Act 2001 and Accounting Standards AASB 134 "Interim Financial Reporting" and AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards", so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations, its changes in equity and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's 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.

Deloitte.

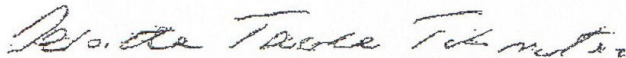
Auditor's Independence Declaration

The independence declaration provided to the directors of Advent Limited on 7 March 2006 would be in the same terms if it was given to the directors on the date this review report is made out.

Statement

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 Advent Limited is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" and the Corporations Regulations 2001.



DELOITTE TOUCHE TOHMATSU



G J McLean
Partner
Chartered Accountants
Melbourne, 8 March 2006

ADVENT LIMITED
ACN 006 509 708

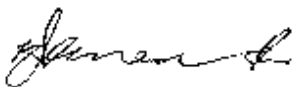
Directors' Declaration

The directors declare that:

- a) The attached financial statements and notes thereto comply with accounting standards;
- b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity;
- c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- d) 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.

Signed in accordance with a resolution of the directors made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the Directors



K.J. CROAGH
Director

Melbourne, 8 March 2006

Appendix 4D

Half yearly report

Name of entity

ADVENT LIMITED

ABN or equivalent company
reference

83 006 509 708

Half yearly
(tick)Preliminary
final (tick)

Half year ended ('current period')

31 DECEMBER 2005

Results for announcement to the market

\$A'000

Revenues from ordinary activities	Up	217.62 %	to	20,624
Profit from ordinary activities after tax attributable to members	Up	270.32%	to	5,401
Net profit (loss) for the period attributable to members	Up	270.32%	to	5,401
Dividends		Amount per security		Franked amount per security
Interim dividend				
In respect of the 2006 financial year as at 31 December 2005		N/A		N/A
In respect of the 2005 financial year as at 31 December 2004		N/A		N/A
Final Dividend				
In respect of the 2006 financial year as at 31 December 2005		N/A		N/A
In respect of the 2005 financial year as at 31 December 2004		N/A		N/A
Date the dividend is payable:		N/A		
Record date for determining entitlements to the dividend:		N/A		
Net Tangible Assets Per Security				
As at 31 December 2005		\$1.36		
As at 30 June 2005		\$1.13		
As at 31 December 2004		\$1.47		
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Refer Directors' Commentary enclosed with this Report.				

Consolidated income statement for the half-year ended 31 December 2005

	<u>Note</u>	Half-year ended 31 Dec 2005 \$'000	Half-year ended 31 Dec 2004 \$'000
Revenue		20,466	9,094
Other income		158	383
Total Revenue		20,624	9,477
Net management fee (accruals)/ reversals		(2,198)	1,000
Changes in inventories of finished goods and work in progress		81	29
Consumables and other costs of sale		(7,177)	(1,084)
Profit/ (loss) on sale of rental assets		59	147
Change in fair value of financial assets classified as fair value through profit or loss		3,789	(3,516)
Profit on sale of investment		4,321	-
Foreign exchange (gain)/ loss		473	(2,823)
Advertising expense		(951)	(701)
Employee benefits expense		(6,688)	(3,614)
Depreciation and amortisation expense		(2,144)	(1,835)
Insurance expense		(149)	(127)
Rent		(669)	(414)
Finance Costs		(571)	(446)
Other expenses		(2,363)	(1,022)
Profit/(Loss) before income tax expense		6,437	(4,929)
Income tax (expense)/ benefit		(1,044)	6,927
Profit/(Loss) from continuing operations		5,393	1,998
Profit/(Loss) from discontinued operations		-	-
Profit for the period		5,393	1,998
(Profit)/ Loss attributable to minority interest		8	-
Profit/(Loss) attributable to members of the parent entity		5,401	1,998
Earnings per share:			
Basic (cents per share)		25.30	9.36
Diluted (cents per share)		25.30	9.36

