ASX Release – Alesco Corporation Limited ("ALS")

FINANCIAL RESULTS FOR THE HALF-YEAR ENDED 30 NOVEMBER 2004

Date:	27 January 2005
Release:	27 January 2005

Alesco Corporation Limited (**Alesco**) is pleased to announce the audit reviewed financial results for the half-year ended 30 November 2004. Highlights include:

- **Record earnings per share (before amortisation of intangibles and significant items) of 35.8 cents per share (cps), up 19%** (2003: 30.2cps)
- **Interim dividend of 20 cps (fully franked) up 33%** (2003: 15cps)
- **B&D acquisition performs to expectations**
- **The disposal of the automotive division on 31 December 2004 for consideration of $90.5 million**
- **Continued strong cash flows with operating cash of more than $33 million being generated** (2003: $19 million)
- **Net profit after tax (before significant items) of $17.5 million, up 63%** (2003: $10.7 million)

Disposal of Automotive division

On 15 December 2004 Alesco announced that it had entered into an unconditional agreement with Repco Limited to dispose of its automotive division for consideration of $90.5 million. The automotive division comprises two businesses: Ingram a distributor of automotive electrical, air-conditioning and diesel injection components and McLeod Accessories, a wholesaler of motorcycle accessories.

The disposal was successfully completed on 31 December 2004 with proceeds being used to repay outstanding debt. An after tax gain of approximately $32 million will be recognised on the disposal and will be disclosed as a significant item in the results for the year to 31 May 2005.

Consolidation within the automotive sector has allowed Alesco to exit this division at an attractive price. It also leaves Alesco with a more focused portfolio of businesses substantially based around the building and construction and scientific and medical sectors. Following this disposal, Alesco's gearing (net debt / equity) is currently less than 25% with net debt less than $75 million. As a result, Alesco is in a strong position to take advantage of further acquisition opportunities in these sectors.

Trading results

The record results highlight that Alesco's strategy is continuing to deliver benefits to shareholders. Positive economic conditions, operating improvements in the divisions and the inclusion of earnings from B&D Garage Doors and Openers for the first time have all contributed to the strong results.

The performances of the key operating ratios for the half were:

	Nov 04	Nov 03	Nov 02
EBITA/Sales	11.3%	8.9%	7.2%
Return on average funds employed	17.6%	19.3%	16.7%
Return on equity	16.9%	18.2%	13.8%
(pre amortisation of intangibles & significant items)			

As highlighted at the time of the B&D acquisition, the return on average funds employed and the return on equity have declined from the prior corresponding period due to the acquisition multiple paid for B&D (7.5x) and the funding mix employed (>50% equity). Excluding B&D both these ratios would have improved over the prior corresponding period.

Business unit performance

Business unit results, pre significant items, were as follows:

$ millions	**Operating revenue**			**EBITA**		
	2004	**2003**	**% change**	**2004**	**2003**	**% change**
Building & Renovations						
Garage Doors & Openers	90.0	-	n/a	16.8	-	n/a
Kitchen/Laundry Components	85.1	83.0	2.5	13.2	12.7	3.9
	175.1	83.0	110.8	30.0	12.7	136.2
Scientific / Medical Equipment	49.5	40.7	21.6	5.1	4.2	21.4
Construction and Mining	69.8	72.9	(4.3)	2.6	3.9	(33.3)
Automotive	51.8	51.2	1.2	6.1	4.4	38.6
Corporate/Unallocated	-	-	-	(4.6)	(3.2)	(43.7)
TOTAL	**346.2**	**247.8**	**39.7**	**39.2**	**22.0**	**78.2**

The key items of the business unit performance during the period were:

Garage Doors & Openers (B&D)

Alesco acquired B&D on 11 June 2004 for $230 million. After six months of ownership Alesco is pleased with the quality of the assets acquired and the opportunity for future growth. Sales revenue and EBITA were both ahead of the prior corresponding period on a pro forma basis and in line with Alesco expectations at the time of the acquisition. EBITA margin improvement was also achieved through costs reduction in the manufacturing process, the continued strength of the Australian dollar and through price increases implemented during the period.

During the period a series of strategic reviews were commenced at B&D in the areas of brand management, manufacturing rationalisation and information technology. These reviews are expected to be finalised over the coming months and will lead to initiatives that Alesco believes will produce strong earnings growth for the business in the medium term.

