



31 August 2009

Company Announcements Platform  
**AUSTRALIAN STOCK EXCHANGE LIMITED**

**RESULTS COMMENTARY AND APPENDIX 4D HALF-YEAR REPORT**

Please find attached the GRD Limited Appendix 4D Half-Year Report and accompanying results commentary and presentation for the half-year period ended 30 June 2009.

Yours sincerely  
**GRD Limited**

A handwritten signature in black ink, appearing to read "S. Cater", with a horizontal line extending to the right.

**SIMON CATER**  
Company Secretary



## COMPANY ANNOUNCEMENT

31 August 2009

### GRD Group Announces Half-Year Result and Provides Update on AMEC Proposal

#### Highlights

- GRD Group net profit after tax of \$5.2 million – compared with a loss of \$0.4 million in the first half of 2008
- AMEC proposed scheme of arrangement progressing, with Scheme Booklet expected to be dispatched late September
- GRD Minproc revenue down, operating margins largely maintained and improvement in commodity markets promotes optimistic outlook beyond 2009
- Corporate costs reduced by 25% on comparative period
- Sale of Global Renewables Eastern Creek Facility completed, eliminating the negative profit impact and cash drain of prior periods.

GRD Limited (ASX: GRD) today announced a \$5.2 million net profit after tax for the 6 months to 30 June 2009. The result compares with a \$0.4 million loss for the previous corresponding period.

The stronger result was achieved despite the uncertainty experienced in the resources sector during the period that negatively impacted on the trading of the core GRD Minproc engineering business.

GRD Limited Chief Executive Cliff Lawrenson said the volatility in market conditions was expected to provide ongoing challenges to GRD Minproc for the remainder of 2009, with 2010 providing a more positive outlook.

He said the first half result for the Group had benefited from the re-structure of Global Renewables undertaken at the end of 2008, being the sale of the loss-making Eastern Creek Facility and suspension of Global Renewables business development spend.

The continuing Global Renewables business booked a \$1.7 million pre-tax profit for the reporting period, compared with a \$4.3 million loss in corresponding 2008.

GRD Minproc recorded a \$9.2 million pre-tax profit for the half, on revenue of \$99 million that was down 21% on the comparative period as a result of the sustained global downturn in mining investment. Despite the challenges, operating margins have largely been maintained as a result of cost reductions.

The reduction in revenue has been partially offset by the steps taken to reduce costs across GRD Minproc operations, and in addition there has been a 25% cut in the GRD Group's corporate costs.

"Although the sector has contracted, we have recorded a number of wins this period for study and early engineering work across a range of commodities and countries," Mr Lawrenson said.

"GRD Minproc's increased focus on iron ore and technical expertise in commodities such as uranium, copper and gold continues to bring results in a market characterised by increased competition for less work.



“In addition, we have established a footprint in the coal sector through our co-operation agreement with international engineering and construction services provider, Roberts and Schaefer, that has helped deliver one project and is creating further opportunities both in Australia and Africa.

“We have witnessed a steady increase in opportunities in the planning and study phase of projects, which adds to the pipeline of work going forward, but there remains a significant lag before companies commit to implementation.”

### **AMEC Proposal**

Mr Lawrenson said the process of proceeding to shareholder vote on the proposed acquisition of GRD by UK-based AMEC plc (AMEC), via a scheme of arrangement, was progressing well.

Last month, GRD announced that it had entered into a binding agreement with AMEC, under which AMEC would acquire all of the shares in GRD for a price of \$0.55 per share, through a proposed scheme of arrangement to be voted on by GRD shareholders.

As part of the process, AMEC has advised that Foreign Investment Review Board approval has now been granted.

The Scheme Booklet is expected to be distributed to shareholders late September, with the Scheme Meeting for shareholders to vote on the proposal to follow in late October. The Booklet will include key dates and information to assist shareholders in reaching a decision, including an Independent Expert's Report.

The Directors of GRD have each recommended that shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert's Report concluding that the proposal is in the best interests of GRD shareholders.

-Ends-

For further information contact:

Mr Cliff Lawrenson, Chief Executive, GRD, Tel +61 8 9278 1888

Mr Ian McCubbing, Chief Financial Officer, GRD, Tel +61 8 9278 1888

Mr Casey Cahill, Group Manager Corporate Communications and Marketing, GRD, Tel +61 8 9278 1888

### **About GRD**

**GRD Limited** is an Australian engineering and development company.

[www.grd.com.au](http://www.grd.com.au)

**GRD Minproc**, a wholly owned subsidiary of GRD Limited, is a leading global engineering and project delivery business providing high value services and specialising in the design, procurement and construction of mineral resource and waste-to-resources projects.

The company's process engineering and project record are internationally recognised with extensive experience gained in copper, gold, uranium, nickel and iron ore.