Notes to the financial statements are included on pages 13 to 27

Consolidated balance sheet as at 31 December 2005

	Note	31 Dec 2005 \$'000	30 June 2005 \$'000	31 Dec 2004 \$'000
Current Assets				
Cash and cash equivalents	6	13,551	3,689	9,633
Trade and other receivables		7,924	6,204	5,493
Inventories		2,157	1,081	338
Other financial assets		14,219	-	-
Other		5	416	5
Total Current Assets		37,856	11,390	15,469
Non-Current Assets				
Property, rental assets, plant and equipment		21,462	17,998	15,903
Goodwill		606	14,862	17,971
Deferred tax assets		493	467	263
Total Non-Current Assets		22,561	33,327	34,137
Total Assets		60,417	44,717	49,606
Current Liabilities				
Trade and other payables		15,537	7,575	7,136
Borrowings		6,803	4,715	3,870
Current tax payables		362	272	425
Provisions		735	606	662
Total current liabilities		23,437	13,168	12,093
Non-current liabilities				
Borrowings		4,971	6,616	5,773
Deferred tax liabilities		998	441	283
Provisions		451	425	141
Total non-current Liabilities		6,420	7,482	6,197
Total liabilities		29,857	20,650	18,290
Net assets		30,560	24,067	31,316
Equity				
Issued capital		14,945	14,945	14,945
Reserves		(7)	(82)	91
Retained profits		14,605	9,204	16,280
Parent entity interest		29,543	24,067	31,316
Minority interests		1,017	-	-
Total Equity		30,560	24,067	31,316

Notes to the financial statements are included on pages 13 to 27

Consolidated statement of changes in equity for the half year ended 31 December 2005

	Consolidated	
	Half-year ended 31 Dec 2005 \$'000	Half-year ended 31 Dec 2004 \$'000
Issued Capital		
Issued capital at the beginning of the period	14,945	14,945
Issued capital during the current period	-	-
Total issued share capital	14,945	14,945
 Reserves		
<u>Foreign currency translation reserve</u>		
Reserves at the beginning of the period	(82)	168
Exchange differences on translating foreign operations	75	(77)
Foreign currency translation reserve at the end of the period	(7)	91
 Retained Earnings		
Retained earnings at the beginning of the period	9,204	14,282
Net profit attributable to members of the parent entity	5,401	1,998
Dividends	-	-
Retained profits at the end of the period	14,605	16,280
 Profit for the period		
Profit for the period	5,393	1,998
Exchange differences on re-translating foreign operations	75	(77)
Total income/(expense) for the period	5,468	1,921
 Attributable to:		
Equity holders of the parent	5,476	1,921
Minority interests	(8)	-
	5,468	1,921

Notes to the financial statements are included on pages 13 to 27

Consolidated cash flow statement for the half-year ended 31 December 2005

	Note	Half-year ended 31 Dec 2005 \$'000	Half-year ended 31 Dec 2004 \$'000
<i>Cash Flows From Operating Activities</i>			
Receipts from customers		22,843	12,242
Payments to suppliers and employees		(20,958)	(10,551)
Interest and other costs of finance paid		(380)	(447)
Income tax paid		(404)	(3,076)
Net cash provided by/(used in) operating activities		1,101	(1,832)
<i>Cash Flows From Investing Activities</i>			
Payment for businesses	5	(2,520)	-
Proceeds on sale of investment securities		10,380	-
Interest received		165	415
Payment for property, plant and equipment		(1,198)	(95)
Proceeds from sale of property, plant and equipment		15	23
Net cash provided by/(used in) investing activities		6,842	343
<i>Cash Flows From Financing Activities</i>			
Proceeds from issues of equity securities by subsidiary		1,025	-
Proceeds from borrowings		1,500	-
Repayment of borrowings		(2,447)	(1,854)
Net cash provided by/ (used in) financing activities		78	(1,854)
<i>Net Increase in cash and cash equivalents</i>		8,021	(3,343)
<i>Cash and cash equivalents at the beginning of the half-year</i>		2,705	12,838
Effects of exchange rate changes on the balance of cash held in foreign currencies		480	-
<i>Cash and cash equivalents at the end of the half-year</i>	6(a)	11,206	9,495

Notes to the financial statements are included on pages 13 to 27

Notes to the Financial Statements for the Financial Year Ended 31 December 2005

1. Summary of Accounting Policies

Basis of Preparation

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the more recent annual report.