As previously announced to the market Alesco has entered into an agreement to acquire all of the shares in Dominator International Ltd, a manufacturer of garage doors and automatic openers based in New Zealand. It is expected that this acquisition will be synergistic to B&D's existing operations in New Zealand. The agreement is conditional on B&D completing due diligence investigations over the next month. Assuming this occurs, completion is expected to occur by 28 February 2005. The purchase price of $NZ41.6 million (subject to a working capital adjustment) will be entirely funded by debt and equates to an EBITA multiple of approximately 6.5x on the 2004 financial year earnings. The transaction is expected to be immediately accretive to earnings per share (pre amortisation of intangibles).

Kitchen & Laundry Components (Parbury & Robinhood)

Parbury continues to benefit from supply chain and productivity initiatives implemented in the prior year and a stronger Australian dollar. The business maintained its focus on developing the Parbury brand and updating its product range. During the period products such as painted doors, drawer systems, Silestone engineered stone bench tops and the new range of Wilsonart colours were all introduced into the market place. This has contributed to improve margins over the prior corresponding period.

Robinhood contributed another strong result particularly in the New Zealand market. The main focus of the business continues to be growing market share in Australia in its core product offering of range-hoods and laundry tubs and a complete 80:20 analysis of all products and customers.

Scientific and Medical Equipment

Biolab achieved another period of strong growth at both the sales and EBITA level compared to the prior corresponding period. This was achieved through organic growth and the acquisitions of Medtec and Jacobs Medical in the medical equipment distribution segment. Gross margins were significantly enhanced due to post acquisition 80:20 productivity initiatives in the laboratory products (consumables) part of the business and the strength of the Australian and New Zealand dollars.

On 12 January 2005, Biolab acquired Sensor Technologies Pty Limited for $2.4 million with a further $600,000 payable based on earnings targets for the year to 30 June 2005. Sensor Technologies is a major distributor of flammable and noxious gas detection and monitoring equipment in Australia with annual revenues of approximately $6 million. The acquisition will add to Biolab's strong presence in the growing environmental monitoring market.

Further bolt on acquisitions are currently being reviewed to increase Biolab's exposure to the high growth environmental and medical equipment segments.

Automotive

Strong margin appreciation was the highlight of the automotive result for the half. This was achieved through 80:20 initiatives implemented in the second half of the last financial year and the strong Australian dollar. The annualised return on net funds employed improved from 17.4% in the prior corresponding period to 26.3% for the current period.

Construction and Mining

Parchem achieved a satisfactory earnings performance with sales, EBITA and return on net funds employed all showing growth compared to the prior corresponding period. The principal source of this growth has been its exposure to the very strong commercial construction sector. The business returned 20.8% (annualised) on net funds employed; the first time it has been over the group internal target of 20%.

During the period Marathon Tyres has implemented the downsizing initiatives announced with the 2004 full year results in July. Whilst the impact of the restructuring affected trading in the early part of the period, the results of the business from October to December indicate that these initiatives have been effective with an improved performance expected in the second half.

Dividend – increased payout ratio

The directors have announced an increase in the full year dividend payout ratio from what has historically been between 60% and 65% to approximately 70% of earnings per share (pre amortisation of intangibles and significant items). This decision is part of Alesco's active capital management strategy that will enable it to pass through to shareholders more of the value associated with a strong flow of franking credits.

The increase in the interim dividend to 20 cps, fully franked, up from 15 cps represents a 33% increase over the dividend paid in the prior corresponding period. The dividend is payable in respect of shares registered as at 5:00pm on 24 February 2005 and will be paid on 10 March 2005. The dividend re-investment plan will continue to operate without any discount being applied to the issue price.

Cash Flow and Gearing

With the addition of B&D the Group generated a record operational cash flow for a half year of more than $33 million. This was predominantly used to repay debt which was drawn down in June to fund the acquisition of B&D. At the end of the period, gearing stood at 52.3% and was less than 25% after the automotive division disposal on 31 December. Interest cover (EBITA/net interest expense) for the period was a strong 7.3 times.

Appointment of Deputy CEO

The directors are pleased to announce that Mr. Justin Ryan, previously Group General Manager - Automotive division, has been promoted to the position of Deputy Chief Executive Officer effective 1 February 2005.