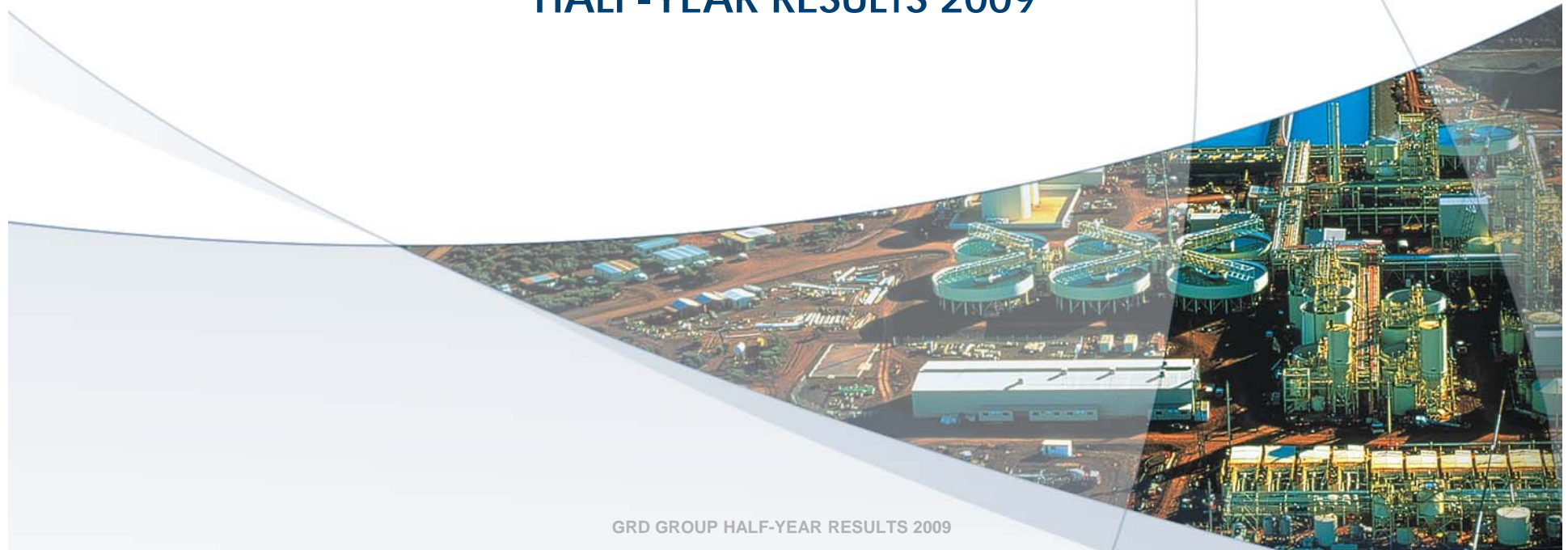
**Global Renewables** is a UK based development company specialising in the recovery of resources from municipal solid waste. Global Renewables is currently undertaking the Lancashire Waste Partnership PFI Project, one of the largest waste contracts of its type in the United Kingdom.



**GRD**

# **GRD GROUP**

## **HALF-YEAR RESULTS 2009**





*Information in this presentation is current as at date of preparation.  
Percentage increases are on the corresponding 2008 half-year.*

*Some statements in this presentation regarding estimates or future events are forward-looking statements and subject to variation. The statements and estimates are subject to risks and uncertainties that may cause actual results to differ from estimated results. Forward-looking statements include estimates of capital costs, sales, project outcomes, and other estimates and predictions of future activities. Actual results may differ materially from estimated results depending on such things as political events, labour relations, currency fluctuations, economic conditions, market prices, issuance of permits, government approvals and requirements, changes in operating conditions, availability and cost of labour, materials and equipment, and risks associated with ownership and operation of resource contracting and development assets, projects, or businesses and investment in foreign countries.*

*GRD does not accept any liability to any person, organisation or company for any loss or damage suffered as a result of reliance on this presentation, however caused. Independent inquiries should be made of the matters addressed in this presentation before any action is taken in relation to them.*

# GRD GROUP

GRD Limited is an international engineering and development company.



# GRD GROUP

## HALF YEAR SUMMARY



**GRD Group** delivers net profit after tax of **\$5.2m**, compared with a \$0.4m loss for the corresponding period in 2008.

Improved Group result reflects **strategic decisions** taken in 2008 to sell loss-making Eastern Creek waste processing facility and curtail Global Renewables business development spend.

Core business **GRD Minproc** experiences 21% reduction in revenue in line with significant softening of resources sector.

While GRD Minproc **operating margins** have largely been **maintained** through cost reductions, the net impact of foreign exchange hedge accounting within the Lancashire Waste Project construction joint venture contributed significantly to a fall in pre-tax profit to \$9.2m compared with \$18.1m for corresponding period.

