BOARD OF DIRECTORS	REGISTERED AND PRINCIPAL BUSINESS OFFICE	AUDITORS	SECRETARY
D. G. Rees, Chairman R. Rees, Managing Director G. E. Nanscawen, Director	463-467 Warrigal Road Moorabbin Vic. 3189 Phone : (03) 9553 5740	INPACT Audit Australia P/L Registered Audit Company Level 6/31 Queen Street Melbourne Vic 3000	R. Rees, B. Comm., C.A.
SOLICITORS	**BANKERS**	**SHARE REGISTER**	Australian Company
Brian Ward and Partners Eggleston Whelan Prior and Prior	National Australia Bank Ltd 330 Collins Street Melbourne Vic 3000 Australia and New Zealand Banking Group 1/533 Blackburn Road Mount Waverley Vic 3149	Link Market Services Ltd PO Box 20013 World Square NSW 2000	No. 004 217 734 ABN 75 004 217 734

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Sietel Limited will be held at 11.00 am on Tuesday 23rd January 2007 at the Registered Office of the Company, 463-467 Warrigal Road, Moorabbin, Victoria, for the purpose of transacting the following business:

1. To receive and consider the Balance Sheet as at September 30, 2006 and Income Statement of the Company and the economic entity for the year ended and Reports of the Directors and Auditors thereon.

2. Mr. D. G. Rees retires being over the age of 72 and being eligible offers himself for re-election.

3. To transact any other business as may legally be brought forward.

By Order of the Board.

R. Rees
B. Comm., C.A.

Moorabbin, 14 December 2006

PROXIES :
A member is entitled to appoint no more than two other persons to attend the Meeting and to act on his behalf. Where a member appoints two proxies, the proportion of the members' voting rights given in favour of each proxy must be specified. An additional proxy form will be supplied by the Company on request. The proxy must be deposited at the Office of the Company not less than 48 hours before the time of the Meeting. A proxy may, but need not be a member of the Company. Under the Company's Constitution Preference Shareholders are entitled to vote at this Meeting and have four votes for each share held.

SIETEL LIMITED AND CONTROLLED ENTITIES

DIRECTORS REPORT FOR YEAR ENDED 30 SEPTEMBER 2006

In accordance with a resolution of the Directors dated 14 December 2006, the Directors of the Company have pleasure in reporting on the Statements of Account of the Chief Entity and the Economic Entity for the financial year ended 30 September 2006 and the state of affairs as at 30 September 2006.

The Directors of the Chief Entity in office at the date of this report are:- Delwyn Garland Rees, Richard Rees, and Geoffrey Ernest Nanscawen. The directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Refer table "Directors Meetings" page 3 of this report.

PRINCIPAL ACTIVITIES:
The Chief Entity is engaged principally in investment in industrial and commercial real estate, provision of finance and lease facilities and plant and management services to its controlled entities and management, evaluation and expansion of these and other business opportunities. No significant change in the principal activities of the Chief Entity occurred during the year.

The wholly owned controlled entity Cooks Body Works Pty Ltd continued trading as a commercial vehicle body builder.

The wholly owned controlled entity, The Cylinder Company Pty Ltd, provided equipment to related companies and is the trustee company for the Sierac Unit Trust.

Aqua-Max Pty Ltd has operated a research and development division since it became a wholly controlled entity.

Aqua-Max Pty Ltd Manufacturing division continued production and sales of water heaters during the year.

There were no significant changes in the nature of the economic entity's activities during the year.

DIVIDENDS:
No dividends were paid or recommended since the end of the previous financial year.

REVIEW OF OPERATIONS:
The properties owned by the Chief Entity have been tenanted for the full year with a number of buildings at the Moorabbin location occupied by controlled entities.

The strong Australian economy has assisted, along with expansion of the controlled entity's product range and geographic distribution, in the increase of sales over the last twelve months. However, continuous cost increases combined with competitive price pressures, in part, related to importers of competitive products benefiting from the Australian dollars relative strength, have continued to put pressure on sales margins and partly offset the benefit of increased turnover.

Management has focused their attention on improvements in efficiencies through product design and processes but these measures take time to implement and require considerable investment.

It should be appreciated that there is increased risk during this time period of non recovered investment because of political decisions by State and Federal governments relating to water conservation and reduction of greenhouse gases.

The controlled entity which manufactures high efficiency five star domestic hot water heaters has experienced a reduced return on its long term investment in these products. The source of this reduced return is the Victorian Governments ban on the installation of five star gas hot water heaters in new houses under the government's new five star housing regulations while still having no restrictions on any other appliances.

Cooks Body Works have experienced strong revenue growth again this year. This growth together with a restructuring of the businesses costs has made for a positive return for the year. Recent industry indicators suggest that revenue growth will continue for the first half of 2007. The business is well positioned if this proves to be the case.

Continuation of a strong economy and demand for the group entity's services and products is important for future profitability.

OPERATING RESULTS:
The consolidated profit of the Economic Entity, after providing for income tax of $737,160 (2005 ($95,796)), amounted to $2,108,698 (2005 $1,011,963).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS:
There have been no significant changes in the state of affairs of the economic entity during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE:
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Economic Entity and the results of those operations or the state of affairs of the economic entity in financial years subsequent to the financial year ended 30 September 2006.

FUTURE DEVELOPMENTS:
No information has been included on the likely developments of the Chief Entity or the economic entity as the directors are of the opinion that to include such comments would be unreasonably prejudicial to the interests of the economic entity.

INFORMATION ON DIRECTORS:

MR. DELWYN G. REES	**DIRECTOR (CHAIRMAN) Age 80**
Qualifications	Diploma of Commerce (Melbourne University) Member of CPA Australia Certified Practising Accountant
Experience	Board Member since 1967 Appointed Chairman in 1970 An accountant in public practice for over 30 years
Interests in Contracts	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.
Interests in Shares	Refer to Table headed Directors' Interest in Ordinary Shares on page 25 which is to be read as forming part of this report.
MR. RICHARD REES	**MANAGING DIRECTOR Age 56**
Qualifications	Bachelor of Commerce (Melbourne University)
Experience	Member of the Institute of Chartered Accountants in Australia Board Member and Chief Executive of Chief Entity since 1981.
Interests 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") which expired in February 2002.
Interest in Shares	Refer to Table headed Directors' Interest in Ordinary Shares on page 25 which is to be read as forming part of this report.
MR. GEOFFREY NANSCAWEN	**DIRECTOR Age 58**
Experience	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.

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

	Meetings held	Meetings attended
D.G. Rees	8	8
R. Rees	8	8
G. E. Nanscawen	8	7

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above) and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent of the policy limits with a current $7,500,000 in aggregate.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 September 2006 is included on page 8 of the Annual Report.

REMUNERATION REPORT

The Board policy for determination of the nature and amount of remuneration for directors and senior executives is based on the Chairman and Managing Director's assessment of individual's performance and the general overall performance of the company.

It is the stated policy that depending on this assessment, the level of remuneration may be increased or decreased after a review from its previous level.

The criteria on which individual performance is assessed are:-

- technical knowledge and skills in light of current levels for the applicable occupation or profession
- application by the individual of their knowledge and skills to their tasks
- the ability and success in imparting their knowledge, skills and work ethic to personnel assigned to them
- the ability to complete assignments successfully and in the allocated time
- the ability to assist the company and or subsidiary achieve profitable short, medium and long term performance and growth by delivering customers with quality, competitively priced and innovative products and services.

The table below sets out the remuneration paid during the year to Directors and executives with a breakdown into salaries, bonuses, superannuation and other benefits.

No equity component of remuneration is provided but board policy is to encourage directors and executives to purchase shares in the company on the stock exchange with the objective of long term investment.

NAME	OFFICE	SALARY/ BONUS	SUPER	BENEFITS	TOTAL
D.G. Rees	Director	10,000	-	-	10,000
R. Rees	Director	151,522	150,637	42,000	344,159
G.E. Nanscawen	Director	183,349	14,626	54,423	252,398
G.J.Taylor	Executive	156,679	14,101	22,345	193,125

There are no proceedings on behalf of the company.

Signed in accordance with a resolution of the Directors made pursuant to S.298 (2) of the Corporations Act 2001.
On behalf of the Board

D. G. Rees, Director

R. Rees, Director

Moorabbin, 14 December 2006

CORPORATE GOVERNANCE

The Directors set out below their comments on the ten essential corporate governance principles as provided by the Australian Stock Exchange as a guide for listed companies.

1. Lay solid foundations for management and oversight.

The Board oversees the performance of management of the company and its controlled entities and provides a central place for discussion and decision making for senior executives under the guidance of the Chairman.