Mr. Ryan joined Alesco as Group General Manager of Automotive in January 2004 and played an integral role in the development and ultimate sale of that division to Repco Limited in December 2004. In his new role, Mr. Ryan will have direct responsibility for the Scientific / Medical, Construction / Mining divisions and will chair the Alesco Shared Services Committee. He will continue to report to Mr. Kevin Clarke, Chief Executive Officer.

Prior to joining Alesco Mr. Ryan had a successful career as a senior executive with Catalyst Investment Managers where he led and managed their investments including B&D and Pacific Brands.

Outlook

We expect trading conditions to remain at satisfactory levels for the second half of our 2005 financial year. Subject to a continuation of reasonable economic conditions, we are budgeting for earnings per share (before amortisation of intangibles and significant items) growth compared to the prior year, of approximately 15%. This improvement on the previous guidance is due to the inclusion of earnings from Dominator for the last quarter of Alesco's 2005 financial year.

We are continuing to seek out acquisitions and are currently investigating a number of opportunities primarily in the scientific and medical equipment area which if successful will be funded with debt and should provide a strong impetus to earnings growth in 2006.

For further information, please contact Alesco Corporation Limited:

Mr. Kevin Clarke
Chief Executive Officer
Tel: (02) 9495 8588
www.alesco.com.au

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Alesco is an industrial brands company with leading positions in niche markets.

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ALESCO CORPORATION LIMITED

Appendix 4D

Half-year report for the period ended 30 November 2004

ASX code: ALS

APPENDIX 4D

Half-year report
Period ended 30 November 2004

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

Entity: **Alesco Corporation Limited and its controlled entities**
Reporting period: **six months ended 30 November 2004**
Previous corresponding period: six months ended 30 November 2003

				$000
Revenue from ordinary activities	up	36.5%	to	347,844
Profit from ordinary activities after tax attributable to members	up	23.4%	to	17,485
Net profit for the period attributable to members	up	23.4%	to	17,485

Dividends	Amount per security	Franked amount per security
Interim dividend	20 cents	20 cents
Previous corresponding period	15 cents	15 cents

Record date for determining entitlements to the dividends	24 February 2005

Explanation of information reported

Highlights of the period's performance were:

- Record earnings per share (before amortisation of intangibles and significant items) of 35.8 cents per share (cps), up 19% (2003: 30.2cps).
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- B&D acquisition performs to expectations.
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Alesco Corporation Limited

Half-Year Financial Report

30 November 2004

Directors' report

The directors present their report together with the consolidated financial report for the half-year ended 30 November 2004 and the auditor's review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the half-year are:

Name	Period of directorship
Sean Patrick Wareing Chairman	Director since 2000
Kevin Franklin Clarke Managing Director	Director since 1995
Robert Murray Aitken Non-Executive Director	Director since 2003
Barry James Jackson Non-Executive Director	Director since 2001
Ernest John Pope Non-Executive Director	Appointed 1 December 2004
David Derrick Scanlan Non-Executive Director	Director since 1996
Donald Michael Watt Non-Executive Director	Retired 22 September 2004

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

Highlights of the period's performance were:

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Directors' report (continued)

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (CONTINUED)

Disposal of Automotive division

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Trading results

The record results highlight that Alesco's strategy is continuing to deliver benefits to shareholders. Positive economic conditions, operating improvements in the divisions and the inclusion of earnings from B&D Garage Doors and Openers for the first time have all contributed to the strong results.

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Directors' report (continued)

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (CONTINUED)

Business unit performance

Business unit results, pre significant items, were as follows:

$ millions	Operating revenue			EBITA		
	2004	2003	% change	**2004**	2003	% change
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Kitchen/Laundry Components	**85.1**	83.0	2.5	**13.2**	12.7	3.9
	175.1	83.0	110.8	**30.0**	12.7	136.2
Scientific / Medical Equipment	**49.5**	40.7	21.6	**5.1**	4.2	21.4
Construction & Mining	**69.8**	72.9	(4.3)	**2.6**	3.9	(33.3)
Automotive	**51.8**	51.2	1.2	**6.1**	4.4	38.6
Corporate / Unallocated	**-**	-	-	**(4.6)**	(3.2)	(43.7)
	346.2	247.8	39.7	**39.2**	22.0	78.2

The key items of the business unit performance during the period were:

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Directors' report (continued)

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (CONTINUED)

Business unit performance (continued)

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Directors' report (continued)

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (CONTINUED)

Dividend – increased payout ratio

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Prior to joining Alesco Mr. Ryan had a successful career as a senior executive with Catalyst Investment Managers where he led and managed their investments including B&D and Pacific Brands.