Ongoing and **successful program to reduce costs** across all business units, including significant reduction in corporate costs.

UK-based engineering and project management company **AMEC plc** proposes acquisition of GRD via a scheme of arrangement – with shareholder Scheme Meeting expected in late October 2009.

# GRD GROUP

## FINANCIAL RESULTS



Consolidated Result	2009 First Half	2008 First Half	
<b>Revenue - Continuing Operations</b>	<b>100.5</b>	<b>127.6</b>	\$m ↓ 21%
GRD Minproc	9.1	18.0	
Global Renewables	1.7	(4.3)	
Corporate Costs	(2.9)	(3.9)	
Net Interest	(2.0)	(1.0)	
Eliminations	0.5	(2.1)	
PBT	6.4	6.7	
<b>Net Profit - Continuing Operations</b>	<b>5.2</b>	<b>3.8</b>	↑ 39%
Net Loss - Discontinued Operations	-	(4.2)	
<b>NPAT</b>	<b>5.2</b>	<b>(0.4)</b>	

2009 result underlines **benefit** of Eastern Creek sale (discontinued operations).

Reduction in GRD Minproc revenue and profit due to **softer conditions** for global resources development.

Continuing operations result has benefited from the decision in late 2008 to **suspend the business development activities of Global Renewables**.

Corporate costs cut by **25%**.



# GRD GROUP

## AMEC PROPOSAL - UPDATE



GRD announced the **signing of a scheme implementation agreement** with AMEC plc on **20 July 2009**.

Cash offer of **\$0.55 per share**, recommended by each Director in the absence of a superior proposal and subject to conclusion by the Independent Expert that the offer is in the best interests of shareholders.

**AMEC** has advised that Foreign Investment Review Board **approval** has now been granted.

Dispatch of **Scheme Booklet** (including Notice of Meeting) expected by late **September 2009**.

Scheme Meeting planned for late **October 2009**.





# ENGINEERING GROUP



# GRD MINPROC

## FINANCIAL RESULTS



	2009 First Half	2008 First Half		
Revenue	99.0	125.6	\$m	↓ 21%
EBITDA	14.0	17.3		↓ 19%
Lancashire Waste Project - Net FX Impact <sup>#</sup>	(3.2)	2.1		
D&A	(1.7)	(1.4)		
EBIT	9.1	18.0		
<b>PBT</b>	<b>9.2</b>	<b>18.1</b>		

2009 revenue has reduced 21% on comparative period due to significant softening of global resources market in late 2008.

EBITDA margins have largely been **maintained** through cost reduction programs.

<sup>#</sup> The share of profit from the Lancashire Waste Project has fluctuated over the life of the construction project due largely to the impact of accounting for foreign exchange hedges.



# GRD MINPROC

## FIRST HALF OVERVIEW



GRD Minproc's largest ever sole-sourced project, **Tenke Fungurume** copper/cobalt project, transitions from construction to operations, with the copper and cobalt circuits ramping up.

Tenke Fungurume Project achieves **2 million** hours without a lost time injury.

**Lancashire Waste Project** for Global Renewables passes **70% completion** and remains on target.

**Continuing recognition** of world leading uranium, copper and gold capability providing ongoing opportunities.

Increasing presence in **iron ore sector** in Australia and South America. Growing footprint in **coal** following co-operation agreement with Roberts and Schaefer and Moolarben Project win.

Performance **impacted** by slowdown in the resources sector and **reduced** demand for mining services.

Recent improvement in market providing more **positive outlook** for **2010**.

Concerted cost reduction program **continuing**.

# GRD MINPROC

## KEY CONTRACT WINS – FIRST HALF



<b>Project Name</b>	<b>Location</b>	<b>Commodity</b>	<b>Work Type</b>
Rossing South	Namibia	Uranium	Definitive Feasibility Study (DFS)
Moolarben	Australia	Coal	Engineering
Ban Houayxai	Laos	Gold/Silver	DFS
Pedra de Ferro	Brazil	Iron Ore	Basic Engineering
Angostura	Colombia	Gold	DFS



# GRD MINPROC

## STUDY BOOK AND PIPELINE



Solid study pipeline to provide range of project opportunities in **2010 and beyond.**

Diverse commodity and country mix reflecting **recognised technical capabilities** in copper, gold and uranium.

