

# Appendix 4D

## Half year report

### Period ending 31 March 2005

Name of entity

**SIETEL LIMITED**

ABN or equivalent company reference

**004 217 734**

Half yearly  
(tick)

Preliminary  
final (tick)

Financial year ended ('current period')

**31 MARCH, 2005**

#### Results for announcement to the market

*Extracts from this report for announcement to the market (see note 1).*

\$A'000

|   |                     |                             |    |        |
|---|---------------------|-----------------------------|----|--------|
| Revenues from ordinary activities ( <i>item 1.1</i> )   | up                  | 16%                         | to | 11,955 |
| Profit (loss) from ordinary activities after tax attributable to members ( <i>item 1.22</i> ) ( <b>Refer to 19.2</b> )                    | down                | 44%                         | to | 270    |
| Profit (loss) from extraordinary items after tax attributable to members ( <i>item 2.5(d)</i> )   | gain (loss) of      |                             |    |        |
| Net profit (loss) for the period attributable to members ( <i>item 1.11</i> )   | down                | 44%                         | to | 270    |
| <b>Dividends (distributions)</b>  | Amount per security | Franked amount per security |    |        |
| Final dividend ( <i>Preliminary final report only - item 15.4</i> )   | N/A                 | €                           |    | €      |
| Interim dividend ( <i>Half yearly report only - item 15.6</i> )   |                     |                             |    |        |
| Previous corresponding period ( <i>Preliminary final report - item 15.5; half yearly report - item 15.7</i> )                             |                     | €                           |    | €      |
| <sup>+</sup> Record date for determining entitlements to the dividend,<br>(in the case of a trust, distribution) ( <i>see item 15.2</i> ) | N/A                 |                             |    |        |
| A brief explanation of any of the figures reported above necessary to enable the figures to be understood.                                |                     |                             |    |        |

+ See chapter 19 for defined terms.

**Condensed consolidated statement of financial performance**

|   | Current period -<br>\$A'000 | Previous corresponding<br>period - \$A'000 |
|---|-----------------------------|--|
| 1.1 Revenues from ordinary activities ( <i>see items 1.23 -1.25</i> )                               | 11,955                      | 10,326                                     |
| 1.2 Expenses from ordinary activities ( <i>see items 1.26 &amp; 1.27</i> )                          | 11,710                      | 9,663                                      |
| 1.3 Borrowing costs   | 80                          | 89   |
| 1.4 Share of net profits (losses) of associates and joint venture entities ( <i>see item 16.7</i> ) |                             |  |
| <b>1.5 Profit (loss) from ordinary activities before tax</b>  | <b>165</b>                  | <b>574</b>                                 |
| 1.6 Income tax on ordinary activities ( <i>see note 4</i> )   | (105)                       | 92   |
| <b>1.7 Profit (loss) from ordinary activities after tax</b>   | <b>270</b>                  | <b>482</b>                                 |
| 1.8 Profit (loss) from extraordinary items after tax ( <i>see item 2.5</i> )                        |                             |  |
| <b>1.9 Net profit (loss)</b>  | <b>270</b>                  | <b>482</b>                                 |
| 1.10 Net profit (loss) attributable to outside <sup>+</sup> equity interests                        |                             |  |
| <b>1.11 Net profit (loss) for the period attributable to members</b>                                | <b>270</b>                  | <b>482</b>                                 |
| <b>Non-owner transaction changes in equity</b>  |                             |  |
| 1.12 Increase (decrease) in revaluation reserves  |                             |  |
| 1.13 Net exchange differences recognised in equity  |                             |  |
| 1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)  |                             |  |
| 1.15 Initial adjustments from UIG transitional provisions   |                             |  |
| 1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)          | N/A                         | N/A  |
| <b>1.17 Total changes in equity not resulting from transactions with owners as owners</b>           |                             |  |

| <b>Earnings per security (EPS)</b> |             | Current period | Previous corresponding<br>Period |
|------------------------------------|-------------|----------------|----------------------------------|
| 1.18                               | Basic EPS   | 3.37           | 6.03                             |
| 1.19                               | Diluted EPS | 3.34           | 5.97                             |

+ See chapter 19 for defined terms.

**Notes to the condensed consolidated statement of financial performance**

**Profit (loss) from ordinary activities attributable to members**

|   | Current period -<br>\$A'000 | Previous<br>corresponding period -<br>\$A'000 |
|---|-----------------------------|---|
| 1.20 Profit (loss) from ordinary activities after tax<br>( <i>item 1.7</i> )              | 270                         | 482   |
| 1.21 Less (plus) outside <sup>+</sup> equity interests                                    |                             |   |
| <b>1.22 Profit (loss) from ordinary activities after<br/>tax, attributable to members</b> | <b>270</b>                  | <b>482</b>                                    |

