ALLIED TECHNOLOGIES GROUP LIMITED
(ACN 010 597 672)

Earnings guidance and proposed sale of subsidiary

The board of Allied Technologies Group Limited considers that, following the decline in the company's share price, building the group through further acquisitions is not a realistic prospect. The board also believes the company's present market capitalisation substantially undervalues the group's operations.

Accordingly, the board has appointed Grant Thornton as corporate advisors to invite and evaluate offers for the company's subsidiary TUSC Computer Systems Pty Limited and, if appropriate, manage the sale process. The board intends to distribute part or all of any net sale proceeds to shareholders.

Following the sale of TUSC and the distribution to shareholders, the board intends to consider options to maximise the value of the group's remaining businesses.

While figures have yet to be finalised, the group now expects that, due partly to additional asset write-downs, its loss before interest, tax and amortisation for the year to 30 June will be between $3.2 million and $3.6 million on revenue of approximately $34 million. These figures compare with the estimated loss before interest, tax and amortisation of between $1.8 million and $2.1 million on revenue of between $33 million and $35 million anticipated in the company's announcement of 2 May.

Audited results for the year to 30 June will be announced on 13 September.

Allied Technologies Group specialises in the design, integration, installation and maintenance of communications networks.

9 August 2005