### Major Studies

Commodity	Location	Projected Capital Cost	\$m
Copper / Molybdenum	PNG	1,500	
Copper	Peru	850	
Copper/Molybdenum	Peru	700	
Gold	Colombia	500	
Uranium	Namibia	400	
Uranium	Namibia	350	
Copper	Peru	300	
Platinum Group Metals	RSA	250	
Gold	Laos	150	
Copper	Botswana	120	
Gold	Brazil	100	
Gold	Ghana	70	



# GLOBAL RENEWABLES

# GLOBAL RENEWABLES

## FINANCIAL RESULTS



	2009 First Half	2008 First Half		
			\$m	
<b>Continuing Operations</b>				
Global Renewables Lancashire	1.7	1.2	↑	48%
Global Renewables Business Development	-	(5.5)	↑	100%
<b>PBT</b>	<b>1.7</b>	<b>(4.3)</b>		

**Positive contribution** from Global Renewables Lancashire during construction phase.

**Improved result** reflects decision to suspend UK business development activities in late 2008.



# GLOBAL RENEWABLES

## LANCASHIRE WASTE PFI PROJECT UPDATE



*Construction at Lancashire Waste Project's Thornton site*

Total project more than **70% complete** and remains **on target**.

Installation of process equipment **well underway** at both sites.

	Practical Completion	Full Service Commencement
Thornton	Feb 2010	Feb 2011
Leyland	July 2010	July 2011



[www.grd.com.au](http://www.grd.com.au)



# Appendix 4D

Half-year Report

30 June 2009

## GRD Limited

ACN 009 201 754

### Results for announcement to the market

<b>Financial Results</b>			<b>June 2009 \$'000</b>
Revenue from continuing activities	Down 21%	to	100,523
Profit from ordinary activities after tax attributable to members	Up 1,288%	to	5,203
Net profit for the period attributable to members	Up 1,288%	to	5,203

<b>Dividends</b>	Amount per Ordinary Security	Franked amount per security	Amount per security of foreign sourced dividend
2009 interim dividend	Nil	Nil	Nil
2008 final dividend	Nil	Nil	Nil

Record date for determining entitlements to the 2009 interim dividend	N/A
---	-----

Details of dividend reinvestment plans	N/A
--	-----

<b>Net Tangible Asset Backing</b>	<b>June 2009</b>	<b>June 2008</b>
Net tangible asset backing per ordinary security	33.80¢	78.59¢

<b>Dividends</b>
The Directors have resolved not to declare an interim 2009 dividend.

The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year financial report, which has been subject to independent review. This half-yearly reporting information should be read in conjunction with the most recent annual financial report of the company.



**GRD**

GRD Limited  
ACN 009 201 754

**HALF-YEAR FINANCIAL REPORT**

**30 JUNE 2009**

**DIRECTORS**

Richard F Court (Non-Executive Chairman)  
 M Cliff Lawrenson (Chief Executive)  
 Richard J Linnell  
 Christopher R Pointon  
 Bruce G Thomas  
 John D White

**COMPANY SECRETARY**

Simon F Cater

**REGISTERED OFFICE**

Level 14 AMP Building  
 140 St Georges Terrace  
 Perth Western Australia 6000

**SHARE REGISTRY**

Computershare Investor Services Pty Limited  
 Level 2, 45 St Georges Terrace  
 Perth Western Australia 6000

**STOCK EXCHANGE**

Australian Stock Exchange Limited  
 Exchange Plaza  
 2 The Esplanade  
 Perth Western Australia 6000

**Trading Code**

Ordinary Shares: GRD

**AUDITORS**

Ernst & Young  
 Chartered Accountants  
 11 Mounts Bay Road  
 Perth Western Australia 6000

**COMPANY COMMUNICATIONS**

Company Secretary  
 GPO Box Z5266  
 Perth Western Australia 6831

Telephone: 61 8 9278 1888  
 Facsimile: 61 8 9278 1880  
 Email: [grd@grd.com.au](mailto:grd@grd.com.au)  
 Website: [www.grd.com.au](http://www.grd.com.au)

**C O N T E N T S**

	<b>Page</b>
Company Particulars	1
Directors' Report	2
Independent Review Report	5
Directors' Declaration	7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes In Equity	10
Cash Flow Statement	11
Notes to the Financial Statements	12

In respect of the half-year ended 30 June 2009, the Directors of GRD Limited (referred to in these financial statements as "the Company" or "GRD") submit the following report in respect of the consolidated entity (also referred to as "the Group").

## DIRECTORS

The following persons held office as Directors of the Company during or since the end of the half-year period:

Richard F Court (Non-Executive Chairman)  
M Cliff Lawrenson (Chief Executive)  
Richard J Linnell  
Christopher R Pointon  
Bruce G Thomas  
John D White

Unless otherwise indicated, all Directors held their position as a Director throughout the entire half-year and up to the date of this report.

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

GRD is an Australian engineering and development company. The principal activities of the consolidated entity during the period comprised:

**Engineering:** GRD Minproc Limited ("GRD Minproc") is a leading global engineering and project delivery business providing high value services and specialising in the design, procurement and construction of mineral resources and waste-to-resources projects. The company's process engineering and project record are internationally recognised with extensive experience gained in copper, gold, uranium, nickel and iron ore.