**Revenue and expenses from ordinary activities**

(see note 15)

|  | Current period -<br>\$A'000 | Previous<br>corresponding period -<br>\$A'000 |
|--|-----------------------------|---|
| 1.23 Revenue from sales or services  | 11,373                      | 9,580   |
| 1.24 Interest revenue  | 25                          | 33  |
| 1.25 Other relevant revenue  | 557                         | 713   |
| 1.26 Details of relevant expenses  | 10,863                      | 8,929   |
| 1.27 Depreciation and amortisation excluding<br>amortisation of intangibles ( <i>see item 2.3</i> )        | 927                         | 823   |
| <b>Capitalised outlays</b>   |                             |   |
| 1.28 Interest costs capitalised in asset values  |                             |   |
| 1.29 Outlays capitalised in intangibles (unless<br>arising from an <sup>+</sup> acquisition of a business) |                             |   |

**Consolidated retained profits**

|  | Current period -<br>\$A'000 | Previous corresponding<br>period - \$A'000 |
|--|-----------------------------|--|
| 1.30 Retained profits (accumulated losses) at the<br>beginning of the financial period | 6,710                       | 5,406                                      |
| 1.31 Net profit (loss) attributable to members ( <i>item<br/>1.11</i> )                | 270                         | 482  |
| 1.32 Net transfers from (to) reserves ( <i>details if<br/>material</i> )               |                             |  |
| 1.33 Net effect of changes in accounting policies                                      |                             |  |
| 1.34 Dividends and other equity distributions paid<br>or payable                       |                             |  |

+ See chapter 19 for defined terms.

|   |       |       |
|---|-------|-------|
| 1.35 Retained profits (accumulated losses) at end of financial period | 6,980 | 5,888 |
|---|-------|-------|

### Intangible and extraordinary items

| <i>Consolidated – current period</i>         |                                  |                                   |   |   |
|--|----------------------------------|-----------------------------------|---|---|
|  | Before tax<br>\$A'000<br><br>(a) | Related tax<br>\$A'000<br><br>(b) | Related outside<br>+equity<br>interests<br>\$A'000<br><br>(c) | Amount (after<br>tax)<br>attributable to<br>members<br>\$A'000<br><br>(d) |
| 2.1 Amortisation of goodwill                 | 17                               |                                   |   | 17  |
| 2.2 Amortisation of other intangibles        | 70                               |                                   |   | 70  |
| <b>2.3 Total amortisation of intangibles</b> | 87                               |                                   |   | 87  |
| 2.4 Extraordinary items (details)            |                                  |                                   |   |   |
| <b>2.5 Total extraordinary items</b>         |                                  |                                   |   |   |

### Comparison of half year profits

*(Preliminary final report only)*

|   | Current year - \$A'000 | Previous year - \$A'000 |
|---|------------------------|-------------------------|
| 3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report) | 270                    | 482                     |
| 3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year  |                        |                         |

+ See chapter 19 for defined terms.

| <b>Condensed consolidated statement of financial position</b> |  | At end of current period<br>\$A'000 | As shown in last annual report<br>\$A'000 | As in last half yearly report<br>\$A'000 |
|---|--|-------------------------------------|---|--|
| <b>Current assets</b>   |  |                                     |   |  |
| 4.1   | Cash   | 690                                 | 918                                       | 893                                      |
| 4.2   | Receivables  | 2,379                               | 1,747                                     | 1,167                                    |
| 4.3   | Investments  | -                                   | -   | -  |
| 4.4   | Inventories  | 2,737                               | 2,671                                     | 2,612                                    |
| 4.5   | Tax assets   | -                                   | -   | -  |
| 4.6   | Other (provide details if material)  | 107                                 | 70  | 120                                      |
| <b>4.7</b>  | <b>Total current assets</b>  | <b>5,913</b>                        | <b>5,406</b>                              | <b>4,792</b>                             |
| <b>Non-current assets</b>                                     |  |                                     |   |  |
| 4.8   | Receivables  | 22                                  | 22  | 72                                       |
| 4.9   | Investments (equity accounted)   | -                                   | -   | -  |
| 4.10  | Other investments  | 29                                  | 29  | 29                                       |
| 4.11  | Inventories  | -                                   | -   | -  |
| 4.12  | Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022) | -                                   | -   | -  |
| 4.13  | Development properties (+mining entities)                                      | -                                   | -   | -  |
| 4.14  | Other property, plant and equipment (net)                                      | 11,378                              | 11,511                                    | 11,468                                   |
| 4.15  | Intangibles (net)  | 334                                 | 351                                       | 368                                      |
| 4.16  | Tax assets   | 1,190                               | 1,166                                     | 980                                      |
| 4.17  | Other (provide details if material)  | 110                                 | 179                                       | 249                                      |
| <b>4.18</b>   | <b>Total non-current assets</b>  | <b>13,063</b>                       | <b>13,258</b>                             | <b>13,166</b>                            |
| <b>4.19</b>   | <b>Total assets</b>  | <b>18,976</b>                       | <b>18,664</b>                             | <b>17,958</b>                            |
| <b>Current liabilities</b>                                    |  |                                     |   |  |
| 4.20  | Payables   | 2,319                               | 2,280                                     | 1,557                                    |
| 4.21  | Interest bearing liabilities   | 554                                 | 452                                       | 991                                      |
| 4.22  | Tax liabilities  | 98                                  | (90)                                      | 335                                      |
| 4.23  | Provisions exc. tax liabilities  | 3,055                               | 3,019                                     | 2,837                                    |
| 4.24  | Other (provide details if material)  | -                                   | -   | -  |
| <b>4.25</b>   | <b>Total current liabilities</b>   | <b>6,026</b>                        | <b>5,661</b>                              | <b>5,720</b>                             |
| <b>Non-current liabilities</b>                                |  |                                     |   |  |
| 4.26  | Payables   |                                     |   |  |
| 4.27  | Interest bearing liabilities   | 490                                 | 813                                       | 870                                      |
| 4.28  | Tax liabilities  |                                     |   |  |
| 4.29  | Provisions exc. tax liabilities  |                                     |   |  |
| 4.30  | Other (provide details if material)  |                                     |   |  |
| <b>4.31</b>   | <b>Total non-current liabilities</b>   | <b>490</b>                          | <b>813</b>                                | <b>870</b>                               |