The role of the Board is not set out in proscriptive terms but left to the Chairman and Managing Director to determine depending on their assessment of current circumstances and annunciate to management by face to face discussions.

2. Structure the Board to add value

The Board has no independent directors. The Chairman and Managing Director have a relevant interest in entities, as they are substantial shareholders, and both directors have been members of the Board for over twenty years. The one other Director is an executive of the Company.

The members of the Board, however, are experienced in business generally and more particularly that of the company and its controlled entities. All Directors devote their time to the Group's affairs and have no major outside business interests which conflict and require their excessive time. The Chairman is not an executive of any Group companies and has served for over thirty years as Chairman of the Company providing balance with the other two executive Directors.

The size of the Group, the Board, board members remuneration levels and the stable composition of the Board does not warrant, in the Director's view, a nomination committee or prescriptive procedure for new appointments.

The Chairman can seek independent professional advice in the furtherance of his duties as a Director and has direct access to senior staff of the Company. The Company will pay claims by Directors for reimbursement of this expenditure provided prior written authority of the expenditure and amount has been obtained from the Chairman or one other Director.

3. Promote ethical responsible decision making

The Directors will continue to maintain their high standard of decision making and promote and encourage ethical behaviour of all employees.

The Directors believe personal integrity and honesty is the key, rather than documented codes or company regulations, to enable maintenance of high standards of business practice.

The Directors believe the most important matter, when considering an investment in the Company's shares, is that it is for the long term and short term buying or selling is discouraged no matter when the purchase or sale may be made.

4. Safeguard integrity in financial reporting

The small size of the Board does not lend itself or provide any advantage in the appointment of committees and for this reason the Board has retained the responsibility for all committee work including audit and corporate governance committees.

The stability of the Board, the long term association with the industry and the combined expertise of its members assists in the maintenance of reliable reporting systems and preparation of true and fair accounts.To further support the above measures the Board has provided for the Auditor, or appointed representative, to be available at the AGM to answer any shareholder questions on financial report matters.

5. Make timely and balanced disclosure

The Board has the policy that all company announcements to the shareholders and ASX are approved prior to issue by at least two Directors and are timely, factual and in accordance with the law.

The Board also appreciates the need in the very competitive industries in which its controlled entities operate, that disclosure to the market does not disclose competitive sensitive information which would be unnecessarily prejudicial to the interests of the Group and the Company shareholders.

CORPORATE GOVERNANCE (cont.)

6. Respect the rights of shareholders

A hardcopy of the annual report is sent to all shareholders who have their current address registered with the Company and includes a notice to attend the Annual General Meeting (AGM). The Annual Report is prepared, on a no nonsense, uncluttered and to the point basis, to assist non technocrats to gain a reasonable understanding of the group and individual entities performance over the year and financial position at year end.

The AGM is held at the Company's premises which provides free parking and easy access. The format of the meeting provides shareholders with the opportunity to ask questions of the Directors and the Auditor or his nominated representative. Shareholder inquiries during the course of the year are addressed by the Managing Director or Chairman in a timely manner.

The two manufacturing subsidiaries have web sites which provide information relevant to their products. This allows shareholders to become better acquainted with these businesses.

7. Recognise and manage risk

The Company and its controlled entities operate in an environment of increasing risk because of government and related party regulation and the onus on businesses and Directors to protect the rights of employees, customers, contractors, consumers, small businesses and the public at large.

The Directors have followed the principle that direct day to day involvement with all these parties at all levels by Directors, combined with experienced and knowledge of the industries in which the group operates, is the best way of managing risk.

In relation to the traditional risks relating to group physical assets and operating facilities, insurance cover and policies are reviewed regularly with the Company's insurance brokers. Also regular inspections by underwriters' risk surveyors of the businesses and premises along with action required reports, has assisted in reducing exposure.

The Board encourages and fosters a culture of continual improvement and review of past problem areas experienced by group companies or other businesses to further address the issue of risk control and minimisation.

8. Encourage enhanced performance

The relative small size of the group and individual businesses, plus the very competitive nature of the markets in which operations are conducted, provide a good background against which Directors and staff can review the group and their performances.

Internal promotion and or recruitment by direct knowledge of applicants backgrounds has been a principle adopted by the Board to assist with obtaining suitable personnel for board and key executive positions.

Directors have access to all staff and if required independent professional advice with the cost of the latter being funded by the Company provided prior approval of one other Director is obtained for the specific amount of the proposed expenditure.

9. Remunerate fairly and responsibly

The Board, with its experience in the relevant industries in which group companies operate plus reference to independent survey information combined with regular in depth meetings between staff and the Managing Director, have implemented a policy of fair remuneration based on individual and relevant company or divisional and group performance.

Long term rather than short term performance has been the overriding objective, along with assessment of the dedication and commonly held objectives, plus the ability of the relevant business to achieve a return on the investment in time, money and intellectual property.

10. Recognise the legitimate interests of stakeholders

The Board believes in conducting the group businesses in an environment where all stakeholders are treated fairly and appropriately but do not shy away from the basic principle that all actions must be in the long term interests of shareholders not other third parties or the popular presses short term political objectives.

The enhancement of the long term corporate reputation of the group and its member companies is seen by Directors as important but in the context of the role which companies of the size and resources should play and separate from that of governments and the welfare state.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SIETEL LIMITED

Scope

We have audited the financial report of Sietel Limited and controlled entities for the financial year ended 30 September 2006 as set out on pages 8 to 31.

The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit we followed applicable independence requirements of Australian professional and ethical pronouncements and the *Corporations Act 2001*.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 8 of the financial report has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of Sietel Limited is in accordance with:

a. the *Corporations Act 2001*, including:
   - i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 September 2006 and of their performance for the year ended on that date; and
   - ii. complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and

b. other mandatory professional reporting requirements in Australia.

INPACT Audit Australia

M.M. Hardy FCA
Director

Melbourne
Dated this 14th day of December, 2006

DIRECTORS' DECLARATION

The directors declare that:

a) The attached financial statements and notes (pages 9 to 30) 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 economic 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 s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Mr. D. G. Rees
Director

Mr. R. Rees
Director

Moorabbin,
14 December 2006

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Sietel Limited for the year ended 30 September 2006,

I declare that, to the best of my knowledge there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

INPACT Audit Australia

M.M. Hardy FCA
Director

Melbourne

14 December 2006

INCOME STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2006

Note	Economic Entity			Chief Entity	
	2005	2006		2006	2005
	$	$		$	$
20	28,831,692	37,642,629	Revenues from ordinary activities	4,966,707	4,145,045
21	27,792,277	34,751,911	Expenses from ordinary activities	2,908,728	2,856,991
21	123,248	44,860	Finance expenses	44,807	123,248
	916,167	2,845,858	Profit (loss) from ordinary activities before income tax expense	2,013,172	1,164,806
22	(95,796)	737,160	Income tax expense/(revenue) relating to ordinary activities	349,341	216,603
23 31	1,011,963	2,108,698	Profit (loss) from ordinary activities after income tax expense	1,663,831	948,203
	-	-	Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity.	-	-
	1,011,963	2,108,698	Total changes in equity other than those resulting from transactions with owners as owners.	1,663,831	948,203
32	12.63	26.33	Earnings per share - Basic (cents per share)		
32	12.52	26.09	Earnings per share - Diluted (cents per share)		

Notes to and forming part of the accounts are set out on pages 13 to 30.

BALANCE SHEET AS AT 30 SEPTEMBER 2006

Note	Economic Entity 2005 $	Economic Entity 2006 $		Chief Entity 2006 $	Chief Entity 2005 $
			Current Assets		
	1,372,230	3,657,724	Cash assets	152,861	138,290
2	2,516,760	3,129,025	Receivables	14,186	8,325
3	-	-	Other financial assets	5,867,187	3,249,677
4	2,925,183	3,005,006	Inventories	-	-
5	51,952	56,694	Other	54,910	51,199
	6,866,125	9,848,449	Total Current Assets	6,089,144	3,447,491
			Non-Current Assets		
6	18,776	3,776	Receivables	3,776	18,776
7	28,664	28,664	Other financial assets	1,186,377	1,186,377
8	11,612,567	11,397,112	Property, plant and equipment	7,449,145	8,106,479
9	-	-	Intangibles	-	-
10	1,306,354	1,588,995	Deferred tax assets	995,899	985,414
11	-	-	Other	-	-
	12,966,361	13,018,547	Total Non-Current Assets	9,635,197	10,297,046
	19,832,486	22,866,996	**Total Assets**	15,724,341	13,744,537
			Current Liabilities		
12	3,125,433	3,097,606	Payables	104,671	76,529
13	697,667	43,527	Interest bearing liabilities	43,527	697,667
14	3,229,046	3,940,645	Provisions	901,038	779,021
15	(7,034)	932,673	Current tax liabilities	884,689	21,208
	7,045,112	8,014,451	Total Current Liabilities	1,933,925	1,574,425
			Non-Current Liabilities		
16	115,465	71,938	Interest bearing liabilities	71,938	115,465
	115,465	71,938	Total Non-Current Liabilities	71,938	115,465
	7,160,577	8,086,389	**Total Liabilities**	2,005,863	1,689,890
	12,671,909	14,780,607	**Net Assets**	13,718,478	12,054,647
			Equity		
18	4,257,129	4,257,129	Contributed equity	4,257,129	4,257,129
19	1,223,241	1,223,241	Reserves	1,223,241	1,223,241
	7,191,539	9,300,237	Retained profits	8,238,108	6,574,277
	12,671,909	14,780,607	Total Shareholders' Equity	13,718,478	12,054,647