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We are continuing to seek out acquisitions and are currently investigating a number of opportunities primarily in the scientific and medical equipment area which if successful will be funded with debt and should provide a strong impetus to earnings growth in 2006.

Directors' report (continued)

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Sydney this 27th day of January 2005 in accordance with a resolution of the directors:

Sean Patrick Wareing
Chairman

Consolidated statement of financial performance
For the period ended 30 November 2004

	Current period $000	Previous corresponding period $000
Sales revenue from ordinary activities	346,234	247,828
Other revenue from ordinary activities	1,610	7,024
Total revenue from ordinary activities	347,844	254,852
Cost of sales	(219,577)	(160,838)
Selling expenses	(24,567)	(17,052)
Marketing expenses	(9,196)	(5,410)
Customer service expenses	(9,356)	(8,489)
Purchasing and inventory management	(1,598)	(1,547)
Distribution expenses	(20,689)	(17,632)
Borrowing costs	(5,780)	(2,247)
Administration and finance expenses	(29,926)	(21,887)
Share of net profits of associates and joint ventures accounted for using the equity method	13	-
Profit from ordinary activities before income tax	**27,168**	**19,750**
Income tax on ordinary activities	(9,683)	(5,580)
Profit from ordinary activities after income tax	**17,485**	**14,170**
Non-owner transaction changes in equity		
Net exchange differences relating to self-sustaining foreign operations	3,852	(166)
Total changes in equity not resulting from transactions with owners as owners	**21,337**	**14,004**
Earnings per share (EPS)		
Basic EPS	25.90¢	30.55¢
Diluted EPS	25.86¢	30.41¢
Weighted average number of shares	67,501,959	46,386,564

The statement of financial performance is to be read in conjunction with the notes to the financial statements as set out on pages 13 to 21.

Consolidated statement of financial position
As at 30 November 2004

	30 November 2004 $000	30 November 2003 $000
Current assets		
Cash assets	12,971	-
Receivables	113,800	82,423
Inventories	103,898	88,516
Other	4,907	5,222
Total current assets	**235,576**	**176,161**
Non-current assets		
Receivables	637	-
Other financial assets	152	86
Investments accounted for using the equity method	282	-
Property, plant and equipment	62,866	30,640
Intangible assets	287,722	104,397
Deferred tax assets	14,728	10,001
Total non-current assets	**366,387**	**145,124**
Total assets	**601,963**	**321,285**
Current liabilities		
Payables	84,684	63,516
Interest-bearing liabilities	64,951	38,849
Current tax liabilities	12,986	6,550
Provisions	30,646	16,600
Total current liabilities	**193,267**	**125,515**
Non-current liabilities		
Interest-bearing liabilities	102,631	29,913
Deferred tax liabilities	823	692
Provisions	9,512	2,698
Total non-current liabilities	**112,966**	**33,303**
Total liabilities	**306,233**	**158,818**
Net assets	**295,730**	**162,467**
Equity		
Contributed equity	243,212	116,467
Reserves	3,049	(763)
Retained profits	49,469	46,763
Total equity	**295,730**	**162,467**

The statement of financial position is to be read in conjunction with the notes to the financial statements as set out on pages 13 to 21.

Consolidated statement of cash flows
For the period ended 30 November 2004

	Current period $000	Previous corresponding period $000
Cash flows from operating activities		
Cash receipts in the course of operations	378,932	266,740
Cash payments in the course of operations	(339,589)	(243,178)
Dividends received	-	14
Interest received	406	45
Income taxes paid	(6,248)	(4,956)
Net cash provided by operating activities	**33,501**	**18,665**
Cash flows from investing activities		
Payments for property, plant and equipment	(5,423)	(4,902)
Proceeds from sale of property, plant and equipment	511	2,050
Rent received	148	238
Payments for controlled entities (net of cash acquired)	(233,247)	-
Proceeds from investments	142	3,757
Payments for goodwill acquired	-	(2,348)
Net cash used in investing activities	**(237,869)**	**(1,205)**
Cash flows from financing activities		
Proceeds from issues of shares	69,550	1,489
Transaction costs on issue of shares	(2,209)	-
Finance lease payments	(470)	-
Borrowing costs paid	(5,780)	(2,247)
Proceeds from borrowings	189,541	-
Repayment of borrowings	(39,500)	(12,893)
Dividends paid	(8,381)	(4,645)
Net cash provided by / (used in) financing activities	**202,751**	**(18,296)**
Net decrease in cash held	**(1,617)**	**(836)**
Cash at the beginning of the period	14,464	628
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	124	2
Cash at the end of the period	**12,971**	**(206)**

During the period dividends totalling $3,881,337 (2003: $1,807,981) were reinvested in the Company pursuant to the dividend reinvestment plan.

