



ASX RELEASE

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HiTech REVENUE UP 25%. GROSS PROFIT UP 34%

RESULTS FIRST HALF FY2006

HiTech Group Australia Limited (HIT) today released its results for the first half of financial year 2006. **The first half has clearly exceeded our expectations!**

During the half-year to 31 December 2005, **HiTech has achieved a significant turnaround in revenue and profitability** as follows:

HiTech has increased its revenue from operating activities by 25% to \$2,510,941 (compared to \$2,006,975 in the previous corresponding period) **and increased its Gross Profit by 34%** to \$586,652 compared to the previous corresponding period. **Net Profit After Tax (NPAT) has increased by \$104,884** (from a loss of \$82,313) in the previous corresponding period.

The results of the first half of the current financial year reflect a significant increase in overall company performance, both in terms of sales revenue and profit, above what was initially forecast early in FY2006.

Outlook for FY2006 remains positive and promising

Based on this result, we expect the final results to be better than first envisaged at the beginning of the year, subject to the prevailing economic conditions at the time.

FY2006 year results will depend entirely on the second half-year performance and how the market in IT recruitment will develop. Therefore, we will not forecast results but remain optimistic of a profitable year ahead.

Seeking Acquisitions

HiTech is seeking suitable acquisitions that are EPS positive and plans to improve its organic growth and focus on increasing revenue, profitability and shareholder value.

"I am pleased that we have turned the company around and improved performance significantly in this half year. HiTech has shown again to be resilient and strong. The company has a strong balance sheet, good cash reserves and investments with no debts which puts us in a good position to seek appropriate acquisitions" said Chairman Ray Hazouri.

For further information, please contact Chairman and CEO Ray Hazouri on 02 9241 1919.