Notes to and forming part of the accounts are set out on pages 13 to 30.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2006

Economic Entity	Note	Contributed to equity	Reserves	Retained Earnings	Total Equity
Balance at October 1, 2004		4,257,129	1,223,241	6,710,005	12,190,375
IFRS adjustment - Goodwill on consolidation	34			(350,647)	(350,647)
IFRS adjustment - Research & Development	34			(179,782)	(179,782)
IFRS at October 1, 2004		4,257,129	1,223,241	6,179,576	11,659,946
Net profit after tax September 30, 2005	34			1,011,963	1,011,963
Balance September 30, 2005		4,257,129	1,223,241	7,191,539	12,671,909
Net profit after tax September 30, 2006	23			2,108,698	2,108,698
Balance September 30, 2006		4,257,129	1,223,241	9,300,237	14,780,607

Chief Entity	Note	Contributed to equity	Reserves	Retained Earnings	Total Equity
Balance at October 1, 2004		4,257,129	1,223,241	5,626,074	11,106,444
IFRS at October 1, 2004		4,257,129	1,223,241	5,626,074	11,106,444
Net profit after tax September 30, 2005				948,203	948,203
Balance September 30, 2005		4,257,129	1,223,241	6,574,277	12,054,647
Net profit after tax September 30, 2006				1,663,831	1,663,831
Balance September 30, 2006		4,257,129	1,223,241	8,238,108	13,718,478

Notes to and forming part of the accounts are set out on pages 13 to 30.

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 SEPTEMBER 2006

Note	Economic Entity			Chief Entity	
	2005	2006		2006	2005
	$	$		$	$
			Cash flows from Operating Activities		
	30,884,810	40,687,305	Receipts from customers	4,259,013	4,044,637
	(27,770,073)	(35,790,219)	Payment to suppliers and employees	(2,350,737)	(2,468,852)
	(190,118)	(80,095)	Income Tax Paid	(156,321)	(113,892)
	56,032	107,953	Interest received	1,560	1,912
	(43,859)	(7,398)	Borrowing costs	(7,345)	(43,859)
31(ii)	2,936,792	4,917,546	Net cash provided by/(used in) operating activities	1,746,170	1,419,946
			Cash flows from Investing Activities		
	-	-	Cash paid for investments	-	-
	16,500	-	Proceeds from sale of property, plant and equipment	-	8,000
	-	-	Proceeds from sale of investments	-	-
	(2,048,457)	(1,937,630)	Payment for property, plant and equipment	(178,024)	(12,658)
	(77)	-	Payment for investments	-	(79)
	1,980	3,245	Dividends received	1,101,625	500,990
	(2,030,054)	(1,934,385)	Net cash provided by/(used in)investing activities	923,601	496,253
			Cash flows from Financing Activities		
	-	-	Loans (to)/repaid by Controlled Entities	(1,957,533)	(1,457,299)
	-	-	Proceeds from borrowings	-	-
	(452,389)	(697,667)	Repayment of borrowings	(697,667)	(452,389)
	(452,389)	(697,667)	Net cash provided by/(used in) financing activities	(2,655,200)	(1,909,688)
	454,349	2,285,494	**Net increase/(decrease) in cash held**	14,571	6,511
	917,881	1,372,230	**Cash as at 1 October 2005**	138,290	131,779
31(i)	1,372,230	3,657,724	**Cash as at 30 September 2006**	152,861	138,290

Notes to and forming part of the accounts are included on pages 13 to 30.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.*

The financial report covers the economic entity of Sietel Limited and controlled entities incorporated and domiciled in Australia. This is the Company's first financial report prepared in accordance with the requirements of AASB1:First-time Adoption of Australian Equivalents to International Financial Reporting Standards ("AIFRS"), adjustments to the parent entity and consolidated entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures. Reconciliations of the effect of transactions from previous Australian Generally Accepted Accounting Principles ("GAAP") to AIFRS on the Company's equity and its net income are in Note 34.

(A) Significant Accounting Policies

Accounting policies are selected and applied in a manner which helps ensure that the resultant financial information satisfies the concepts of relevance and reliability, thereby, ensuring that the substance of the underlying transactions and other events is reported. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated. In addition to the accounting policies prescribed by applicable Accounting Standards and Urgent Issues Group Consensus Views, the following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(B) Property, Plant and Equipment and Investments

Depreciation has been charged in the accounts using either the reducing balance or straight line method on all classes of depreciable assets so as to write off their book value over the estimated useful life of the asset including buildings classified as investments. The economic entity's land and buildings leased to third parties and land and buildings occupied by the economic entity have been classified as Property, Plant and Equipment. The following estimated useful lives are used in the calculation of depreciation. Buildings: 20 – 25 years and Plant and Equipment 4 - 8 years. The policy of the company is to review its valuations of land and buildings every 3 years. There has also been no capital gains tax taken into account in determining revalued amounts. In the accounts land and buildings of $1,727,837 with a written down value of $1,329,815, are currently leased to third parties. The directors have reviewed the disclosure of these leased land and buildings and have decided not to create a separate balance sheet item, Non-Current Investments, for these land and buildings.

(C) Inventories

All entities in the economic entity have:

(i) Valued stocks at the lower of cost and net realisable value
(ii) Calculated costs by including all variable manufacturing cost, and an appropriate portion of fixed manufacturing cost, but excluding selling, distribution and administration expenses, and
(iii) Assigned cost to inventory quantities on hand at balance date on a first in first out basis.

(D) Goodwill

Goodwill is recorded under previous GAAP initially at the amount by which the purchase price for a business exceeds the fair value attributed to its net tangible assets at date of acquisition. The classification and accounting treatment of business combinations that occurred prior to October 1, 2004 has not been reconsidered in preparing the consolidated entity's opening AIFRS balance sheet at October 1, 2004. As at October 1, 2004, the Group has written off $350,647 goodwill on consolidation in opening retained earnings.

(E) Research and Development Expenditure

Research and development expenditure on new major projects is deferred where it is expected beyond reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs. Under AIFRS research and development expenditure is no longer amortised. All capitalised costs were tested for impairment and as at October 1, 2004, the Group has written off $179,782 in opening retained earnings.

(F) Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and are capable of being measured reliably.
Provisions made in respect of wages and salaries, annual leave and long service leave expected to be settled within 12 months are measured at their nominal values. Provisions made in respect of other employee entitlements, (annual leave, long service leave), which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the economic entity in respect of services provided by employees up to the reporting date

(G) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities within the economic entity and classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated to the reduction of the lease liability. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(H) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted with changes in presentation for the current financial year.

(I) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(J) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amounts where the carrying value of any non-current assets exceed recoverable amounts. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

Investment in subsidiary companies are valued at cost although in the case of one subsidiary the net assets are less than the company's investment. The Directors have written down this investment as they believe there is a permanent diminution in value.

(K) Accounts Payable

Trade payables and other accounts payable are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of goods and services.

(L) Principles of Consolidation

The consolidated accounts comprise the accounts of Sietel Limited and all of its controlled entities . A controlled entity is any entity controlled by Sietel Limited. Control exists where Sietel Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Sietel Limited to achieve the objectives of Sietel Limited. A list of controlled entities is contained in Note 23 to the financial statements.

All intercompany balances and transactions between entities in the economic entity, including any unrealised profit or losses, have been eliminated on consolidation.

(M) Revenue

Revenue from the sale of goods is recognised upon the delivery and invoicing of goods to customers.
Revenue from rent is recognised on expiration of time. The holding company recognises rental income from all properties as normal operating income.
Interest revenue is recognised on proportional basis taking into account the interest rates applicable to the financial assets.
Revenue from the rendering of a service is recognised upon the delivery and invoicing of the service to the customers.

(N) Provision for Warranties

Provision is made in respect of the economic entity's estimated liability on products under warranty at balance date.