+ See chapter 19 for defined terms.

**Condensed consolidated statement of financial position continued**

|             |  |               |               |               |
|-------------|--|---------------|---------------|---------------|
| <b>4.32</b> | <b>Total liabilities</b>                                     | <b>6,516</b>  | <b>6,474</b>  | <b>6,590</b>  |
| <b>4.33</b> | <b>Net assets</b>  | <b>12,460</b> | <b>12,190</b> | <b>11,368</b> |
|             | <b>Equity</b>  |               |               |               |
| 4.34        | Capital/contributed equity                                   | 4,257         | 4,257         | 4,257         |
| 4.35        | Reserves   | 1,223         | 1,223         | 1,223         |
| 4.36        | Retained profits (accumulated losses)                        | 6,980         | 6,710         | 5,888         |
| <b>4.37</b> | <b>Equity attributable to members of the parent entity</b>   | <b>12,460</b> | <b>12,190</b> | <b>11,368</b> |
| 4.38        | Outside <sup>+</sup> equity interests in controlled entities |               |               |               |
|             |  | <b>12,460</b> | <b>12,190</b> | <b>11,368</b> |
| <b>4.39</b> | <b>Total equity</b>  |               |               |               |
| 4.40        | Preference capital included as part of 4.37                  | N/A           | N/A           | N/A           |

**Notes to the condensed consolidated statement of financial position**

**Exploration and evaluation expenditure capitalised**

*(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)*

|            | Current period \$A'000  | Previous corresponding period - \$A'000 |
|------------|---|---|
| 5.1        | Opening balance   | N/A                                     |
| 5.2        | Expenditure incurred during current period                                    |   |
| 5.3        | Expenditure written off during current period                                 |   |
| 5.4        | Acquisitions, disposals, revaluation increments, etc.                         |   |
| 5.5        | Expenditure transferred to Development Properties                             |   |
| <b>5.6</b> | <b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b> |   |

**Development properties**

*(To be completed only by entities with mining interests if amounts are material)*

|     | Current period \$A'000                                  | Previous corresponding Period - \$A'000 |
|-----|---|---|
| 6.1 | Opening balance   | N/A                                     |
| 6.2 | Expenditure incurred during current period              |   |
| 6.3 | Expenditure transferred from exploration and evaluation |   |

+ See chapter 19 for defined terms.

|     |   |            |            |
|-----|---|------------|------------|
| 6.4 | Expenditure written off during current period                                 |            |            |
| 6.5 | Acquisitions, disposals, revaluation increments, etc.                         |            |            |
| 6.6 | Expenditure transferred to mine properties                                    |            |            |
| 6.7 | <b>Closing balance as shown in the consolidated balance sheet (item 4.13)</b> | <b>N/A</b> | <b>N/A</b> |

### Condensed consolidated statement of cash flows

|   | Current period<br>\$A'000 | Previous<br>corresponding period<br>- \$A'000 |
|---|---------------------------|---|
| <b>Cash flows related to operating activities</b> |                           |   |
| 7.1   | 12,540                    | 10,833  |
| 7.2   | (11,647)                  | (10,185)                                      |
| 7.3   |                           |   |
| 7.4   | -                         | -   |
| 7.5   | 25                        | 33  |
| 7.6   | (80)                      | (89)  |
| 7.7   | (66)                      | (131)   |
| 7.8   |                           |   |
| <b>7.9</b>  | <b>772</b>                | <b>461</b>                                    |
| <b>Cash flows related to investing activities</b> |                           |   |
| 7.10  | (794)                     | (943)   |
| 7.11  | 15                        | 2   |
| 7.12  |                           |   |
| 7.13  |                           |   |
| 7.14  |                           |   |
| 7.15  |                           |   |
| 7.16  | 1                         | 1   |
| <b>7.17</b>                                       | <b>(778)</b>              | <b>(940)</b>                                  |
| <b>Cash flows related to financing activities</b> |                           |   |
| 7.18  |                           |   |
| 7.19  |                           |   |
| 7.20  | (221)                     | (628)   |
| 7.21  |                           |   |
| 7.22  |                           |   |
| <b>7.23</b>                                       | <b>(221)</b>              | <b>(628)</b>                                  |
| <b>7.24</b>                                       | <b>(227)</b>              | <b>(1,107)</b>                                |

+ See chapter 19 for defined terms.