The statement of cash flows is to be read in conjunction with the notes to the financial statements as set out on pages 13 to 21.

Notes to the financial statements

1. Basis of preparation of half-year financial report

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting ", the recognition and measurement requirements of applicable AASB standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The half-year financial report is to be read in conjunction with the 31 May 2004 Annual Financial Report and any public announcements by Alesco Corporation Limited and its controlled entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those applied in the 31 May 2004 Annual Financial Report.

The half-year report does not include full note disclosures of the type normally included in an annual financial report.

2. Tax consolidation

The Company is the head entity in the tax consolidated group comprising all Australian wholly-owned subsidiaries. The implementation date for the tax consolidated group is 1 June 2004. The head entity recognises all of the current and deferred tax assets and liabilities of the tax consolidated group (after elimination of intragroup transactions).

The tax consolidated group has entered into a tax funding agreement that requires wholly owned subsidiaries to make contributions to the head entity for:

- Deferred tax balances recognised by the head entity on implementation date, including the impact of any relevant reset tax cost bases; and
- Current tax assets and liabilities and deferred tax balances arising from external transactions occurring after the implementation of tax consolidation.

Under the tax funding agreement, the contributions are calculated on a "stand alone basis" so that the contributions are equivalent to the tax balances generated by external transactions entered into by wholly owned subsidiaries. The contributions are payable as set out in the agreement and reflect the timing of the head entity's obligations to make payments for tax liabilities to the relevant tax authorities. The assets and liabilities arising under the tax funding agreement are recognised as intercompany assets and liabilities with a consequential adjustment to income tax expense/revenue.

Notes to the financial statements (continued)

3. Impact of adopting AASB equivalents to IASB standards

For reporting periods beginning on or after 1 January 2005, the consolidated entity must comply with International Financial Reporting Standards ("IFRS") as issued by the Australian Accounting Standards Board.

The consolidated entity has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of IFRS. This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP).

The consolidated entity has allocated internal resources and engaged expert consultants to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to IFRS. As a result of these procedures, the consolidated entity has established a project team to address each of the areas in order of priority.

As the consolidated entity has a 31 May year end, priority has been given to considering the preparation of the opening balance sheet in accordance with AASB equivalents to IFRS as at 1 June 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when the consolidated entity prepares its first fully IFRS compliant financial report for the year ending 31 May 2006.

The key areas where accounting policies will change and may impact the financial report of the consolidated entity are as follows:

- The consolidated entity enters into foreign currency derivatives. All derivatives must be recognised on the balance sheet at fair value. It is anticipated that these derivatives will qualify as cash flow hedges under AASB139. Provided that the derivatives qualify as cash flow hedges, all movements in fair value, to the extent the hedge is effective, are recorded in equity and released to the profit and loss when the underlying transaction occurs.
- Income tax will be calculated based on the "balance sheet" approach whereby the book value of assets and liabilities are compared to the tax base of those assets and liabilities and the resulting difference is recorded as either a deferred tax asset or deferred tax liability. Furthermore, as tax effects follow the underlying transaction, some tax effects may be recognised directly in equity.
- Recoverable amount, defined as the higher of value in use and net selling price is required to be determined when an "indicator" of impairment exists. Value in use is determined based on pre-tax discounted cash flows. When an impairment exists, recoverable amount should be assessed for each asset, or where assets do not generate independent cash flows, for each "cash generating unit" defined as the smallest group of identifiable assets that generate cash inflows.
- The consolidated entity maintains goodwill recognised on the acquisition of businesses which is currently amortised over a period not exceeding 20 years. Such goodwill will no longer be amortised but will be tested annually for impairment. These impairment tests will be based on the lowest level at which goodwill can be assigned to a 'cash generating unit'.
- Adoption of IFRS may lead to recognition of more intangible assets where they are separately identifiable from goodwill (e.g. brand names). Intangible assets with indefinite useful lives will be subject to annual impairment testing.
- The consolidated entity issues equity settled and cash settled share based payments to certain employees. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share based payments will be expensed on a straight line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