(O) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a deferred tax liability or a deferred tax asset at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Deferred tax assets are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Deferred tax assets in relation to tax losses are not brought to account unless there is virtual certainty or realisation of the benefit.

The amount of benefits brought to account, or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Group accounts have been prepared on the basis that the Company and its wholly owned controlled entities formed a tax consolidation group from October 1, 2003.

(P) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates - Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment has been recognised in respect of goodwill for the year ended 30 September 2006.

	Economic Entity		Chief Entity	
	2006 $	2005 $	2006 $	2005 $
Note 2 CURRENT RECEIVABLES				
Trade Receivables	3,171,905	2,528,915	-	-
Provision for doubtful debts	(81,000)	(81,000)	-	-
	3,090,905	2,447,915		
Other	38,120	68,845	14,186	8,325
	3,129,025	2,516,760	14,186	8,325
Note 3 OTHER FINANCIAL ASSETS				
Investments in controlled entities				
- Loans	-	-	5,867,186	3,249,677
	-	-	5,867,186	3,249,677
Note 4 CURRENT INVENTORIES				
Raw materials and stores	1,204,640	1,149,787	-	-
Work in progress	927,644	1,017,233	-	-
Finished goods	872,722	758,163	-	-
	3,005,006	2,925,183	-	-
Note 5 OTHER CURRENT ASSETS				
Pre-payments	56,694	51,952	54,910	51,199
Note 6 NON-CURRENT RECEIVABLES				
Receivables	3,776	18,776	3,776	18,776
	3,776	18,776	3,776	18,776
Note 7 NON-CURRENT OTHER FINANCIAL ASSETS				
Investments in controlled entities				
- Loans at Cost	-	-	400,000	400,000
- Shares at Cost	-	-	771,713	771,713
	-	-	1,171,713	1,171,713
Investments in other companies				
- Shares at cost	28,664	28,664	14,664	14,664
	28,664	28,664	14,664	14,664
	28,664	28,664	1,186,377	1,186,377
Note 8 PROPERTY PLANT AND EQUIPMENT				
Plant and Equipment at cost	19,619,459	16,134,258	7,469,203	5,564,009
Less Accumulated depreciation	(15,082,047)	(12,000,345)	(6,879,758)	(4,936,184)
	4,537,412	4,133,913	589,445	627,825
Leased Plant and Equipment	207,000	1,924,650	207,000	1,924,650
Less Accumulated depreciation	(96,600)	(1,332,753)	(96,600)	(1,332,753)
	110,400	591,897	110,400	591,897
Total Plant and Equipment	4,647,812	4,725,810	699,845	1,219,722
Property				
Land at Directors Valuation 1998*	3,702,937	3,702,937	3,702,937	3,702,937
Land at Cost*	1,273,568	1,273,568	1,273,568	1,273,568
Total Land	4,976,505	4,976,505	4,976,505	4,976,505
Buildings at Directors Valuation 1998*	1,989,750	1,989,750	1,989,750	1,989,750
Buildings at Cost*	878,477	878,477	878,477	878,477
Additions at Cost*	-	-	-	-
Less Accumulated depreciation	(1,095,432)	(957,975)	(1,095,432)	(957,975)
Total Buildings	1,772,795	1,910,252	1,772,795	1,910,252
Total Property	6,749,300	6,886,757	6,749,300	6,886,757
Total Property Plant and Equipment	11,397,112	11,612,567	7,449,145	8,106,479

In 2006 the Directors resolved to leave the current book value for the Group properties at this stage at 1998 Directors valuations or at cost. An independent valuation of interests in land and buildings was carried out by Mr. N. Walsh, certified practising valuer F.A.P.I., A.R.E.I. October 1, 2004. The valuation was carried out for the company's bankers to provide the current market value for mortgage security purposes.

Valuation October 2004	$11,690,000
WD Book Value as at 30 September 2004	$ 7,024,215
Net Gain	$ 4,665,785
Capital Gain subject to Capital Gains tax as per above	$ 1,761,699

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Economic Entity	Land	Buildings	Plant and Equipment	Leased plant and Equipment	Total
Balance at the beginning of the year	4,976,505	1,910,252	4,133,913	591,897	11,612,567
Additions	-	-	1,997,742	-	1,997,742
Disposals		-	-	-	-
Depreciation expense	-	(137,457)	(1,793,264)	(222,364)	(2,153,085)
Transfers to plant and equipment	-	-	(60,112)	(1,717,651)	(1,777,763)
Transfers from leased plant and equipment	-	-	1,717,651	-	1,717,651
Transfers to plant and equipment (depreciation)	-	-	-	1,458,518	1,458,518
Transfers from leased plant and equipment (depreciation)	-	-	(1,458,518)	-	(1,458,518)
Carrying amount at the end of the year	4,976,505	1,772,795	4,537,412	110,400	11,397,112

Chief Entity	Land	Buildings	Plant and Equipment	Leased plant and Equipment	Total
Balance at the beginning of the year	4,976,505	1,910,252	627,825	591,897	8,106,479
Additions	-	-	178,024	-	178,024
Disposals		-	-	-	-
Depreciation expense	-	(137,457)	(475,537)	(222,364)	(835,358)
Transfers to plant and equipment	-	-		(1,717,651)	(1,717,651)
Transfers from leased plant and equipment	-	-	1,717,651	-	1,717,651
Transfers to plant and equipment (depreciation)	-	-	-	1,458,518	1,458,518
Transfers from leased plant and equipment (depreciation)	-	-	(1,458,518)	-	(1,458,518)
Carrying amount at the end of the year	4,976,505	1,772,795	589,445	110,400	7,449,145

	Economic Entity		Chief Entity	
	2006	2005	2006	2005
	$	$	$	$
Note 9 INTANGIBLES				
Goodwill at cost	679,495	679,495	-	-
Accumulated amortisation	(679,495)	(679,495)	-	-
Total intangibles	-	-	-	-
Note 10 DEFERRED TAX ASSETS				
Future income tax benefit				
- The future income tax benefit is made up of the following estimated tax benefits:				
- timing difference	1,588,995	1,306,354	995,899	985,414
	1,588,995	1,306,354	995,899	985,414
Note 11 OTHER NON-CURRENT ASSETS				
Research and Development Expenditure Note Ref Note 1 (e)				
Balance 1st October	2,568,895	2,568,895	-	-
Capitalised during the year	-	-	-	-
Balance 30th September	2,568,895	2,568,895	-	-
Less accumulated amortisation	(2,568,895)	(2,568,895)	-	-
	-	-	-	-
Note 12 CURRENT ACCOUNTS PAYABLE				
Unsecured :				
Trade Creditors	2,901,540	3,016,549	54,506	62,585
Sundry Creditors	196,066	108,884	50,165	13,944
Amounts payable to controlled entities wholly owned	-	-	-	-
	3,097,606	3,125,433	104,671	76,529

	Economic Entity		Chief Entity	
	2006	2005	2006	2005
	$	$	$	$
Note 13 INTEREST BEARING LIABILITIES				
Unsecured :	-	-	-	-
Secured :				
Bank Overdraft (i)	-	-	-	-
Commercial Bills (i)	-	-	-	-
Finance Lease Liabilities (ii)	43,527	673,950	43,527	673,950
Hire Purchase Creditors (ii)	-	24,285	-	24,285
Less Unexpired term changes	-	(568)	-	(568)
	-	23,717	-	23,717
	43,527	697,667	43,527	697,667

(i) Bank overdraft and commercial bills secured by 1st ranking registered mortgage over free hold property and 1st ranking debentures over undertaking of the chief entity.
(ii) Effectively secured over the assets leased or hired.