|             |   |            |            |
|-------------|---|------------|------------|
| 7.25        | Cash at beginning of period<br><i>(see Reconciliation of cash)</i>  | 917        | 1,901      |
| 7.26        | Exchange rate adjustments to item 7.25.                             |            |            |
| <b>7.27</b> | <b>Cash at end of period</b><br><i>(see Reconciliation of cash)</i> | <b>690</b> | <b>794</b> |

### Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

### Reconciliation of cash

| Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current period \$A'000 | Previous corresponding Period - \$A'000 |
|--|------------------------|---|
| 8.1 Cash on hand and at bank   | 690                    | 893                                     |
| 8.2 Deposits at call   |                        |   |
| 8.3 Bank overdraft   | -                      | (99)                                    |
| 8.4 Other (provide details)  |                        |   |
| <b>8.5 Total cash at end of period (item 7.27)</b>   | <b>690</b>             | <b>794</b>                              |

### Other notes to the condensed financial statements

| Ratios  | Current period | Previous corresponding Period |
|---|----------------|-------------------------------|
| 9.1 <b>Profit before tax / revenue</b><br>Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)   | 1.38%          | 5.56%                         |
| 9.2 <b>Profit after tax / <sup>+</sup>equity interests</b><br>Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37) | 2.16%          | 4.24%                         |

+ See chapter 19 for defined terms.

### Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

|   |
|---|
| $\text{Basic EPS} = \frac{\text{Profit/loss for the period}}{\text{No. of ordinary securities}} \times 100\% = \frac{269,668}{8,007,479} \times 100 = 3.37$   |
| $\text{Diluted EPS} = \frac{\text{Profit/loss for the period}}{\text{No. of ordinary securities} + \text{Preference securities}} \times 100\% = \frac{269,668}{8,007,479 + 75,000} \times 100 = 3.34$ |

#### NTA backing

(see note 7)

- 11.1 Net tangible asset backing per <sup>+</sup>ordinary security

|  | Current period | Previous corresponding Period |
|--|----------------|-------------------------------|
|  | 150.00¢        | 134.27¢                       |

### Discontinuing Operations

*(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)*

- 12.1 Discontinuing Operations

|     |  |
|-----|--|
| N/A |  |
|-----|--|

<sup>+</sup> See chapter 19 for defined terms.

**Control gained over entities having material effect**

|  |     |
|--|-----|
| 13.1 Name of entity (or group of entities)   | N/A |
| 13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was <sup>+</sup> acquired | \$  |
| 13.3 Date from which such profit has been calculated   |     |
| 13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period   | \$  |

**Loss of control of entities having material effect**

|   |     |
|---|-----|
| 14.1 Name of entity (or group of entities)  | N/A |
| 14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control                  | \$  |
| 14.3 Date to which the profit (loss) in item 14.2 has been calculated   |     |
| 14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period | \$  |
| 14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control   | \$  |

**Dividends (in the case of a trust, distributions)**

|   |     |
|---|-----|
| 15.1 Date the dividend (distribution) is payable  | N/A |
| 15.2 <sup>+</sup> Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if <sup>+</sup> securities are not <sup>+</sup> CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if <sup>+</sup> securities are <sup>+</sup> CHESS approved) |     |
| 15.3 If it is a final dividend, has it been declared?<br><i>(Preliminary final report only)</i>   | N/A |

<sup>+</sup> See chapter 19 for defined terms.

**Amount per security**

|      |   | Amount per security | Franked amount per security at % tax (see note 4) | Amount per security of foreign source dividend |
|------|---|---------------------|---|--|
| 15.4 | <i>(Preliminary final report only)</i><br><b>Final dividend:</b> Current year               | €                   | €   | €  |
|      | Previous year   | €                   | €   | €  |
| 15.6 | <i>(Half yearly and preliminary final reports)</i><br><b>Interim dividend:</b> Current year | €                   | €   | €  |
|      | Previous year   | €                   | €   | €  |

**Total dividend (distribution) per security (interim plus final)**

(Preliminary final report only)

|   | Current year | Previous year |
|---|--------------|---------------|
| 15.8 <sup>+</sup> Ordinary securities   | N/A          | N/A           |
| 15.9 Preference <sup>+</sup> securities | N/A          | N/A           |

**Half yearly report - interim dividend (distribution) on all securities *or*  
Preliminary final report - final dividend (distribution) on all securities**

|   | Current period \$A'000 | Previous corresponding Period - \$A'000 |
|---|------------------------|---|
| 15.10 <sup>+</sup> Ordinary securities <i>(each class separately)</i>   | N/A                    | N/A                                     |
| 15.11 Preference <sup>+</sup> securities <i>(each class separately)</i> | N/A                    | N/A                                     |
| 15.12 Other equity instruments <i>(each class separately)</i>           | N/A                    | N/A                                     |
| <b>15.13 Total</b>  | <b>N/A</b>             | <b>N/A</b>                              |

The <sup>+</sup>dividend or distribution plans shown below are in operation.

|     |
|-----|
| N/A |
|-----|

The last date(s) for receipt of election notices for the <sup>+</sup>dividend or distribution plans

|  |
|--|
|  |
|--|

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

<sup>+</sup> See chapter 19 for defined terms.