The consolidated entity changed its accounting policies on 1 July 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the consolidated entity's financial position, financial performance and cash flows is presented in note 10.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2005, the comparative information presented in these financial statements, and in the preparation of the opening balance A-IFRS balance sheet at 1 July 2004 (as presented in note 10), the consolidated entity's date of transition.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the half-year financial report:

(a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) Employee Benefits

Provision is made for benefits arising in respect to wages and salaries, annual leave and long service leave when it is probable settlement will be required and they are capable of being measured reliably. Liabilities arising in respect of wages and salaries, annual leave, and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(d) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis.

(e) Receivables

Trade receivables and other receivables are recorded at amortised cost less impairment.

(f) Property, rental assets, plant and equipment

Cost and Valuation

All classes of fixed assets are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets. Refer to note 1(i).

Depreciation

The depreciable amounts of all fixed assets are depreciated on a straight-line basis over their estimated useful lives 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 useful lives for each class of assets are:

Class of fixed asset	Depreciation rates	Depreciation basis
Rental assets	6-25%	Straight line
Leasehold improvements	5-20%	Straight line
Plant and equipment	10-25%	Straight line
Software	20-48%	Straight line
Motor vehicles	18-22.5%	Diminishing value
Office equipment	5-48%	Straight line

(g) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Lease

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferable to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording at the inception of the lease an asset and liability equal to the present value of the minimum lease payments, and disclosed as plant and equipment under lease.

Lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Lease payments are allocated between interest expense and reduction of the lease liability. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the Income Statement.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(h) Intangibles

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

(i) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Taxes

Income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts within the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. In addition, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in the income statement except when it is attributable to amounts recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Tax Consolidation

The company and all its wholly-owned Australian resident entities are part of a tax-consolidation group under Australian taxation law. Advent Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(k) Financial assets

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and Receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Held-to-maturity investments

Fixed term investments intended to be held to maturity are classified as held-to-maturity investments. They are measured at amortised cost using the effective interest rate method.

Financial assets at fair value through profit or loss

The consolidated entity has classified certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss. The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to the quoted market prices; and
- The fair value of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Available-for-sale financial assets

Certain shares and convertible notes held by the consolidated entity are classified as being available-for-sale and are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in profit or loss for the period.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or the amounts due to director-related entities.

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

(l) Foreign currencies

Functional and presentation currency

Advent Limited and its controlled entities

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

Transactions and balances

Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date are translated using the spot rate at the end of the reporting period.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Group Companies

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

- Assets and liabilities are translated at period end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve as a separate component of equity in the balance sheet.

(m) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The GST component of cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(n) Revenue

Sale of goods

Revenue from the sale of goods is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of contract.

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(o) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 “Consolidated and Separate Financial Statements”. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The interest of minority shareholders is stated at the minority’s proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(p) Comparatives

In accordance with the first-time adoption of A-IFRS, comparative information has been reclassified where appropriate through retrospective application of A-IFRS to the previous year results so as to achieve consistency with current year disclosures.

(q) Impact of Australian Accounting Standard issued but not yet effective

The Australian Accounting Standards Board (“AASB”) has released AASB 2005-4 “Amendments to Australian Accounting Standards”. These amendments to AASB 139 “Financial Instruments: Recognition and Measurement”, which apply to Advent Limited for the financial year beginning 1 July 2006, restrict the ability of entities to designate financial assets and financial liabilities as at fair value through profit and loss. Accordingly, from 1 July 2006 the investment in Vignette, currently designated as at fair value through profit and loss, will be reclassified as available-for-sale. Financial assets classified as available-for-sale are measured at fair value with movements recognised in equity. In accordance with A-IFRS, any adjustments relating to a change in accounting standard will require the comparative information included in the financial statements to be restated.