**Waste-to-Resources:** Global Renewables is a UK based development company specialising in the recovery of resources from municipal solid waste. Global Renewables is currently undertaking the Lancashire Waste Partnership PFI Project, one of the largest waste contracts of its type in the United Kingdom, in partnership with Lend Lease Corporation.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

As reported in the 2008 annual financial report, the restructures undertaken by GRD to sell its Global Renewables Eastern Creek ("Eastern Creek") waste management business and suspend ongoing Global Renewables business development activity has allowed GRD to focus on its two core businesses, being the GRD Minproc engineering and project delivery business and the completion and operation of the Global Renewables Lancashire Waste Project.

GRD completed the disposal of the Eastern Creek business on 21 January 2009. The financial impact of the Eastern Creek operation on the Statement of Comprehensive Income is presented within the loss from discontinued operations for both the current and prior periods.

A significant impact of the disposal of the Eastern Creek business in this period has been that the assets and liabilities of that business, which were included on the 31 December 2008 consolidated Balance Sheet, have now been disposed of, thereby reducing total assets and total liabilities significantly.

In the opinion of the Directors there were no other significant changes in the state of affairs of the consolidated entity that occurred during the period under review, not otherwise disclosed in this report or the financial statements.

## RESULTS AND REVIEW OF OPERATIONS

The Group recorded a net profit after tax for the period of \$5.203 million (2008: loss of \$0.438 million). In comparison to the prior period, the increase in net profit for the current period primarily reflects the sale of the loss-making Eastern Creek business in January 2009. The loss from all discontinued operations in the current period was \$38,000 compared to the loss of \$4.206 million in the prior period, that being mainly the loss from the Eastern Creek business.

The profit from continuing operations after tax for the period is \$5.241 million, being \$1.473 million higher than the 2008 result of \$3.768 million.

As shown in the segment reporting note the significant contributions to profit before tax from continuing operations this period have been:

- Engineering contribution from GRD Minproc, before interest and tax, of \$9.122 million has decreased significantly from the record level achieved in the first half of 2008 of \$18.011 million. The global economic environment for primarily a resources-based engineering and project delivery company has changed significantly since the first half of 2008, with the 2009 operating environment being significantly weaker;
- The contribution from the Global Renewables Waste-to-Resource business has been \$1.726 million, an improvement of \$6.033 million from the loss reported in the prior period of \$4.307 million. This segment represents primarily the investment in the Global Renewables Lancashire Waste Project, with the improvement from 2008 due to the suspension of new business development expenditure in late 2008;
- Significantly lower unallocated corporate charges of \$2.941 million for the period compared to \$3.942 million in 2008, as part of a concerted program to reduce costs;
- Net interest expense of \$1.968 million, which has increased from \$0.966 million in the prior period due to significantly lower interest revenue this period; and
- A significant reduction in the impact of Group profit eliminations, with the elimination of unrealised profit on an equity accounted investment being positive \$0.495 million in the current period compared with negative \$2.075 million in the prior period.

### Balance Sheet

The main changes to the GRD Balance Sheet at 30 June 2009 from the 31 December 2008 full year reflect the disposal of the Eastern Creek business. As the disposal was completed on 21 January 2009, at 31 December 2008 the carrying value of the Eastern Creek assets (\$41.493 million) were classified as 'held for sale' current assets on the GRD Balance Sheet and the associated liabilities (\$53.104 million) were separately classified within current liabilities. This disposal significantly reduced the Group's total assets and total liabilities at 30 June 2009.

The Group's net assets have increased \$26.565 million for the period, being partly due to the net profit for the period and more significantly due to a \$20.495 million increase in the carrying value of the Group's share of hedge reserves from an equity accounted investment. This reserve pertains to the impact of hedge accounting for the effective interest rate swap held by Global Renewables Lancashire, which has only a minimal impact on earnings and does not impact consolidated cash flows.

### Cash Flows

The Group's cash holdings at 30 June 2009 are \$5.048 million, significantly reduced from \$20.900 million at 31 December 2008. Cash flows from operating activities were an outflow of \$7.669 million (2008: \$17.858 million inflow), including an outflow of \$3.025 million pertaining to the discontinued operations prior to disposal (2008: \$5.583 million outflow) and net interest payments of \$2.321 million (2008: \$0.992 million).

The negative operating cash flows in the current period have arisen due to timing associated with the Group's large project work, which has seen a significant increase in working capital (current receivables and work in progress inventory) during the period, which is expected to reverse in the second half of 2009.

The main investing and financing cash flows for the period was the cash outflow of \$5.055 million associated with the disposal of Eastern Creek and the repayment of \$2.000 million in interest bearing liabilities.