N/A

**Details of aggregate share of profits (losses) of associates and joint venture entities**

| Group's share of associates' and joint venture entities':                       | Current period<br>\$A'000 | Previous<br>corresponding period<br>- \$A'000 |
|---|---------------------------|---|
| 16.1 Profit (loss) from ordinary activities before tax                          | N/A                       | N/A   |
| 16.2 Income tax on ordinary activities  |                           |   |
| <b>16.3 Profit (loss) from ordinary activities after tax</b>                    |                           |   |
| 16.4 Extraordinary items net of tax   |                           |   |
| <b>16.5 Net profit (loss)</b>   |                           |   |
| 16.6 Adjustments  |                           |   |
| <b>16.7 Share of net profit (loss) of associates and joint venture entities</b> |                           |   |

**Material interests in entities which are not controlled entities**

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

| Name of entity   | Percentage of ownership<br>interest held at end of period or<br>date of disposal |                                     | Contribution to net profit (loss) ( <i>item 1.9</i> ) |  |
|--|--|-------------------------------------|---|--|
|  | Current<br>period  | Previous<br>corresponding<br>period | Current period<br>\$A'000                             | Previous<br>corresponding<br>period -<br>\$A'000 |
| <b>17.1 Equity accounted associates and joint venture entities</b> |  |                                     |   |  |

+ See chapter 19 for defined terms.

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|                               |  |  |  |  |
|-------------------------------|--|--|--|--|
|                               |  |  |  |  |
| <b>17.2 Total</b>             |  |  |  |  |
| 17.3 Other material interests |  |  |  |  |
| <b>17.4 Total</b>             |  |  |  |  |

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+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

| Category of <sup>+</sup> securities   | Total number | Number quoted | Issue price per security (see note 14) (cents) | Amount paid up per security (see note 14) (cents) |
|---|--------------|---------------|--|---|
| <b>18.1 Preference <sup>+</sup>securities</b><br>(description)  | 75,000       | 75,000        | 200  | 200   |
| 18.2 Changes during current period<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buybacks, redemptions |              |               |  |   |
| <b>18.3 <sup>+</sup>Ordinary securities</b>   | 8,007,479    | 8,007,479     | 50   | 50  |
| 18.4 Changes during current period<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buybacks              |              |               |  |   |
| <b>18.5 <sup>+</sup>Convertible debt securities</b><br>(description and conversion factor)  |              |               |  |   |
| 18.6 Changes during current period<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted             |              |               |  |   |
| <b>18.7 Options</b> (description and conversion factor)   |              |               | <i>Exercise Price</i>                          | <i>Expiry Date (if any)</i>                       |
| 18.8 Issued during current period   |              |               |  |   |
| 18.9 Exercised during current period  |              |               |  |   |
| 18.10 Expired during current period   |              |               |  |   |
| <b>18.11 Debentures</b> (description)   | N/A          |               |  |   |
| 18.12 Changes during current period<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted            |              |               |  |   |

+ See chapter 19 for defined terms.

|  |     |  |
|--|-----|--|
| 18.13 Unsecured notes<br>(description)   | N/A |  |
| 18.14 Changes during current period<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted |     |  |

### Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's <sup>+</sup>accounts should be reported separately and attached to this report.)  
(See attachment Schedule 2)

### Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

### Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last <sup>+</sup>annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Cost increases over the last twelve months, combined with competitive price pressures, in part, related to importers of competitive products benefiting from the Australian dollars relative strength which has reduced margin and therefore has reflected in reduced profit before tax from ordinary activities.

Management has focused attention on improvements in efficiencies via product design and process improvement but these measures take time to implement and yield lower gains than current price movements being experienced.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

<sup>+</sup> See chapter 19 for defined terms.

N/A

- 19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

N/A

- 19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

N/A

- 19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/A

- 19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

N/A

### Additional disclosure for trusts

+ See chapter 19 for defined terms.

20.1 Number of units held by the management company or responsible entity or their related parties.

|  |
|--|
|  |
|--|

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

|  |
|--|
|  |
|--|

## Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

|  |
|--|
|  |
|--|

Date

|  |
|--|
|  |
|--|

Time

|  |
|--|
|  |
|--|

Approximate date the <sup>+</sup>annual report will be available

|  |
|--|
|  |
|--|

## 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 (see note 12).

Identify other standards used

|  |
|--|
|  |
|--|

2 This report, and the <sup>+</sup>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 (see note 2).

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

*(Tick one)*



The <sup>+</sup>accounts have been audited.

The <sup>+</sup>accounts have been subject to review.

<sup>+</sup> See chapter 19 for defined terms.

The <sup>+</sup>accounts are in the process of being audited or subject to review.

The <sup>+</sup>accounts have *not* yet been audited or reviewed.

- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)
- 6 The entity has/does not have\* (*delete one*) a formally constituted audit committee.

Sign here: ..... Date: .....  
(Director/Company Secretary)

Print name: .....

## Notes

- For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
- True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
- Condensed consolidated statement of financial performance**
  - Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
  - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).

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<sup>+</sup> See chapter 19 for defined terms.

