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RESULTS FLOW FROM INTERNATIONAL WATER

The Australian company cleaning up the world's water has announced record results for the 2004-2005 financial year.

CDS Technologies Ltd markets its wastewater and stormwater technology from Australia into Asia, from the UK into Europe, and throughout the USA.

Highlights of the past year include:

- Revenue increased by 41% to \$88.7m
- EBITDA increased by 63% to \$7.8m (after accounting for \$900k of legal costs in the USA)
- Australian business unit posted significant profit before tax of \$2.9m
- The final dividend will rise by 33% from 3 cents to 4 cents.

US revenue was up 14% despite severe winter rains that delayed construction activity. A patent dispute over a media filtration unit was settled without payment or admission of liability – but US\$622,000 of legal costs – and sales of the unit are expected to increase significantly in 2005-2006.

UK revenue was up 41% but profit after tax was affected by increased cost of raw materials which is now factored into more recent agreements.

Growth has come from a newly-established office in Ireland, opportunities in Eastern Europe, and temporary relocatable wastewater treatment systems for non-traditional markets such as defence and oil and gas producers.

At home, the Australian operation enjoyed a year of acquisitions, rationalisation and consolidation of the stormwater business. In the traditional market, NSW and Queensland had a strong year but Victoria was disappointing.

In the Asia Pacific region the Korean licensee had a solid year, Malaysia was steady, but technicalities in Japan delayed the widespread introduction of FSS technology into the sewer overflow market.

CDS Technologies looks forward to a positive future.

Overall, the combination of a restructured stormwater business, a more diverse business unit and the international expansion strategy will lead to sustained profitability in 2005-2006 and into the foreseeable future.

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