Notes to the financial statements (continued)

4. Segment reporting

Primary reporting Business segments	**Garage Doors & Openers 2004 $000**	**Garage Doors & Openers 2003 $000**	**Kitchen & Laundry Components 2004 $000**	**Kitchen & Laundry Components 2003 $000**	**Construction & Mining 2004 $000**	**Construction & Mining 2003 $000**	**Scientific & Medical Equip 2004 $000**	**Scientific & Medical Equip 2003 $000**	**Automotive 2004 $000**	**Automotive 2003 $000**	**Unallocated & Eliminations 2004 $000**	**Unallocated & Eliminations 2003 $000**	**Consolidated 2004 $000**	**Consolidated 2003 $000**
Revenue														
Revenue from sale of goods	84,012	-	85,159	82,960	63,849	66,680	47,676	39,830	51,756	51,230	-	-	332,452	240,700
Revenue from rendering services	6,037	-	-	-	5,974	6,288	1,771	840	-	-	-	-	13,782	7,128
Total operating revenue	**90,049**	**-**	**85,159**	**82,960**	**69,823**	**72,968**	**49,447**	**40,670**	**51,756**	**51,230**	**-**	**-**	**346,234**	**247,828**
Other revenue	366	-	55	459	442	1,699	56	11	134	80	557	4,775	1,610	7,024
External segment revenue	90,415	-	85,214	83,419	70,265	74,667	49,503	40,681	51,890	51,310	557	4,775	347,844	254,852
Inter segment revenue	-	-	-	-	66	-	363	-	-	-	(429)	-	-	-
Total revenue	90,415	-	85,214	83,419	70,331	74,667	49,866	40,681	51,890	51,310	128	4,775	347,844	254,852
Result														
EBITA	**16,807**	**-**	**13,176**	**12,688**	**2,571**	**3,904**	**5,158**	**4,198**	**6,059**	**4,357**	**(4,553)**	**(3,165)**	**39,218**	**21,982**
Significant items	-	-	-	-	-	-	-	-	-	-	-	3,472	-	3,472
	16,807	-	13,176	12,688	2,571	3,904	5,158	4,198	6,059	4,357	(4,553)	307	39,218	25,454
Amortisation of intangibles	(3,119)	-	(1,602)	(1,452)	(300)	(390)	(1,122)	(930)	(546)	(552)	-	-	(6,689)	(3,324)
EBIT	13,688	-	11,574	11,236	2,271	3,514	4,036	3.268	5,513	3,805	(4,553)	307	32,529	22,130
Share of net profit of equity accounted investments	13	-	-	-	-	-	-	-	-	-	-	-	13	-
Net interest expense													(5,374)	(2,380)
Profit before income tax													**27,168**	**19,750**
Income tax expense													(9,683)	(5,580)
Net profit													**17,485**	**14,170**

Notes to the financial statements (continued)

5. Acquisition of controlled entities

During the period the consolidated entity acquired 100% of the voting shares of Ambatron Limited (subsequently changed to B&D Limited and acquired 11 June 2004) and Jacobs Medical Products Australia Pty Ltd (acquired 1 July 2004). Acquisitions of controlled entities contributed approximately $16.9m in earnings before interest, tax and amortisation.

	Current period $000	Previous corresponding period $000
Consideration:		
– cash	**230,783**	-
– incidental costs	**6,300**	-
Total cash consideration	**237,083**	-
– deferred settlements	**13,650**	-
– equity	**6,467**	-
	257,200	-
Fair value of net assets of entities acquired:		
Cash assets	**3,836**	-
Receivables	**28,498**	-
Inventories	**20,907**	-
Investments	**286**	-
Property, plant and equipment	**36,364**	-
Deferred tax assets	**2,601**	-
Brand names	**76,000**	-
Patents and trademarks	**6,130**	
Goodwill	**25,331**	
Payables	**(17,300)**	-
Interest bearing liabilities	**(593)**	-
Provisions	**(6,322)**	-
Current tax liabilities	**(3,658)**	-
	172,080	-
Goodwill on acquisition	**85,120**	-
Consideration (total)	**257,200**	-

B&D Limited manufactures and markets a range of garage doors and automatic openers.