Note 14 CURRENT PROVISIONS

Economic Entity	Annual Leave	Long Service Leave	Directors' Fees	Provision for Warranty	Total
Opening Balance at 1October 2005	892,783	570,263	35,000	1,731,000	3,229,046
Additional provisions	623,724	98,537	15,000	459,000	1,196,261
Amounts used	(460,937)	(13,725)	(10,000)	-	(484,662)
Unused amounts reversed	-	-	-	-	-
Increase in the discounted amount arising because of time and effect of any change in the discount rate	-	-	-	-	-
Balance at 30 September 2006	1,055,570	655,075	40,000	2,190,000	3,940,645

Chief Entity	Annual Leave	Long Service Leave	Directors' Fees	Provision for Warranty	Total
Opening Balance at 1October 2005	571,826	182,195	25,000	-	779,021
Additional provisions	109,928	38,050	15,000	-	162,978
Amounts used	(30,961)		(10,000)	-	(40,961)
Unused amounts reversed	-	-	-	-	-
Increase in the discounted amount arising because of time and effect of any change in the discount rate	-	-	-	-	-
Balance at 30 September 2006	650,793	220,245	30,000	-	901,038

	Economic Entity 2006	Economic Entity 2005	Chief Entity 2006	Chief Entity 2005
Note 15 CURRENT TAX LIABILITIES				
Current - Income Tax	932,673	(7,034)	884,689	21,208
Note 16 NON-CURRENT BORROWINGS				
Secured :				
Lease Liability (ii) above in Note 13	71,938	115,465	71,938	115,465
Hire Purchase Creditor	-	-	-	-
Less Unexpired term charges	-	-	-	-
	-	-	-	-
	71,938	115,465	71,938	115,465
Note 17 NON-CURRENT PROVISIONS	-	-	-	-
Note 18 SHARE CAPITAL				
Issued and Paid Up Capital 8,007,479 Ordinary Shares fully Paid (2005 8,007,479)	4,107,129	4,107,129	4,107,129	4,107,129
75,000 Preference Shares 5% Cumulative fully paid (2005 75,000) Refer to Note 24	150,000	150,000	150,000	150,000
	4,257,129	4,257,129	4,257,129	4,257,129
Note 19 RESERVES				
Asset revaluation – Land and Buildings	1,223,241	1,223,241	1,223,241	1,223,241
	1,223,241	1,223,241	1,223,241	1,223,241

	Economic Entity		Chief Entity	
	2006	2005	2006	2005
	$	$	$	$
Note 20 REVENUE FROM ORDINARY ACTIVITIES				
Operating:				
Sales Revenue	36,251,633	27,608,377	-	-
Dividends				
- Controlled Entities	-	-	1,100,000	500,000
- Other Corporations	3,245	1,980	1,625	990
Interest Received				
- Controlled Entities	-	-	50,000	50,000
- Other Corporations	107,953	56,032	1,560	1,912
Rent Revenue				
- Controlled Entities	-	-	701,000	701,000
- Other Corporations	349,347	313,035	349,347	313,035
Internal Leases				
- Controlled Entities	-	-	825,474	626,766
Management Fees				
- Controlled Entities			1,574,320	1,569,359
Other Revenue	930,451	835,867	363,381	373,983
	37,642,629	28,815,291	4,966,707	4,137,045
Non Operating:				
Gain on disposal				
- property, plant and equipment	-	16,401	-	8,000
- investments	-	-	-	-
	-	16,401	-	8,000
Total Revenue from ordinary activities	37,642,629	28,831,692	4,966,707	4,145,045
Note 21 EXPENSES FROM ORDINARY ACTIVITIES				
(a) Operating profit before income tax has been determined after:				
Cost of goods sold	17,998,619	14,242,917	-	-
Overheads	7,798,941	6,895,668	2,814,027	2,757,581
Administration expenses	800,942	577,975	74,091	75,473
Selling expenses	7,599,439	5,649,372	14,994	19,751
Finance expenses	553,970	426,345	5,616	4,186
Total expense from ordinary activities	34,751,911	27,792,277	2,908,728	2,856,991
Depreciation included above:				
- Buildings	137,458	137,458	137,458	137,458
- Plant and equipment owned	1,789,567	1,414,830	471,839	368,427
- Plant and equipment leased	222,364	394,508	222,364	394,508
Amortisation of:				
- Goodwill	-	-	-	-
- Research and development costs	-	-	-	-
	2,149,389	1,946,796	831,661	900,393
(b) Finance expenses (borrowings):				
- Interest paid				
Other corporations	7,965	47,768	7,912	47,768
Finance leases	36,895	75,480	36,895	75,480
	44,860	123,248	44,807	123,248
(c) Net transfers to (from) provisions for:				
- Employee entitlements	252,600	203,503	122,017	80,109
- Provision for doubtful debts	-	-	-	-
(d) Research and Development Costs	3,449,591	3,315,747	-	-

	Economic Entity		Chief Entity	
	2006	2005	2006	2005
	$	$	$	$
Note 22 INCOME TAX REVENUE				
a) The prima facie tax on operating profit is reconciled to the income tax expense (benefit) in the accounts as follows:				
Operating profit (loss) before income tax	2,845,858	916,167	2,013,172	1,188,781
Intergroup dividend paid to Chief Entity by Controlled Entity			(1,100,000)	(500,000)
Operating profit (loss) before income tax after intergroup dividend	2,845,858	916,167	913,172	688,781
Prima Facie income tax expense applicable to Operating Profit at 30% (2005 30%)	853,757	274,850	273,952	206,634
Add/Deduct tax effect of:				
Permanent differences				
Amortisation of Goodwill	-	-		
Depreciation on Buildings	18,713	18,338	18,713	18,338
Legal Expenses	-	-		
Entertainment Expenses	4,290	10,950		
Research and Development Expenditure	(348,890)	(344,401)		
Tax losses not previously recognised now brought to account	-	-		
Reclassification of brought forward timing differences and over provision for tax	138,413	5,594	56,676	(1,177)
Other items	70,877	(61,127)		(7,192)
Income Tax Expense/(Revenue) per Accounts	737,160	(95,796)	349,341	216,603

Note 23 CONTROLLED ENTITIES

(a) Entities controlled by ultimate parent entity Sietel Ltd and contribution to Consolidated Profit(Loss)

Name of controlled Entity of Sietel Limited	Beneficially Owned by Sietel Ltd		Contribution to consolidated operating Profit (loss) after income tax attributable to members of the chief entity		Investment by Sietel Ltd at cost.	
	2006	2005	2006	2005	2006	2005
	%	%	$	$	$	$
Cooks Body Works Pty Ltd	100	100	210,272	(17,004)	290,000	290,000
The Cylinder Co Pty Ltd	100	100	(148)	274	-	-
Aqua-Max Pty Ltd	100	100	1,495,366	570,606	481,713	481,713
Sietel Limited	N/A	N/A	403,208	458,087	-	-
			2,108,698	1,011,963	771,713	771,713

*All companies incorporated in Australia.

(b) Statement of Operations by Business

	Revenue		Results		Assets		Liabilities		Depreciation	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Manufacturing Vehicle Bodies	4,101	3,502	210	(17)	1,507	1,271	475	307	60	55
Manufacturing Hot Water Services	32,956	24,761	1,495	571	5,636	5,128	5,605	5,164	1,257	1,181
Equipment services	-	-	-	-	-	-	-	-	-	-
Total Manufacturing	37,057	28,263	1,705	554	7,143	6,399	6,080	5,471	1,317	1,236
Investment	586	568	403	458	15,724	13,433	2,006	1,690	832	924
Total Investment	586	568	403	458	15,724	13,433	2,006	1,690	832	924
	37,643	28,831	2,108	1,012	22,867	19,832	8,086	7,161	2,149	2,160

*All businesses operated within Australia.
Internal revenue has been eliminated.

	Economic Entity		Chief Entity	
	2006	**2005**	**2006**	**2005**
	$	$	$	$
Note 24 DIVIDENDS PAID AND PROPOSED				
5% Cumulative Preference	NIL	NIL	NIL	NIL
A preference dividend was last paid for the half year ended 31st March 1987.				
Adjusted Franking Account Balance	576,658	407,594	576,658	407,594

The directors intention at this stage is to apply amounts in franking credits to dividends paid for ordinary shares even when paid in the future. The balance of the above Franking Account will remain unchanged for the current year.

Note 25 REMUNERATION OF DIRECTORS AND EXECUTIVES

Income received or due and receivable by all directors of each entity in the Economic Entity from all entities in the Economic Entity and any related bodies corporate:$799,682 (2005 $683,422), including superannuation as disclosed below.
Income received or due and receivable by all directors of the Chief Entity from the Chief Entity and any related bodies corporate $ 606,557 (2005 $474,939) including superannuation as disclosed below.