2. Other notes to the consolidated financial statements

Ratios	Half-year ended 31 Dec 2005 \$'000	Half-year ended 31 Dec 2004 \$'000
Profit before tax / revenue		
Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	31.21 %	(52.01%)
Profit after tax / equity interests		
Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period.	18.28%	8.30%

3. Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with *AASB 133: Earnings Per Share* are as follows:

Basic EPS: (25.30 cents)
Diluted EPS: (25.30 cents)

4. Net tangible asset backing (NTA)

	31 Dec 2005 \$'000	30 June 2005 \$'000	31 Dec 2004 \$'000
Net tangible asset backing per ordinary security	\$1.36	\$1.13	\$1.47

5. Changes in the composition of the consolidated entity

Since 30 June 2005, the company acquired certain assets and liabilities as follows:

Name of businesses acquired	Principal activity	Date of acquisition	Cost of acquisition \$'000
31 Dec 2005:			
Hirecomm Australia	Rental and sales of communication equipment	1/8/2005	1,492
Skycomm (Aust)	Sales and distribution of communication equipment	1/8/2005	701
Integrity Data Systems	Sales and distribution of communication equipment	15/11/2005	327
			2,520
31 Dec 2004:			
Nil			

As at the date of this report, the directors have not finalised their assessment of fair value. The amounts disclosed below are based on the carrying amounts of the identifiable assets and liabilities as recorded in the books of the acquiree at the date of acquisition.

	Consolidated	
	Half-year ended 31 Dec 2005 \$'000	Half-year ended 31 Dec 2004 \$'000
Consideration		
Cash and cash equivalents	2,520	-
	2,520	-
Fair value of net assets acquired		
Current assets		
Cash and cash equivalents	-	-
Inventories	334	-
Other current assets	60	-
Non current assets		
Property, rental assets, plant and equipment	1,647	-
Current liabilities		
Payables	(97)	-
Employee benefits	(30)	-
Net assets acquired	1,914	-
Goodwill on acquisition	606	-
	2,520	-
Net cash outflow on acquisition		
Cash and cash equivalents consideration	2,520	-
Less cash and cash equivalent balances acquired	-	-
	2,520	-

It is impracticable to disclose the revenue and net profit generated from these acquisitions as the information is not ascertainable following their intergration into the existing business.

6. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

	Consolidated	
	Half-year ended	Half-year ended
	31 Dec 2005	31 Dec 2004
	\$'000	\$'000
<p>For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheets as follows:</p>		
Cash and cash equivalents	13,551	9,633
Bank overdraft	(2,345)	(138)
	11,206	9,495

7. Subsequent Events

Interim Dividends Declared

On 1 February 2006, the Board of Directors declared a fully franked dividend of 39.795 cents per ordinary share. Record date was 10 February 2006 and the dividend was paid on 20 February 2006. These amounts have not been recognised in the financial statements.

Changes in the composition of the consolidated entity

On 1 February 2006, the company announced the sale of TR Corporation for \$9 million. The sale is made jointly to Advent Private Equity Fund I and Advent Private Equity Fund II and is based on an independent valuation provided by PKF Advisory Services (Vic) Pty Ltd. Refer to ASX announcement dated 2 February 2006.

8. Dividends

No dividends were paid or recognised within the half year period.

(a) Distributions

Date the dividend is payable:	N/A
Record date to determine entitlements to the dividend:	N/A
If it is a final dividend, has it been declared?	N/A

(b) Amount per fully paid ordinary share

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend: Current year	N/A	N/A	N/A
Previous year	N/A	N/A	N/A
Final dividend: Current year	N/A	N/A	N/A
Previous year	N/A	N/A	N/A

(c) Issued and quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Ordinary securities	21,349,810	21,349,810	70	70

(d) Franking credits

Total franking credits available as at 31 December 2005 are \$3.061 million.