Jacobs Medical Products Australia Pty Ltd imports and distributes a range of medical devices and equipment.

Notes to the financial statements (continued)

6. Earnings per share

	Current period $000	Previous corresponding period $000
Earnings reconciliation		
Basic earnings	**17,485**	14,170
Diluted earnings	**17,485**	14,170

	Current period Number	Previous corresponding period Number
Weighted average number of shares used as the denominator		
Number for basic earnings per share	**67,501,959**	46,386,564
Effect of executive share options on issue	**101,220**	210,454
	67,603,179	46,597,018

Options outstanding under the Executive Share Option Plan have been classified as potential ordinary shares and included in diluted earnings per share.

7. NTA backing

	Current period $000	Previous corresponding period $000
Net tangible asset backing per ordinary security	**$0.12**	$1.23

Notes to the financial statements (continued)

8. Dividends

	30 November 2004 $000	30 November 2003 $000
During the reporting period Alesco Corporation Limited has paid dividends not previously recognised in retained profits as follows:		
Final dividend on ordinary shares, 18 cents per share fully franked, paid on 10 September 2004	**12,262**	6,453
Subsequent to reporting date:		
Since 30 November 2004 the directors have declared the following dividends payable on 10 March 2005:		
Interim dividend on ordinary shares, 20 cents per share fully franked	**13,793**	7,061

The financial effect of the interim dividends has not been brought to account in the consolidated entity financial statements for the half-year ended 30 November 2004.

Dividend reinvestment plans

Participating shareholders are entitled on each dividend payment to be allotted the number of ordinary shares (rounded to the nearest whole number) which the cash dividend on Plan Shares in the relevant shareholding account would purchase at the issue price. To participate in the Plan, eligible shareholders must complete a Notice of Dividend Election where participation commences on a date nominated by the Directors and is effective as regards the first dividend payment made following such nomination after receipt by the Company of the Notice of Dividend Election, provided it is received before the books closing date for that dividend.

All administrative costs are met by the Company.

The Company's Dividend Reinvestment Plan is currently in operation at a nil discount to market.

The last date for receipt of election notices for the Plan is 24 February 2005.

Notes to the financial statements (continued)

9. Contributed equity

	30 November 2004 $000	31 May 2004 $000
Issued and paid-up capital		
68,963,978 (31 May 2004: 55,189,065) ordinary shares, fully paid	**243,212**	164,713

On 11 June 2004 the Company successfully completed the acquisition of Ambatron Limited (B&D Limited) which was funded by a combination of debt and equity. In respect of the equity funding, 12,893,477 shares were issued in respect of an institutional entitlement and institutional placement as follows:

- 750,000 shares were issued under the Institutional Placement on 1 June 2004;
- 5,675,594 shares were issued under the Institutional Entitlement on 1 June 2004;
- 9,500 shares were issued pursuant to the exercise of options under the Alesco Executive Option Plan;
- 1,096,164 shares were issued to B&D management on 11 June 2004; and
- 5,362,219 shares were issued under the Retail Entitlement Offer on 28 June 2004.

The securities issued to B&D management are subject to a holding lock. In relation to 796,164 shares, one half of the shares issued will be released from the holding lock on 11 June 2005, one quarter of the shares will be released on 11 June 2006 and the remainder of the shares will be released on 11 June 2007. 300,000 shares will be released on the latter of 11 June 2005 and the final payment of the earn-out amount based on 2005 earnings.

On 20 August 2004, 40,000 executive share options were exercised at an exercise price of $3.04.

On 10 September 2004, 533,685 shares were issued at a price of $7.2725 per share as part of the Company's dividend reinvestment plan.

On 12 October 2004 the following share transactions took place:

- 99,330 shares were issued for no consideration as part of the Company's employee share plan.
- 62,063 shares were issued at a price of $7.499 per share as part of the Company's employee share plan.
- 115,500 shares were issued for no consideration as part of the Company's management share plan.
- 30,858 shares were issued at a price of $7.499 per share as part of the Company's management share plan.