Number of Chief Entity Directors whose income from the Chief Entity and related bodies corporate was within the following bands:

	2006	2005
$ 10,000 - $ 19,999	1	1
$190,000 - $199,999		
$210,000 - $219,999		1
$250,000 - $259,999	1	1
$340,000 - $349,999	1	

Retirement and Superannuation payments paid on retirement from office or to prescribed superannuation funds for the provision of retirement benefits of Directors of the Chief Entity : $165,263 (2005 - $86,852)

The names of Chief entity directors who have held office during the financial year:
Mr Delwyn Garland Rees Mr Richard Rees Mr. Geoffrey Ernest Nanscawen

		Economic Entity		Chief Entity	
		2006	**2005**	**2006**	**2005**
		$	$	$	$
Note 26 AUDITORS REMUNERATION					
Amount received or due and receivable by the Chief Entity Auditors for:					
- Auditing the accounts		30,000	25,700	10,500	8,995
- Other services					
		25,700	25,700	10,500	8,995
Note 27 CAPITAL AND LEASING EQUIPMENT					
(a) Finance leasing Commitments					
Payable					
- not later than one year		50,723	710,844	50,723	710,844
- later than one year and not later than five years		75,216	125,939	75,216	125,939
Minimum lease payments		125,939	836,783	125,939	836,783
Less future finance charges		10,474	47,368	10,474	47,368
Total finance lease liability		115,465	789,415	115,465	789,415
Represented by:					
Current liability	Note 13	43,527	673,950	43,527	673,950
Non-current liability	Note 16	71,938	115,465	71,938	115,465
(b) Hire purchase commitments					
Payable					
- not later than one year		-	24,285	-	24,285
- later than one year and not later than five years		-	-	-	-
Minimum hire purchase payments		-	24,285	-	24,285
Less future finance charges		-	568	-	568
Total hire purchase liability		-	23,717	-	23,717
Represented by:					
Current liability	Note 13	-	23,717	-	23,717
Non-current liability	Note 16	-	-	-	-

	Economic Entity		Chief Entity	
	2006	2005	2006	2005
	$	$	$	$
Note 28 STANDBY ARRANGEMENTS AND UNUSED CREDIT FACILITIES				
Standby arrangements with banks to provide funds and support facilities				
Credit facility	6,300,000	6,300,000	6,150,000	6,150,000
Amount Utilised	115,465	813,132	115,465	813,132
Unused credit facility	6,184,535	5,486,868	6,034,535	5,336,868

The major facilities are as follows:
Lease Facilities $3,000,000 (2005 $3,000,000)
Commercial Bill Facility
$2,000,000 (2005 $2,000,000) variable interest rate facility provided by an Australian bank.
As at 30 September 2006 $NIL (2005 $NIL) was utilised.
Banking Overdrafts - Bank overdraft facilities are arranged with an Australian bank with the general terms and conditions being set and agreed to from time to time.
Finance will be provided under all facilities provided the company and the economic entity have not breached any borrowing requirements and the required financial ratios are met.

Note 29 SUPERANNUATION COMMITMENTS
Sietel Ltd, Cook's Body Works Pty Ltd and Aqua-Max Pty Ltd each pay the employer's contribution required by the Superannuation Guarantee Charge Act and any further salary sacrifice amounts or employee contributions, if instructed, to complying superannuation funds as selected by their employees.

The amount and time of payment of benefits by these various superannuation funds will be in accordance with the terms and conditions negotiated by each individual employee and are not guaranteed in any way by the company or its subsidiaries.

The relevant company has a legal obligation to contribute to these superannuation funds in accordance with relevant requirements of the Superannuation Guarantee legislation.

Sietel Ltd also has a fund called the Senior Staff Superannuation fund where the benefits are the accumulation of contributions by the employer and if applicable the employees which become payable on retirement, death or total and permanent disability. Contributions to this fund are at the discretion of the employer or the employee.

	Economic Entity		Chief Entity	
	2006	2005	2006	2005
	$	$	$	$
Note 30 RELATED PARTY TRANSACTIONS				
Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.				
(a) Transactions with directors and director-related entities -				
- Motor vehicles are leased by the Chief Entity from Mr. R. Rees	-	-	-	-
- Consulting fees are paid to a company of which Mr. D. G. Rees is a Director for financial and management services provided.	15,500	15,500	15,500	15,500
- Directors of entities within the economic entity are able to receive goods and services at discounted prices and participate in field testing of new products.				
(b) Controlling entities				
- Personnel charges by Chief Entity to :				
Cooks Body Works Pty Ltd	-	-	432,388	481,235
Aqua-Max Pty Ltd	-	-	1,141,932	1,088,124
Interest Received :				
Cooks Body Works Pty Ltd	-	-	50,000	50,000
Aqua-Max Pty Ltd	-	-	-	-
Rent received from premises for:				
Cooks Body Works Pty Ltd	-	-	140,000	140,000
Aqua-Max Pty Ltd			561,000	561,000
Lease rentals for plant :				
Cook's Body Works Pty Ltd	-	-	86,580	86,580
Aqua-Max Pty Ltd	-	-	738,894	540,186
Data Processing:				
Aqua-Max Pty Ltd	-	-	50,000	50,000
Equipment rental:				
Aqua-Max Pty Ltd	-	-	80,000	80,000
Increase in provision for doubtful debts in Cooks Body Works Pty Ltd			-	-
-Guarantees and Indemnities given by Chief Entity to controlled entities banker for facilities:				
Cooks Body Works Pty Ltd	50,000	50,000	50,000	50,000
Aqua-Max Pty Ltd	100,000	100,000	100,000	100,000
- Guarantees and Indemnities given by Controlled Entity to Chief Entity's banker for facilities:	3,750,000	3,750,000	3,750,000	3,750,000

Directors acquired 1,616 ordinary shares in Sietel Ltd, the Chief Entity. Directors sold 0 ordinary shares.

	Economic Entity		Chief Entity	
	2006	2005	2006	2005
	$	$	$	$
Note 31 NOTES TO THE STATEMENT OF CASH FLOWS				
(i) Reconciliation of Cash				
For the purpose of the statement of cash flows cash includes:				
(a) Cash on hand and at call deposits with banks or financial institutions				
(b) Investments in money market instruments with less than 14 days to maturity				
Cash at the end of the year is shown in the balance sheet as:				
Cash on hand	3,657,724	1,372,230	152,861	138,290
Bank overdrafts				
- Secured	-	-	-	-
- Unsecured	-	-	-	-
	3,657,724	1,372,230	152,861	138,290
(ii) Reconciliation of cash flows from operations with Operating Profit after Income Tax				
Operating Profit after Income Tax	2,108,698	1,011,963	1,663,831	948,203
Cash flows in Operating Profit attributable to Non-Operating activities				
Dividends Received	(3,245)	(1,980)	(1,101,625)	(500,990)
Non-cash flows in Operating Profit				
- Amortisation	-	-	-	-
- Depreciation	2,153,085	1,946,796	835,358	900,393
- Write off of Investment	-	2	-	-
- Income Tax	737,160	(95,796)	349,341	216,603
Charges to provisions				
- tax	(80,095)	(190,118)	(156,321)	(113,892)
- employee entitlements	252,600	209,503	122,017	80,109
(Profit)/Loss on sale of Plant and Equipment	-	(16,400)	-	(8,000)
(Profit)/Loss on sale of Investments	-	-	-	-
Changes in assets and liabilities				
(Increase)/Decrease trade debtors	(597,266)	(536,878)	9,139	(111,581)
(Increase)/Decrease in pre-payments	(4,741)	18,252	(3,711)	18,075
(Increase)/Decrease in inventories	(79,823)	(254,418)	-	-
Increase/(Decrease) in trade creditors	(27,827)	845,866	28,141	(8,974)
Increase/(Decrease) in provision for warranties	459,000	-	-	-
	4,917,546	2,936,792	1,746,170	1,419,946

(iii) Net cash provided by operating activities the statement of cash flows should be read in conjunction with Note 28- Standby Arrangements and Unused Credit Facilities

	Economic Entity	
	2006	2005
Note 32 EARNINGS PER SHARE		
Basic earnings per share (cents per share)	26.33	12.64
There were NIL options on issue at the end of the year. Options that were on issue expired February 2002. (2005 NIL)		
Diluted earnings per share (cents per share)	26.09	12.52
The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share.	8,007,479	8,007,479

$$\text{Basic EPS} = \frac{\text{Profit/loss for the period}}{\text{No. of ordinary securities}} \times 100 = \frac{2{,}108{,}698}{8{,}007{,}479} \times 100 = 26.33$$

$$\text{Diluted EPS} = \frac{\text{Profit/loss for the period}}{\text{No. of ordinary securities + Preference securities}} \times 100 = \frac{2{,}108{,}698}{8{,}007{,}479+75{,}000} \times 100 = 26.09$$

Note 33 FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the accounts.

(b) Significant Terms and Conditions

Cap Interest Rate Option Agreement

Contracts	Principal Amount	Cap Rate	Maturity Date	Premium Amount
9 AUG 2005	2,500,000	7.00% PA	9 AUGUST 2009	18,000

(c) Interest Rate Risk

The following details the economic entity's exposure to interest rate risk as at the reporting date.

	2006 Average Interest Rate %	2006 Total $	2005 Average Interest Rate %	2005 Total $
Financial Assets				
Trade receivables (net)	-	3,090,905	-	2,447,915
Other receivables	-	38,120	-	68,845
Cash	2.9	3,657,724	2.5	1,372,230
		6,786,749		3,888,990
Financial Liabilities				
Trade Payables	-	2,901,540	-	3,016,549
Lease liabilities	7.0	115,465	7.0	789,415
Other liabilities	-	2,386,066	-	1,863,601
Employee entitlements	-	1,750,645	-	1,498,046
		7,153,716		7,167,611

(d) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The economic entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The economic entity measures credit risk on a fair value basis.