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column “Franked amount per security at % tax” for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

**Format** The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last <sup>+</sup> annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Condensed consolidated statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. <sup>+</sup>Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the <sup>+</sup>ordinary securities (ie, all liabilities, preference shares, outside <sup>+</sup>equity interests etc). <sup>+</sup>Mining entities are *not* required to state a net tangible asset backing per <sup>+</sup>ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the <sup>+</sup>accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A’000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A’000 headings must be amended.
10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year

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<sup>+</sup> See chapter 19 for defined terms.

to date basis in addition to the current interim period. Normally an Appendix 4D to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4D Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4D.

11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the <sup>+</sup>ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the <sup>+</sup>ASIC, must be given to ASX.
12. **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 one exists) must be complied with.
13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their <sup>+</sup>accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4D.

**Relevant Items** *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term "relevance" is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.
17. **Discontinuing operations**  
  
Half yearly report

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<sup>+</sup> See chapter 19 for defined terms.

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their <sup>+</sup>accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4D.

18. **Format**

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

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<sup>+</sup> See chapter 19 for defined terms.

**SIETEL LIMITED**  
**SHAREHOLDER RANKING**  
**PREFERENCE SHARES**  
**AS AT 31 MARCH, 2005**

| NUMBER | NAME                           | RANKING | NO. OF SHARES HELD | % OF SHARES HELD |
|--------|--------------------------------|---------|--------------------|------------------|
| 10001  | WINPAR HOLDINGS LIMITED        | 1       | 16,300             | 21.73            |
| 10055  | OPAL MAX PTY LTD               | 2       | 15,100             | 20.13            |
| 4370   | ELKINGTON, DR GORDON BRADLEY   | 3       | 11,500             | 15.33            |
| 4380   | ELKINGTON, MILLY               | 4       | 11,500             | 15.33            |
| 30036  | LYNTINA PTY LTD                | 5       | 5,300              | 7.07             |
| 7650   | LEAVER GRAHAM ALLAN            | 6       | 4,800              | 6.40             |
| 1119   | ALITON PTY LTD                 | 7       | 1,600              | 2.13             |
| 4800   | FLINT GRACE LAMOND             | 8       | 1,200              | 1.60             |
| 7655   | LEAVER, GRAHAM ALAN AND        | 9       | 500                | 0.67             |
| 8355   | MANNERIM PTY LTD               | 10      | 500                | 0.67             |
| 8380   | MARSHALL EST. OF THE LATE GUY  | 11      | 500                | 0.67             |
| 3480   | CROFTON HENRY EDWARDS MELVILLE | 12      | 400                | 0.53             |
| 8430   | MARTINDALE MARJORIE HILDA      | 13      | 300                | 0.40             |
| 11515  | ROSS DORIS ISABEL              | 14      | 300                | 0.40             |
| 30027  | BRENTALL, GWENDOLINE           | 15      | 300                | 0.40             |
| 30108  | KENEALLY, SUZANNE DENISE       | 16      | 300                | 0.40             |
| 30109  | MORTLOCK, PATRICIA GAIL        | 17      | 300                | 0.40             |
| 2110   | BODLE MARY CATHERINE           | 18      | 200                | 0.27             |
| 2538   | BROWN, PATRICIA FLORENCE EMILY | 19      | 200                | 0.27             |
| 4930   | FOWLES HERBERT ALEXANDER       | 20      | 200                | 0.27             |

+ See chapter 19 for defined terms.

**SIETEL LIMITED  
SHAREHOLDER RANKING  
ORDINARY SHARES  
AS AT 31 MARCH, 2005**

| NUMBER | NAME                           | RANKING | NO. OF SHARES HELD | % OF SHARES HELD |
|--------|--------------------------------|---------|--------------------|------------------|
| 13180  | TRIPLE TWO INVESTMENTS PTY LTD | 1       | 2,271,666          | 28.37            |
| 8018   | LYNTINA PTY LTD                | 2       | 689,000            | 8.60             |
| 3790   | DELVEST PTY LTD                | 3       | 590,000            | 7.37             |
| 30034  | THE THREE PUMPKINS PTY LTD     | 4       | 560,000            | 6.99             |
| 30016  | MERBEN PTY LTD                 | 5       | 425,050            | 5.31             |
| 11170  | REES RICHARD                   | 6       | 353,800            | 4.42             |
| 12100  | SIDERFIN HOLDINGS PTY LTD      | 7       | 337,250            | 4.21             |
| 9170   | METASOKOL PTY LTD              | 8       | 333,000            | 4.16             |
| 4370   | ELKINGTON, DR GORDON BRADLEY   | 9       | 313,200            | 3.91             |
| 30049  | SIDERFIN HOLDINGS PTY LTD      | 10      | 219,645            | 2.74             |
| 9140   | MERBEN PTY LTD                 | 11      | 121,450            | 1.52             |
| 12104  | SIDERFIN HOLDINGS PTY LTD      | 12      | 120,000            | 1.50             |
| 30015  | REES RICHARD                   | 13      | 111,661            | 1.39             |
| 9840   | NIGHTINGALE JOHN KENNING       | 14      | 101,250            | 1.26             |
| 30021  | MERBEN PTY LTD                 | 15      | 68,865             | 0.86             |
| 30120  | PELZ, RALF                     | 16      | 68,162             | 0.85             |
| 11090  | REDEN INVESTMENTS PTY LTD      | 17      | 62,000             | 0.77             |
| 30024  | DELVEST PTY LTD                | 18      | 62,000             | 0.77             |
| 30030  | TRIPLE TWO INVESTMENTS PTY LTD | 19      | 39,225             | 0.49             |
| 7770   | LILLIE JAMES MOAR              | 20      | 38,500             | 0.48             |

+ See chapter 19 for defined terms.