9. Segment reporting

For the Half year ending 31 December 2005

Segment Revenues

	External Sales		Inter-Segment		Other		Total	
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Equipment Rental	19,447	9,054	504	284	1,019	40	20,970	9,378
Total of all Segments								
Eliminations							(504)	(284)
Unallocated							158	383
Consolidated							20,624	9,477

Segment Results

	31 Dec 2005	31 Dec 2004
	\$'000	\$'000
Development capital	10,483	(4,586)
Equipment Rental	846	713
Total of all Segments	11,329	(3,873)
Unallocated	(4,321)	(605)
Eliminations	(571)	(451)
Profit From Ordinary Activities before Income Tax Expense	6,437	(4,929)
Income Tax (Expense) / Benefit relating to ordinary activities	(1,044)	6,927
Net Profit	5,393	1,998

10. Impacts of the adoption of Australian equivalents to International Financial Reporting Standards

Financial Reporting Standards

The consolidated entity changed its accounting policies on 1 July 2005 to comply with Australian equivalents to International Financial Reporting Standards ('A-IFRS'). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition, except for financial instruments, including derivatives, where the date of transition is 1 July 2005. An explanation of how the transition from superseded policies to A-IFRS has affected the consolidated entity's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Effect of A-IFRS on the balance sheet as at 1 July 2004

	Note	Consolidated		
		Superseded policies*	Effects of transition to A-IFRS	A-IFRS
		\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents		12,838	-	12,838
Trade and other receivables		5,434	-	5,434
Inventories		310	-	310
Other		14	-	14
Total current assets		18,596	-	18,596
Non-current assets				
Property, plant and equipment		15,558	-	15,558
Other non current financial assets		24,409	(99)	24,310
Deferred tax assets	10(a)	-	256	256
Total non-current assets		39,967	157	40,124
Total assets		58,563	157	58,720
Current liabilities				
Trade and other payables		8,815	-	8,815
Interest bearing liabilities		2,982	-	2,982
Current tax payables		8,942	-	8,942
Provisions		402	-	402
Total current liabilities		21,141	-	21,141
Non-current liabilities				
Interest bearing liabilities		6,158	-	6,158
Deferred tax liabilities	10(a)	237	1,474	1,711
Non current provisions		315	-	315
Total non-current liabilities		6,710	1,474	8,184
Total liabilities		27,851	1,474	29,325
Net assets		30,712	(1,317)	29,395
Equity				
Issued capital		14,945	-	14,945
Reserves		168	-	168
Retained earnings	10(d)	15,599	(1,317)	14,282
Total equity		30,712	(1,317)	29,395

* Reported financial position for the financial year ended 30 June 2004.

10. Impacts of the adoption of Australian equivalents to International Financial Reporting Standards (cont'd)

Effect of A-IFRS on the balance sheets as at 31 December 2004 and 30 June 2005

	Consolidated 31 December 2004			Consolidated 30 June 2005			
	Notes	Superseded policies*	Effects of transition to A-IFRS	A-IFRS	Superseded policies*	Effects of transition to A-IFRS	A-IFRS
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets							
Cash and cash equivalents		9,633	-	9,633	3,689	-	3,689
Trade receivables		5,493	-	5,493	6,204	-	6,204
Inventories		338	-	338	1,081	-	1,081
Other current assets		5	-	5	416	-	416
Total current assets		15,469	-	15,469	11,390	-	11,390
Non-current assets							
Property, plant and equipment		15,903	-	15,903	17,998	-	17,998
Other non current financial assets		18,075	(104)	17,971	14,922	(60)	14,862
Deferred tax assets	10(a)	-	263	263	-	467	467
Total non-current assets		33,978	159	34,137	32,920	407	33,327
Total assets		49,447	159	49,606	44,310	407	44,717
Current liabilities							
Trade and other payables		7,136	-	7,136	7,575	-	7,575
Interest bearing liabilities		3,870	-	3,870	4,715	-	4,715
Current tax payables		425	-	425	272	-	272
Provisions		662	-	662	606	-	606
Total current liabilities		12,093	-	12,093	13,168	-	13,168
Non-current liabilities							
Interest bearing liabilities		5,773	-	5,773	6,616	-	6,616
Deferred tax liabilities	10(a)	240	43	283	441	-	441
Non current provisions		141	-	141	425	-	425
Total non-current liabilities		6,154	43	6,197	7,482	-	7,482
Total liabilities		18,247	43	18,290	20,650	-	20,650
Net assets		31,200	116	31,316	23,660	407	24,067
Equity							
Contributed equity		14,945	-	14,945	14,945	-	14,945
Reserves		91	-	91	(82)	-	(82)
Retained profits	10(d)	16,164	116	16,280	8,797	407	9,204
Total equity		31,200	116	31,316	23,660	407	24,067

