Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Allied Technologies Group Limited

ABN

57 010 597 672

Quarter ended ("current quarter")

31 Decemberr 2005

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter (Oct-Dec 2005) $A'000	Year to date (6 months to 31 December 2005) $A'000
1.1	Receipts from customers	7,971	17,917
1.2	Payments for (a) staff costs	(5,344)	(11,162)
	(b) advertising and marketing	(13)	(141)
	(c) research and development	0	0
	(d) leased assets (operating leases)	(76)	(199)
	(e) other working capital	(2,392)	(7,690)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	9	32
1.5	Interest and other costs of finance paid	(89)	(99)
1.6	Income taxes paid	0	(27)
1.7	Other (provide details if material)		
	Net operating cash flows	**66**	**(1,369)**

+ See chapter 19 for defined terms.

		Current quarter (Oct-Dec 2005) $A'000	Year to date (6 months to 31 December 2005) $A'000
1.8	Net operating cash flows (carried forward)	66	(1,369)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	(950)	(2,256)
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	(108)	(216)
	(e) other non-current assets		
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	8,600	8,600
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Other (provide details if material)		
	Net investing cash flows	**7,542**	**6,128**
1.14	**Total operating and investing cash flows**	**7,608**	**4,759**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.		
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings	840	1,135
1.18	Repayment of borrowings	(32)	(83)
1.19	Dividends paid		
1.20	Other (provide details if material)		
	Net financing cash flows	**808**	**1,052**
	Net increase (decrease) in cash held	**8,416**	**5,811**
1.21	Cash at beginning of quarter/year to date	624	3,229
1.22	Exchange rate adjustments to item 1.20		
1.23	**Cash at end of quarter**	**9,040**	**9,040**

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	234
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

The aggregate payment comprises directors' fees, remuneration and termination.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

None

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities*	3,800	2,994
3.2	Credit standby arrangements		

* Including debtor finance facility and overdraft facilities

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter (Oct-Dec 2005) $A'000	Previous quarter (Jul-Sep 2005) $A'000
4.1 Cash on hand and at bank	989	705
4.2 Deposits at call	8,051	0
4.3 Bank overdraft	0	(81)
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9,040	624

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity	TUSC Computer Systems Pty Ltd	TUSC Computer Systems Pty Ltd
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal	Deferred Consideration Payment of $950,350 in respect of acquisition of TUSC Computer Systems Pty Ltd acquired in September 2004.	Net proceeds (gross consideration less costs and provisions relating to the sale and less cash held in the disposed company) $8,600,269.
5.4	Total net assets		a) TUSC Net Assets - $1,723,000 b) Net Assets in Consolidated Group (incl goodwill on consolidation) - $7,132,881.
5.5	Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ...... W J Masson .... Date: 31 January 2006
(Chief Financial Officer)

Print name: William John Masson

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.