(e) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the accounts.

Security Holders Privacy Statement

Link Market Services Limited, collects personal information from security holders of entities ("clients") for which we act as security registrars. We are committed to protecting the privacy of these security holders' personal information.

We need to collect personal information from you so we can accurately identify your security interest in our clients, fulfil legal obligations under the Corporations Act and other legislation governing the operation and activities of the clients' progress, business activities and ranges of products and services that may be of interest to you.

Without this information we may not be able to, for instance, process your application for securities issued by clients, pay dividends to you or provide copies of notices of meetings.

As Share Registrar, we may provide your personal information to the securities issuer, persons inspecting securities registers, bidders for your securities in the context of take-overs, regulatory bodies, including the Australian Tax Office, authorised security brokers, print service providers and mail houses. Your personal information may also be disclosed to a related body corporate of Link Market Services Limited for the purpose of facilitating securities registry functions such as paying distributions or preparing information for mail outs.

At any time you may request access to the personal information that we hold about you and advise us of any inaccuracies.

If you would like to access or update your personal information, obtain a copy of our Security Holder Privacy Policy or change your mind about receiving marketing information, you can contact us by:

Telephone:	(07) 3320 2200
Facsimile:	(07) 3228 4999
Email:	aprlaccounts@linkmarketservices.com.au
Correspondence:	Link Market Services Limited PO Box 20013 World Square NSW 2000
Website:	linkmarketservices.com.au; Share Enquiries

Note 34 EXPLANATION OF TRANSITION TO AIFRS

As stated in Note 1, this is the Company's and consolidated entity's first financial report prepared in accordance with Australian Accounting Standards ("AIFRS").

The accounting policies in Note 1 have been applied in preparing the Company's and consolidated financial statements for the year ended September 30, 2006, the Company's and consolidated financial statements for the year ended September 30, 2005 and the preparation of an opening AIFRS balance sheet at October 1, 2004 (the Company's and consolidated entity's date of transition.

In preparing the opening AIFRS balance sheet and the financial statements for the year ended September 30, 2005, the Company and consolidated entity has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting ("previous GAAP")

An explanation of how the transition from previous GAAP to AIFRS has affected the Company's and consolidated entity's financial position and financial performance is set out in the following reconciliations and notes.

There was no impact on cash flows from the adoption of AIFRS.

Reconciliation of Income Statement under previous GAAP to Income Statement under AIFRS:

Consolidated income statement for the year ended 30 September, 2005

	Notes	Previous GAAP $	Adjustment	AIFRS $
Revenues from ordinary activities		28,831,692	-	28,831,692
Expenses from ordinary activities	34(a),(b)	28,129,282	(213,757)	27,915,525
Profit before income tax		702,410	(213,757)	916,167
Income tax expense thereon		(95,796)	-	(95,796)
Net Profit (loss) attributable to members of the company	34(a),(b)	**798,206**	213,757	**1,011,963**

Note 34 EXPLANATION OF TRANSITION TO AIFRS (CONTINUED)

Reconciliation of Balance Sheet under previous GAAP to Balance Sheet under AIFRS:

Balance Sheet at 1 October, 2004

	Notes	Previous GAAP	Adjustment	AIFRS
		$		$
Current Assets				
Cash assets		917,881	-	917,881
Receivables		1,747,524	-	1,747,524
Inventories		2,670,765	-	2,670,765
Other		70,204	-	70,204
Total Current Assets		5,406,374	-	5,406,374
Non-Current Assets				
Receivables		21,776	-	21,776
Other financial assets		28,587	-	28,587
Property, plant and equipment		11,511,006	-	11,511,006
Intangibles	34(c)	350,647	(350,647)	-
Deferred tax assets		1,166,425	-	1,166,425
Other	34(c)	179,782	(179,782)	-
Total Non-Current Assets		13,258,223	(530,429)	12,727,794
Total Assets		18,664,597	(530,429)	18,134,168
Current Liabilities				
Payables		2,279,568	-	2,279,568
Interest bearing liabilities		452,389	-	452,389
Provisions		3,019,543	-	3,019,543
Current tax liabilities		(90,410)	-	(90,410)
Total Current Liabilities		5,661,090	-	5,661,090
Non-Current Liabilities				
Interest bearing liabilities		813,132	-	813,132
Provisions		-	-	-
Deferred tax liabilities		-	-	-
Total Non-Current Liabilities		813,132	-	813,132
Total Liabilities		6,474,222	-	6,474,222
Net Assets		**12,190,375**	**(530,429)**	**11,659,946**
Equity				
Contributed equity		4,257,129	-	4,257,129
Reserves		1,223,241	-	1,223,241
Retained Profits	34(c)	6,710,005	(530,429)	6,179,576
Total Shareholders' Equity		**12,190,375**	**(530,429)**	**11,659,946**

Note 34 EXPLANATION OF TRANSITION TO AIFRS (CONTINUED)

Reconciliation of Balance Sheet under previous GAAP to Balance Sheet under AIFRS:

Balance Sheet at 30 September, 2005

	Notes	Previous GAAP	Adjustment	AIFRS
		$		$
Current Assets				
Cash assets		1,372,230	-	1,372,230
Receivables		2,516,760	-	2,516,760
Inventories		2,925,183	-	2,925,183
Other		51,952	-	51,952
Total Current Assets		6,866,125	-	6,866,125
Non-Current Assets				
Receivables		18,776	-	18,776
Other financial assets		28,664	-	28,664
Property, plant and equipment		11,612,567	-	11,612,567
Intangibles	34(c)	316,672	(316,672)	-
Deferred tax assets		1,306,354	-	1,306,354
Other	34(c)	-	-	-
Total Non-Current Assets		13,283,033	(316,672)	12,966,361
Total Assets		20,149,158	(316,672)	19,832,486
Current Liabilities				
Payables		3,125,433	-	3,125,433
Interest bearing liabilities		697,667	-	697,667
Provisions		3,229,046	-	3,229,046
Current tax liabilities		(7,034)	-	(7,034)
Total Current Liabilities		7,045,112	-	7,045,112
Non-Current Liabilities				
Interest bearing liabilities		115,465	-	115,465
Provisions		-	-	-
Deferred tax liabilities		-	-	-
Total Non-Current Liabilities		115,465	-	115,465
Total Liabilities		7,160,577	-	7,160,577
Net Assets		**12,988,581**	**(316,672)**	**12,671,909**
Equity				
Contributed equity		4,257,129	-	4,257,129
Reserves		1,223,241	-	1,223,241
Retained Profits	34(c)	7,508,221	(316,672)	7,191,539
Total Shareholders' Equity		**12,988,581**	**(316,672)**	**12,671,909**

Note 34 EXPLANATION OF TRANSITION TO AIFRS (CONTINUED)

Notes to the reconciliations

(a) Goodwill

Under GAAP, refer to Annual report Year ended 30 September 2005 – **Note 1(D)**, goodwill is recorded initially at the amount by which the purchase price for a business exceeds the fair value attributed to its net tangible assets at date of acquisition. Goodwill is amortised on a straight-line basis over the period in which the future benefits are expected to arise, but not exceeding 20 years. The balances are reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable, is written off.

Under AIFRS goodwill is capitalised and subjected to an annual impairment test. Goodwill acquired in a business combination shall not be amortised. On transition to AIFRS beginning 1 October, 2004 the previously amortised goodwill of $350,647 has therefore been written off in opening retained earnings as at 1 October, 2004 reversed resulting in a corresponding increase in profit amounting to $350,647

(b) Research and Development

Under GAAP, refer to Annual report Year ended 30 September 2005 – **Note 1(E)**,research and development expenditure on new major projects is deferred where it is expected beyond reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs. Deferred research and development expenditure is amortised on a straight-line basis over the period during which the related benefits are expected to be realised.