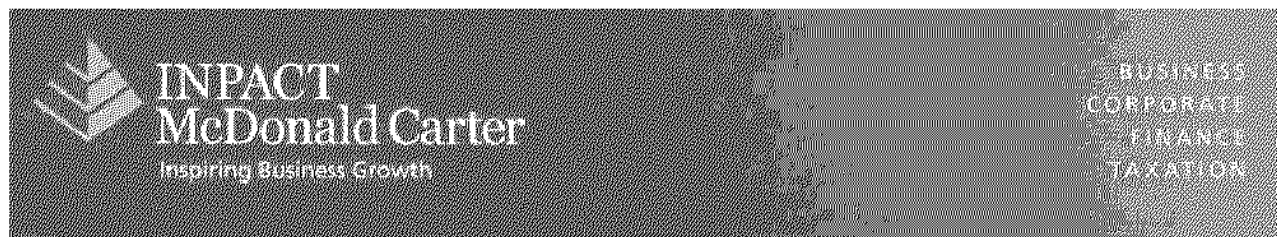
**SIETEL LIMITED**  
**31 MARCH, 2005**  
**SCHEDULE 1.24 - DETAILS OF REVENUE AND EXPENSES**

|                        |                        | <b>MARCH<br/>2005<br/>\$</b> | <b>\$'000</b>        |                      |         |
|------------------------|------------------------|------------------------------|----------------------|----------------------|---------|
| <b><u>REVENUE</u></b>  | Sales Revenue          | 11,373,000                   | 11,373               |                      |         |
|                        | Dividends Received     | 780                          | 1                    |                      |         |
|                        | Interest Received      | 25,119                       | 25                   |                      |         |
|                        | Rent Revenue           | 148,417                      | 148                  |                      |         |
|                        | Other Revenue          | 392,578                      | 393                  |                      |         |
|                        | Proceeds from disposal | 14,901                       | 15                   |                      |         |
|                        | <b>Total</b>           | <b><u>11,954,795</u></b>     | <b><u>11,955</u></b> |                      |         |
|                        |                        |                              |                      | Profit<br>before tax | 164,644 |
| <b><u>EXPENSES</u></b> | Cost of Goods Sold     | 5,761,562                    | 5,761                |                      |         |
|                        | Overheads              | 3,070,798                    | 3,071                |                      |         |
|                        | Abnormal Item          | 0                            | 0                    |                      |         |
|                        | Administration Exp     | 493,324                      | 493                  |                      |         |
|                        | Selling Exp            | 2,184,696                    | 2,185                |                      |         |
|                        | Finance Exp            | 279,772                      | 280                  |                      |         |
|                        | <b>Total</b>           | <b><u>11,790,152</u></b>     | <b><u>11,790</u></b> |                      |         |

+ See chapter 19 for defined terms.

|   |                      |                      |                     |                      |                     |                      |
|---|----------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| <b>SIETEL LIMITED</b>                               |                      |                      |                     |                      |                     |                      |
| <b>MARCH 2005</b>                                   |                      |                      |                     |                      |                     |                      |
| <b>SCHEDULE 2 - BUSINESS SEGMENTS</b>               |                      |                      |                     |                      |                     |                      |
|   | <b>MANUFACTURING</b> |                      | <b>INVESTMENTS</b>  |                      | <b>TOTAL</b>        |                      |
|   | <b>Current Year</b>  | <b>Previous Year</b> | <b>Current Year</b> | <b>Previous Year</b> | <b>Current Year</b> | <b>Previous Year</b> |
|   | <b>\$A'000</b>       | <b>\$A'000</b>       | <b>\$A'000</b>      | <b>\$A'000</b>       | <b>\$A'000</b>      | <b>\$A'000</b>       |
| Operating Revenue                                   | 11,673               | 9,861                | 267                 | 463                  | 11,940              | 10,324               |
| Non operating revenue                               | 8                    | 0                    | 7                   | 2                    | 15                  | 2                    |
| Total Revenue                                       | 11,681               | 9,861                | 274                 | 465                  | 11,955              | 10,326               |
| Assets  | 5,606                | 4,142                | 13,371              | 13,816               | 18,976              | 17,958               |
| Consolidate ( profit)/loss from ordinary activities | -51                  | -24                  | -219                | -458                 | -270                | -482                 |
| Abnormal items                                      | 0                    | 0                    | 0                   | 0                    | 0                   | 0                    |
| Consolidate ( profit)/loss from ordinary activities | -51                  | -24                  | -219                | -458                 | -270                | -482                 |

+ See chapter 19 for defined terms.