10. Impacts of the adoption of Australian equivalents to International Financial Reporting Standards (cont'd)

Effect of A-IFRS on the income statements for the half year ended 31 December 2004 and the financial year ended 30 June 2005

	Consolidated			Consolidated			
	Note	Superseded policies* 31 Dec 04 \$'000	Effects of transition to A-IFRS \$'000	A-IFRS 31 Dec 04 \$'000	Superseded policies* 30 June 05 \$'000	Effects of transition to A-IFRS \$'000	A-IFRS 30 June 05 \$'000
Sales revenue	10(b)	10,525	(1,048)	9,477	24,955	(1,980)	22,975
Total Revenue		10,525	(1,048)	9,477	24,955	(1,980)	22,975
Management fees and payments		1,000	-	1,000	1,621	-	1,621
Changes in inventories		29	-	29	772	-	772
Consumables and other costs of sale	10(b)	(1,985)	901	(1,084)	(7,005)	1,875	(5,130)
Profit/ (loss) on sale of rental assets	10(b)	-	147	147	-	105	105
Change in fair value of financial assets classified as fair value through profit or loss	10(c)	(3,511)	(5)	(3,516)	(7,025)	39	(6,986)
Warranty claim expense		-	-	-	(1,200)	-	(1,200)
Foreign exchange gains/(losses)		(2,823)	-	(2,823)	(2,462)	-	(2,462)
Advertising expense		(701)	-	(701)	(1,379)	-	(1,379)
Employee benefit expense		(3,614)	-	(3,614)	(7,674)	-	(7,674)
Depreciation and amortisation expense		(1,835)	-	(1,835)	(3,835)	-	(3,835)
Insurance expense		(127)	-	(127)	(328)	-	(328)
Rent		(414)	-	(414)	(903)	-	(903)
Finance costs		(446)	-	(446)	(831)	-	(831)
Other expenses from ordinary activities		(1,022)	-	(1,022)	(3,233)	-	(3,233)
Profit before income tax expense		(4,924)	(5)	(4,929)	(8,527)	2,019	(8,488)
Income tax benefit	10(a)	5,489	1,438	6,927	5,285	1,678	6,963
Net loss to Advent Limited		565	1,433	1,998	(3,242)	3,697	(1,525)

* Reported under superseded Australian GAAP.

Restated A-IFRS Statement of Cash Flows for the Year Ended 31 December 2005

No material impacts are expected to the cash flows presented under AGAAP on adoption of A-IFRS.

(a) Income tax

Under superseded policies, the consolidated entity adopted tax-effect accounting principles whereby income tax expense was calculated on pre-tax accounting profits after adjustment for permanent differences. The tax-effect of timing differences, which occur when items were included or allowed for income tax purposes in a period different to that for accounting were recognised at current taxation rates as deferred tax assets and deferred tax liabilities, as applicable.

Under A-IFRS, deferred tax is determined using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases.