Under AIFRS no research and development costs are capitalised and therefore no amortisation will occur. On transition to AIFRS beginning 1 October, 2004 the previously amortised research and development of $179,782 has therefore been reversed resulting in a corresponding increase in profit amounting to $179,782

(c) Change in Accounting Policy

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and economic entity but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	AASB Standard Affected	Nature of Change in Accounting Policy and Impact	Application Date of the Standard	Application Date for the Group
2004–3	AASB 1: First-time Adoption of AIFRS	No change, no impact	1 January 2006	1 July 2006
	AASB 101: Presentation of Financial Statements	No change, no impact	1 January 2006	1 July 2006
	AASB 124: Related Party Disclosures	No change, no impact	1 January 2006	1 July 2006
2005–1	AASB 139: Financial Instruments: Recognition and Measurement	No change, no impact	1 January 2006	1 July 2006
2005–5	AASB 1: First-time Adoption of AIFRS	No change, no impact	1 January 2006	1 July 2006
	AASB 139: Financial Instruments: Recognition and Measurement	No change, no impact	1 January 2006	1 July 2006
2005–6	AASB 3: Business Combinations	No change, no impact	1 January 2006	1 July 2006

Note 34 EXPLANATION OF TRANSITION TO AIFRS (CONTINUED)

(c) Change in Accounting Policy (continued)

2005–9	AASB 132: Financial Instruments: Recognition and Measurement	Relates to financial guarantee contracts which may require Sietel Limited to recognise a liability in relation to a guarantee provided for Sietel Limited and other guarantees relating to banking facilities, approved deeds and property lease rentals.	1 January 2006	1 July 2006
	AASB 139: Financial Instruments: Disclosure and Presentation	Sietel Limited is in the process of evaluating the effect of these changes of which the impact is not reasonably estimable at the date of this financial report.	1 January 2006	1 July 2006
2005–10	AASB 139: Financial Instruments: Recognition and Measurement	No change, no impact	1 January 2007	1 July 2007
	AASB 101: Presentation of Financial Statements	No change, no impact	1 January 2007	1 July 2007
	AASB 114: Segment Reporting	No change, no impact	1 January 2007	1 July 2007
	AASB 117: Leases	No change, no impact	1 January 2007	1 July 2007
	AASB 133: Earnings per share	No change, no impact	1 January 2007	1 July 2007
	AASB 132: Financial Instruments: Disclosure and Presentation	No change, no impact	1 January 2007	1 July 2007
	AASB 1: First-time Adoption of AIFRS	No change, no impact	1 January 2007	1 July 2007
	AASB 4: Insurance Contracts	No change, no impact	1 January 2007	1 July 2007
	AASB 1023: General Insurance Contracts	No change, no impact	1 January 2007	1 July 2007
	AASB 1038: Life Insurance Contracts	No change, no impact	1 January 2007	1 July 2007
2006–1	AASB 121: The Effects of Changes in Foreign Exchange Rates	No change, no impact	1 January 2006	1 July 2006

Note 34 EXPLANATION OF TRANSITION TO AIFRS (CONTINUED)

(c) Change in Accounting Policy (continued)

New Standard	AASB 7: Financial Instruments: Disclosure	No change, no impact	1 January 2007	1 July 2007
New Standard	AASB 119: Employee Benefits: December 2004	No change, no impact	1 January 2006	1 July 2006

All other pending Standards issued between the previous financial report and the current reporting dates have no application to either the parent or economic entity.

AASB Amendment	AASB Standard Affected
2005–2	AASB 1023: General Insurance Contracts
2005–4	AASB 139: Financial Instruments: Recognition and Measurement
	AASB 132: Financial Instruments: Disclosure and Presentation
2005–9	AASB 4: Insurance Contracts
	AASB 1023: General Insurance Contracts
	AASB 139: Financial Instruments: Recognition and Measurement
	AASB 132: Financial Instruments: Disclosure and Presentation

There is no change or impact.

STATEMENT IN COMPLIANCE WITH AUSTRALIAN ASSOCIATED STOCK EXCHANGES LISTING REQUIREMENTS.

DIRECTORS' INTEREST IN ORDINARY SHARES AS AT 30 SEPTEMBER 2006

Director	Ordinary Shares in name of Director	Ordinary shares in which Directors may have relevant interest
D. G. Rees	28,237	5,141,756
R.Rees	471,577	5,865,401

Substantial Shareholders
Triple Two Investments Pty. Ltd., Lyntina Pty Ltd, Siderfin Holdings Pty Ltd, Delvest Pty Ltd, Merben Pty Ltd and The Three Pumpkins Pty.Ltd. of Suite 3, 15 Tintern Avenue Toorak are shown in the Substantial Shareholder Register as holding 2,310,891; 689,000; 676,895; 652,000; 615,365 and 560,000 Ordinary shares respectively.

20 Largest Shareholders at September 30, 2006

The twenty largest Ordinary Shareholders of the Company held 6,922,625 Ordinary Shares representing 86% of the voting shares of the Company. The twenty largest preference Shareholders of the Company held 72,533 Preference Shares which attract votes on the basis of four for each $2 Preference Share held while there are dividends in arrears as is the present situation.

List of the twenty largest Shareholders for each class of Shares have been supplied to The Stock Exchange of Melbourne Limited.

Directors

There were no loans to Directors during the financial year nor do any loans to Directors exist. The Company has not entered into any service agreement with any Director or with a Company in which a Director has a direct or indirect interest, except for a service and option agreement with the Managing Director and supply of motor vehicles. There is no contingent liability or termination under this agreement.

Distribution of Shareholding as at September 30, 2006

Number of Shareholders		Number of Shares Held
Ord	Pref	
314	37	Up to 1,000
190	2	1,001 to 5,000
21	2	5,001 to 10,000
38	4	10,001 and over

The number of shareholders holding less than marketable parcels is :
314 Ordinary
37 Preference

SIETEL LIMITED

SHAREHOLDER RANKING

PREFERENCE SHARES

AS AT 30 SEPTEMBER, 2006

NUMBER		NAME	RANKING	NO. OF SHARES HELD	% OF SHARES HELD
10001		WINPAR HOLDINGS LIMITED	1	16,800	22.40
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
7650		LEAVER GRAHAM ALLAN	5	6,000	8.00
30036		LYNTINA PTY LTD	6	5,300	7.07
1119		ALITON PTY LTD	7	1,600	2.13
30148		CLACK J.H & CO. PTY LTD	8	1,133	1.51
7655		LEAVER, GRAHAM ALAN AND	9	500	0.67
8380		MARSHALL EST. OF THE LATE GUY	10	500	0.67
3480		CROFTON HENRY EDWARDS MELVILLE	11	400	0.53
8430		MARTINDALE MARJORIE HILDA	12	300	0.40
30027		BRENTALL, GWENDOLINE	13	300	0.40
30108		KENEALLY, SUZANNE DENISE	14	300	0.40
30109		MORTLOCK, PATRICIA GAIL	15	300	0.40
2110		BODLE MARY CATHERINE	16	200	0.27
2538		BROWN, PATRICIA FLORENCE EMILY	17	200	0.27
4930		FOWLES HERBERT ALEXANDER	18	200	0.27
8018		LYNTINA PTY LTD	19	200	0.27
8120		MACGREGOR ELAINE NANETTE	20	200	0.27

SIETEL LIMITED

SHAREHOLDER RANKING

ORDINARY SHARES

AS AT 30 SEPTEMBER, 2006

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	115,777	1.45
9840		NIGHTINGALE JOHN KENNING	14	101,250	1.26
30120		PELZ, RALF	15	80,800	1.01
30021		MERBEN PTY LTD	16	68,865	0.86
11090		REDEN INVESTMENTS PTY LTD	17	62,000	0.77
30024		DELVEST PTY LTD	18	62,000	0.77
30058		AGO PTY LTD	19	58,647	0.73
30030		TRIPLE TWO INVESTMENTS PTY LTD	20	39,225	0.49

SIETEL LIMITED

A.B.N. 75 004 217 734

Registered Office: 463-67 Warrigal Road, Moorabbin 3189

FORM OF PROXY

I/We...

of...

Being a member of Sietel Limited and entitled to...

HEREBY APPOINT..

....

of...

or failing him the Chairman of the Meeting as my/our proxy vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 11am on the 23rd January 2007 and at the adjournment thereof.

Should you desire to direct your proxy how to vote please complete the following section of this form by inserting X in the appropriate boxes. If you do not direct your proxy on any item he will vote on it as he thinks fit or may abstain from voting.

I/WE INSTRUCT MY/OUR PROXY TO VOTE AS INDICATED BELOW IN RESPECT OF:-

	FOR	AGAINST
Adoption of Reports and Accounts		
Adoption of Remuneration Report		
Election of a Director - Mr. D. G. Rees		

As witness on this...day of..............................2006/2007

Signature..

A member entitled to attend and vote is entitled to appoint not more than two proxies. Where a member appoints more than one proxy, each proxy must be appointed a specified portion of the members voting rights. A proxy need not be a member of the Company. To be effective Proxies and any Power of Attorney under which a Proxy may be signed must be lodged at the company's registered office, 463-67 Warrigal Road, Moorabbin, not less than 48 hours before the time for holding the Meeting. A proxy executed by a Corporation must be under seal. Under the Articles of Association, Preference Shareholders are entitled to vote at this Meeting and have four votes for each share held.