### EVENTS SUBSEQUENT TO BALANCE DATE

On 20 July 2009 GRD announced to the ASX that the Company and AMEC plc ("AMEC") had entered into a Scheme Implementation Agreement for the proposed acquisition by AMEC, through a Scheme of Arrangement, of all shares in GRD at a cash price of 55 cents per share. The key terms of the Scheme Implementation Agreement were summarised in the Company's announcement.

The transaction is unanimously recommended by the Board, subject to no superior competing proposal and confirmation by an independent expert that the transaction is in the best interests of GRD shareholders. As at the date of this report a Scheme Booklet is being prepared by the Company for distribution to shareholders shortly.

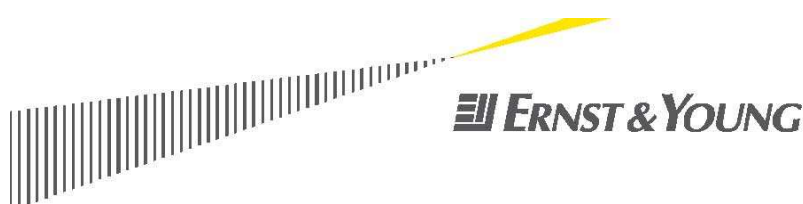
Since the end of the period there are no other matters or circumstances that have significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

### ROUNDING OF AMOUNTS

The Company is one of the kinds specified in Australian Securities and Investments Commission (ASIC) Class Order 98/0100. In accordance with that class order, amounts in this report and in the half-year financial report have been rounded off to the nearest thousand dollars unless specifically stated to be otherwise.

### AUDITOR'S INDEPENDENCE DECLARATION

We have obtained the following independence declaration from our auditors, Ernst and Young.



Ernst & Young Building  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843  
Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
www.ey.com/au

#### Auditor's Independence Declaration to the Directors of GRD Limited

In relation to our review of the financial report of GRD Limited for the half-year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink, appearing to read "R A Kirkby".

R A Kirkby  
Partner  
Perth  
31 August 2009

Liability limited by a scheme approved  
under Professional Standards Legislation

This report is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "M Cliff Lawrenson".

M Cliff Lawrenson  
Director

Perth, Western Australia  
31 August 2009



## Report on the condensed half-year financial report

We have reviewed the accompanying half-year condensed financial report of GRD Limited which comprises the balance sheet as at 30 June 2009, statement of comprehensive income, statement of changes in equity and the cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 30 June 2009 or from time to time during the half-year.

### Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year condensed financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of GRD Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

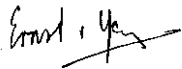
## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GRD Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 2 to the financial report, there is significant uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they become due and payable and realise its assets and extinguish its liabilities in the normal course of operations and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'R A Kirkby'.

R A Kirkby  
Partner  
Perth  
31 August 2009

In accordance with a resolution of the Directors of GRD Limited, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position as at 30 June 2009 and the performance for the half year ended on that date of the consolidated entity; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) subject to the matters disclosed in Note 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. As described in Note 2, a degree of uncertainty remains about the ability of the Company to repay or refinance its existing debt facility by 30 June 2010. The Directors consider, as described in Note 2, that there are reasonable grounds to believe that the Company has potential sources of financing available to meet this debt maturity.

On behalf of the Board,



**M Cliff Lawrenson**  
Director

Perth, Western Australia  
31 August 2009

	Note	Consolidated	
		30 June	30 June
		2009	2008
		\$'000	\$'000
<b>CONTINUING OPERATIONS</b>			
Sales revenue		98,906	124,533
Other revenue		1,487	1,746
Finance income		130	1,276
<b>Revenue</b>		<b>100,523</b>	<b>127,555</b>
Other income		1,929	1,125
Employee expenses		(67,005)	(83,152)
Share-based payments expense		(260)	(493)
Depreciation and amortisation		(1,781)	(1,858)
Engineering services materials and consumables costs		(13,317)	(18,704)
Insurance premiums		(841)	(1,211)
Foreign exchange loss		(376)	(310)
Operating lease expenses		(2,221)	(1,599)
Consulting expenses		(1,408)	(3,975)
Other expenses		(7,338)	(11,661)
Expenses excluding finance costs		(94,547)	(122,963)
Finance costs		(2,098)	(2,242)
Share of net profit of equity accounted investments		627	3,246
<b>Profit before income tax from continuing operations</b>		<b>6,434</b>	<b>6,721</b>
Income tax expense	7	(1,193)	(2,953)
<b>Profit from continuing operations</b>		<b>5,241</b>	<b>3,768</b>
<b>DISCONTINUED OPERATIONS</b>			
Loss from discontinued operations after income tax	4	(38)	(4,206)
<b>Net profit/(loss) for the period</b>		<b>5,203</b>	<b>(438)</b>
<b>Other comprehensive income/(loss)</b>			
Exchange differences on translation of foreign operations		(126)	(918)
Movement in fair value of interest rate hedge		-	344
Share of movement in foreign currency translation reserve of equity accounted investments		(1,516)	(5,587)
Share of net movement in hedge reserve of equity accounted investments		20,495	11,987
Reserves attributable to disposal group eliminated on disposal		2,320	-
Income tax relating to components of other comprehensive income		-	(103)
<b>Other comprehensive income for the period</b>		<b>21,173</b>	<b>5,723</b>
<b>Total comprehensive income for the period</b>		<b>26,376</b>	<b>5,285</b>
Earnings per share information (cents per share)	6		
Basic earnings per share		2.70	(0.23)
Diluted earnings per share		2.70	(0.23)
Basic earnings per share - continuing operations		2.72	1.96
Diluted earnings per share - continuing operations		2.72	1.96