The effect of the above adjustments on the deferred tax balances are as follows:

	Consolidated		
	1 July 2004	31 December 2004	30 June 2005
	\$'000	\$'000	\$'000
Deferred tax asset not recognised under superseded GAAP	256	263	467
Deferred tax liability not recognised under superseded GAAP	(1,474)	(43)	-
	<u>(1,218)</u>	<u>220</u>	<u>467</u>

(b) Revenue

Under superseded policies, the consolidated entity recognised the gain or loss on disposal of property, plant and equipment on a gross basis by recognising the proceeds from sale as revenue, and the carrying amount of the property, plant and equipment disposed as an expense. Under A-IFRS, the gain or loss on disposal is recognised on a net basis, and is classified as income, rather than revenue. Accordingly, the gross amounts have been reclassified within the income statement for A-IFRS reporting purposes.

(c) Financial assets

Under superseded policies, the consolidated entity recognised financial assets and liabilities at the lower of cost and net realisable value, with movements recorded through the income statement. Under A-IFRS the consolidated entity has classified certain shares as financial assets at fair value through profit or loss. Financial assets are classified as non current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

(d) Retained earnings

The effect of the above adjustments on retained earnings is as follows:

	Note	Consolidated		
		1 July 2004	31 December 2004	30 June 2005
		\$'000	\$'000	\$'000
Net deferred tax not recognised under superseded GAAP	(a)	(1,218)	220	467
Financial assets through profit or loss	(c)	(99)	(104)	(60)
		<u>(1,317)</u>	<u>116</u>	<u>407</u>

11. Material factors affecting the revenues and expenses of the consolidated entity for the current period.

The operating profit after tax attributable to members of the parent entity of \$5,401 thousand for the half year ended 31 December 2005 compared to a profit of \$1,998 thousand for the previous corresponding half-year ended 31 December 2004 (as restated under A-IFRS).

The major components of the current half year result are as follows:

- The realised value of Vignette shares and unrealised value based on 31 December 2005 valuation of US\$16.94 per share have contributed a total period profit of \$8.109 million.
- Acquisitions and organic growth in the company's subsidiary, TR Corporation Pty Ltd have improved the performance of that operation, adding \$11.4 million to their revenue for the corresponding period. After tax profits of this operation increased by \$35,000 for the corresponding period or 18%.
- As at 30 September 2005 TR Corporation Pty Ltd has been de-consolidated from the Advent Limited consolidated tax group as a result of the share issues. Together with the deconsolidation and impact of AIFRS in the recognition of tax assets, TR Corporation have, at 31 December 2005, recognised Deferred Tax Assets of \$493,000 not previously brought to account in the consolidated group.

Updated Net Tangible Asset Backing

The updated assessment of the Net Tangible Asset Backing (NTAB) as at 31 December 2005 is \$1.36 per share, of which the Vignette shareholding represents \$0.66 per share.

The NTAB at \$1.36 represents a 22% increase over the NTAB of \$1.13 per share as at 30 June 2005 largely attributable to the realised sales of Vignette shares and revaluation of the balance of shares in Vignette held at 31 December 2005.

Advent's remaining Net Assets are valued at \$29.5 million as per the enclosed Consolidated Balance Sheet on page 3 of this report. The remaining assets held by the Fund are 571,448 Vignette shares, A\$1.5 million cash held under escrow subject to any warranty claims pending release in March 2006, a 85.7% investment in TR Corporation Pty Ltd and \$11.2 million in cash.

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.

Identify other standards used

N/A

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

3 This report does give a true and fair view of the matters disclosed.

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

- | | | | |
|--------------------------|---|-------------------------------------|---|
| <input type="checkbox"/> | The +accounts have been audited. | <input checked="" type="checkbox"/> | The +accounts have been subject to review. |
| <input type="checkbox"/> | The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The +accounts have <i>not</i> yet been audited or reviewed. |

5 If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available

6 The entity has a formally constituted audit committee.



Sign here: Date:8 March 2006..
(Company Secretary)

Print name: ...Roland Stadly.....