Notes to the financial statements (continued)

10. Taxation

	Current period $000	Previous corresponding period $000
Income tax expense		
Prima facie income tax expense calculated at 30% (2003: 30%) on operating profit	**8,150**	5,925
Increase in income tax expense due to:		
Amortisation of intangibles	**1,868**	997
Overseas tax rate differential	**73**	112
Sundry items	**194**	166
Decrease in income tax expense due to:		
Capital items	**-**	(1,042)
Deemed interest deductions	**(410)**	(380)
Sundry items	**(41)**	(169)
	9,834	5,609
Income tax over provided in prior period	**(151)**	(29)
Total income tax expense attributable to operating profit	**9,683**	5,580

11. Significant items

	Current period $000	Previous corresponding period $000
Gain on disposal of investment in Marlows Limited	**-**	3,472
Related income tax expense	**-**	-
	-	3,472

The proceeds on disposal of the investment in the previous corresponding period, of approximately $4.6 million, have been recognised in 'other revenue from ordinary activities'.

12. Contingent assets

The Company and its controlled entities contribute to a defined contribution superannuation fund – the ANZ Super Advantage Fund. The transfer of superannuation contributions from a closed defined benefit fund into this fund in April 2002 gave rise to a surplus which at 30 November 2004 amounts to approximately $1.4 million (2003: $3.0 million). The balance of this surplus has not been brought to account as an asset as it will be used to fund future superannuation contributions to the ANZ Super Advantage Fund.

Notes to the financial statements (continued)

13. Investments accounted for using the equity method

Interests in joint venture entities
Details of interests in joint ventures entities are as follows:

Name	Principal activities	Reporting date	Ordinary share ownership interest		Investment carrying amount	
			% 2004	% 2003	$000 2004	$000 2003
Lux-a-Door Pty Ltd	Manufacturing	30 June	50	-	282	-

The consolidated entity's share of the joint venture entity's results consists of:

	Current period $000	Previous corresponding period $000
Revenues from ordinary activities	787	-
Expenses from ordinary activities	(743)	-
Profit from ordinary activities before income tax expense	44	-
Income tax expense relating to ordinary activities	(13)	-
Net profit	31	-
Adjustments:		-
Unrealised profit in inventory	(18)	-
Net profit accounted for using the equity method	13	-

14. Subsequent events

On 15 December 2004 the company announced the disposal of its automotive division which was successfully completed on 31 December 2004. The sale proceeds were $90.5 million and gave rise to an estimated profit after tax of approximately $32 million.

On 12 January 2005 the company acquired Sensor Technologies Pty Ltd for $2.4 million with a further $0.6 million payable based on earnings targets for the year to 30 June 2005. Sensor Technologies is a major distributor of flammable and noxious gas detection and monitoring equipment in Australia with annual revenues of approximately $6 million. The acquisition will add to Biolab's strong presence in the growing environmental monitoring market.

On 19 January 2005 B&D Doors (NZ) Limited, a wholly owned controlled entity of Alesco Corporation Limited, entered into a binding agreement to acquire all of the shares in Dominator International Ltd, a garage door and opener business based in New Zealand. The agreement is conditional on B&D undertaking due diligence investigations over the next month and being satisfied with the results of those investigations. Completion is expected to occur by 28 February 2005. The purchase price to be paid is $NZ 41.6 million subject to a working capital adjustment.

Directors' declaration

In the opinion of the directors of Alesco Corporation Limited:

1 the financial statements and notes set out on pages 10 to 21 are in accordance with the Corporations Act 2001, including;

   a) giving a true and fair view of the financial position of the consolidated entity as at 30 November 2004 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and

   b) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney on this 27th day of January 2005 in accordance with a resolution of the directors.

Sean Patrick Wareing
Chairman

Independent review report to the members of Alesco Corporation Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the Alesco Corporation Limited consolidated entity ("the Consolidated Entity"), for the half-year ended 30 November 2004. The Consolidated Entity comprises Alesco Corporation Limited ("the Company") and the entities it controlled during that half-year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the Company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether on the basis of the procedures described anything has come to our attention that would indicate the financial report does not present fairly, in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Consolidated Entity's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which were limited primarily to:

- enquiries of company personnel; and
- analytical procedures applied to the financial data.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

A review cannot guarantee that all material misstatements have been detected.

Independence

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

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe the half-year financial report of Alesco Corporation Limited is not in accordance with:

a) the Corporations Act 2001, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 November 2004 and of its performance for the half-year ended on that date; and

   ii. complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b) other mandatory financial reporting requirements in Australia.

KPMG

Greg Boydell
Partner
Place: Sydney
Date: 27th January 2005