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes

	Note	Consolidated	
		30 June 2009 \$'000	31 Dec 2008 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	5	9,554	23,551
Trade and other receivables		41,962	39,012
Inventories		20,757	12,162
Other assets		2,696	854
		<b>74,969</b>	<b>75,579</b>
Assets of disposal group classified as held for sale		-	41,493
Total Current Assets		<b>74,969</b>	<b>117,072</b>
<b>Non-Current Assets</b>			
Investments accounted for using the equity method		49,836	32,074
Other financial assets		48	36
Property, plant and equipment		7,615	7,628
Intangible assets and goodwill		16,901	17,390
Deferred tax assets		20,625	20,145
Total Non-Current Assets		<b>95,025</b>	<b>77,273</b>
<b>Total Assets</b>		<b>169,994</b>	<b>194,345</b>
<b>Current Liabilities</b>			
Trade and other payables		17,754	20,389
Interest bearing liabilities		59,769	11,000
Provisions		7,058	4,665
Tax liabilities		1,973	2,196
		<b>86,554</b>	<b>38,250</b>
Liabilities directly associated with the assets classified as held for sale		750	53,104
Total Current Liabilities		<b>87,304</b>	<b>91,354</b>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities		-	46,263
Provisions		754	1,357
Total Non-Current Liabilities		<b>754</b>	<b>47,620</b>
<b>Total Liabilities</b>		<b>88,058</b>	<b>138,974</b>
<b>NET ASSETS</b>		<b>81,936</b>	<b>55,371</b>
<b>Equity</b>			
Issued capital		81,434	81,505
Reserves		15,354	(3,759)
Accumulated losses		(14,852)	(20,055)
		<b>81,936</b>	<b>57,691</b>
Reserves attributable to disposal group classified as held for sale		-	(2,320)
<b>TOTAL EQUITY</b>		<b>81,936</b>	<b>55,371</b>

This Balance Sheet should be read in conjunction with the accompanying notes

CONSOLIDATED	Issued Capital \$'000	Accumulated Losses \$'000	Reserves \$'000	Sub- Total \$'000	Reserves Attributable to Disposal Group \$'000	Total Equity \$'000
<b>Balance at 31 December 2008</b>	81,505	(20,055)	(3,759)	57,691	(2,320)	55,371
Profit for the period	-	5,203	-	5,203	-	5,203
Other comprehensive income	-	-	18,853	18,853	2,320	21,173
<b>Total comprehensive income</b>	-	5,203	18,853	24,056	2,320	26,376
Transactions with equity holders in their capacity as equity holders:						
Share-based payments	-	-	260	260	-	260
Net movement of shares reserved for the GRD share plan	(71)	-	-	(71)	-	(71)
	(71)	-	260	189	-	189
<b>Balance at 30 June 2009</b>	81,434	(14,852)	15,354	81,936	-	81,936

CONSOLIDATED	Issued Capital \$'000	Retained Profits \$'000	Reserves \$'000	Total Equity \$'000
<b>Restated Balance at 31 December 2007</b>	<b>81,989</b>	<b>53,779</b>	<b>34,826</b>	<b>170,594</b>
Loss for the period	-	(438)	-	(438)
Other comprehensive income	-	-	5,723	5,723
<b>Total comprehensive income</b>	-	(438)	5,723	5,285
Transactions with equity holders in their capacity as equity holders:				
Share-based payments	-	-	493	493
Net movement of shares reserved for the GRD share plan	(249)	-	-	(249)
Equity dividends	-	(5,772)	-	(5,772)
	(249)	(5,772)	493	(5,528)
<b>Balance at 30 June 2008</b>	<b>81,740</b>	<b>47,569</b>	<b>41,042</b>	<b>170,351</b>