**INDEPENDENT REVIEW REPORT  
TO THE MEMBERS OF SIETEL LIMITED**

**Scope**

We have reviewed the financial report in the form of an Appendix 4D of Sietel Limited for the half-year ended 31 March 2005.

The company's directors are responsible for the Appendix 4D. We have performed an independent review of the Appendix 4D in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the Appendix 4D is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements and statutory requirements.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company 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.

**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 Appendix 4D of Sietel Limited is not in accordance with:

- a. the Corporations Act 2001, including:
  - i. giving a true and fair view of the company's financial position at 31 March 2004 and of its performance for the half-year ended on that date; and
  - ii. complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations; and
- b. other mandatory professional reporting requirements.

**INPACT McDonald Carter**  
Chartered Accountants

**G. S. Parker**  
Partner

Melbourne  
Dated this 30 day of May 2005



Member of the  
worldwide INPACT  
accounting network.

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impact@mcdonaldcarter.com.au www.mcdonaldcarter.com.au  
Incorporating Cian Cameron Partners

+ See chapter 19 for defined terms.

**SIETEL LIMITED AND CONTROLLED ENTITIES**

**DIRECTORS' REPORT FOR THE HALF YEAR ENDED MARCH 31 2005.**

The directors of the Company in office at the date of this report are :- Delwyn Garland Rees, Geoffrey Ernest Nanscawen and Richard Rees.

***DIRECTORS***

**MR. DELWYN G. REES**

Qualifications

DIRECTOR (CHAIRMAN) AGE 79  
Diploma of Commerce (Melbourne University)  
Member of Australian Society of Accountants  
Certified Practising Accountant

Experience

Board Member since 1967  
Appointed Chairman in 1970  
An accountant in public practice for over 30 years.

Interest in Shares

Refer to Table headed Directors' Interest in Ordinary Shares on page 2 which is to be read as forming part of this report.

Interests in Contract

Director of a company which provides financial and management services to the Chief Entity. Consultant to Garland Consulting Services which provides consulting and secretarial services to the Chief Entity.

**MR. GEOFFREY NANSCAWEN**

Experience

DIRECTOR AGE 57  
Board member since 2001 and marketing executive of a subsidiary since 1994.  
Over 30 years experience in the gas industry occupying numerous managerial positions, particularly in marketing, sales and advertising. Member of various Committees within the industry, including the Australian Gas Association. Involved in the product development of many local gas appliances as well as overseas products.

Interest in Contract

Share options taken up during 1996/1997 in accordance with the Trust Deed of Sietel Limited "A Staff Equity Participation Plan" ("the plan"). These options expired on 28 February 2002.

**MR. RICHARD REES** MANAGING DIRECTOR AGE 54

Qualifications

Bachelor of Commerce (Melbourne University)  
Member of the Institute of Chartered Accountants in Australia.

Experience

Board Member and Chief Executive of the Chief Entity since 1981.

Interest in Contract

Has a service and share option agreement with the Chief Entity dated March 1984. Receives allowance for the provision of motor vehicles for use by the Economic Entity. Share options taken up during 1996/1997 in accordance with the Trust Deed of Sietel Limited "A Staff Equity Participation Plan" ("the plan"). These options expired on 28 February 2002.

Interest in Shares

Refer to Table headed Directors' Interest in Ordinary Shares on page 2 which is to be read as forming part of this report.

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+ See chapter 19 for defined terms.

2.

**REVIEW OF OPERATIONS**

Cost increases over the last twelve months, combined with competitive price pressures, in part, related to importers of competitive products benefiting from the Australian dollars relative strength which has reduced margin and therefore has reflected in reduced profit before tax from ordinary activities.

Management has focused attention on improvements in efficiencies via product design and process improvement but these measures take time to implement and yield lower gains than current price movements being experienced.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs of the economic entity during this period.

**DIRECTORS' INTEREST IN ORDINARY SHARES AS AT MARCH 2005**

|          | Ordinary Shares held<br>in the name of the Director | Ordinary Shares in<br>which Directors' may<br>have a relevant interest |
|----------|---|--|
| Director |   |  |
| D.G.Rees | 28,237  | 5,141,756  |
| R.Rees   | 467,461   | 5,865,401  |

**DIRECTORS' MEETINGS**

During the financial half year the attendance at Directors' meetings was as follows:

|               | Meetings held | Meetings attended |
|---------------|---------------|-------------------|
| D. G. Rees    | 4             | 4                 |
| G.E.Nanscawen | 4             | 4                 |
| R. Rees       | 4             | 4                 |

On behalf of the Board

Director, Mr. R. Rees

Director, Mr. G.E. Nanscawen

Moorabbin, 30 May, 2005

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+ See chapter 19 for defined terms.

3.

**SIETEL LIMITED**  
**DIRECTORS' DECLARATION**  
**FOR THE HALF YEAR ENDED 31 MARCH 2005**

**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 company and the consolidated entity;
- c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Law; 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 s.295(5) of the Corporations Law.

On behalf of the Directors

Director, Mr.R.Rees  
Director, Mr.G.E.Nanscawen.

Moorabbin, 30 May, 2005