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

	Note	Consolidated	
		30 June 2009 Inflow/ (Outflow) \$'000	30 June 2008 Inflow/ (Outflow) \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		85,201	140,893
Payments to suppliers and employees		(86,623)	(116,034)
Interest received		139	1,250
Interest and other costs of finance paid		(2,460)	(2,242)
Income tax paid		(901)	(426)
Net operating cashflows relating to discontinued operations		(3,025)	(5,583)
Net cash flows (used in)/from operating activities		(7,669)	17,858
<b>Cash Flows from Investing Activities</b>			
Payments on disposal of subsidiary, net of transaction costs	4(c)	(5,055)	-
Proceeds from sale of plant and equipment, continuing operations		40	633
Payments for plant and equipment, continuing operations		(629)	(2,883)
Payments for intangible assets		(392)	(562)
Proceeds from sale of plant and equipment, discontinued operations		-	1,076
Payments for plant and equipment, discontinued operations		-	(2,495)
Net cash flows used in investing activities		(6,036)	(4,231)
<b>Cash Flows from Financing Activities</b>			
Net payments for shares reserved for the GRD share plan		(71)	(249)
Repayment of interest bearing borrowings, continuing operations		(2,000)	(246)
Dividends paid		-	(5,772)
Repayment of interest bearing borrowings, discontinued operations		-	(949)
Net cash flows used in financing activities		(2,071)	(7,216)
<b>Net Increase/(Decrease) in Cash Held</b>		<b>(15,776)</b>	<b>6,411</b>
Cash at the beginning of the financial period		20,900	36,993
Exchange rate variations on foreign cash balances		(76)	(861)
<b>Cash at the End of the Financial Period</b>	5	<b>5,048</b>	<b>42,543</b>

This Cash Flow Statement should be read in conjunction with the accompanying notes

## 1. Basis of Preparation and Accounting Policies

### Basis of Preparation

This half-year financial report is a general purpose condensed financial report, which has been prepared for the half-year ended 30 June 2009 in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this report be read in conjunction with the 31 December 2008 annual financial report, and all public announcements made by GRD and its controlled entities during the half-year ended 30 June 2009 in accordance with the continuous disclosure obligations of the Corporations Act 2001.

The half-year financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the class order applies.

For the purposes of preparing the half-year financial report, the half-year has been treated as a discrete reporting period. The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year financial report.

### Changes in Accounting Policy

From 1 January 2009 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 January 2009. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group. However the adoption of AASB 8 *Operating Segments* has caused the Group to revise its segment reporting. See Note 3 for details of the reportable segments and applicable accounting policies.

- AASB 2 *Revised Vesting Conditions and Cancellations*.
- AASB 8 *Operating Segments*.
- AASB 101 *Revised Presentation of Financial Statements*.

The following amending Standards have also been adopted from 1 January 2009:

- AASB 2007-3 *Amendments to Australian Accounting Standards* arising from AASB 8.
- AASB 2007-8 *Amendment to Australian Accounting Standards* arising from AASB 101.
- AASB 2008-1 *Amendment to Australian Accounting Standards Share-based Payments: Vesting Conditions and Cancellations*.

The Group has not elected to early adopt any new Standards or amendments.



## 2. Going Concern

An entity is a going concern when it is considered to be able to pay its debts as and when they fall due, and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

At 30 June 2009 GRD has a debt facility of \$55.263 million, with scheduled repayments to 31 May 2010 of \$13 million and a bullet repayment at maturity on 30 June 2010 of the remaining \$42.236 million. Accordingly the debt facility is classified as a current liability at 30 June 2009. While the scheduled repayments of \$13 million are expected to be met from operational cash flows, it is not expected that the whole balance of the remaining debt facility can be repaid on maturity out of operational cash flows.

On 20 July 2009 GRD announced to ASX that the Company and AMEC plc ("AMEC") had entered into a Scheme Implementation Agreement ("SIA") for the proposed acquisition by AMEC, through a Scheme of Arrangement, of all shares in GRD at a cash price of 55 cents per share. The key terms of the SIA were summarised in the Company's announcement.

Completion of the Scheme of Arrangement is subject to a number of conditions, as set out in the Company's ASX announcement, including the approval of shareholders at a scheme meeting. There can be no certainty that the scheme will therefore be completed.

Should the Scheme of Arrangement be completed, the Company has been advised that it is the intention of AMEC to repay the entire debt facility, although this is ultimately a decision for AMEC to make and therefore cannot be guaranteed.

Prior to the earlier announcement of a non-binding proposal from AMEC on 10 June 2009, the Company was in the process of extending the repayment of the debt facility, which the Directors consider, given the status and tenure of discussions at that time, was likely to have taken place. The process of extending the existing debt facility has now been suspended pending the outcome of the Scheme of Arrangement.

Should the Scheme of Arrangement not be completed, the Directors have a reasonable expectation that the maturity of the debt facility can be addressed through a combination of extending the existing facility, refinancing with an alternate financier, repayment with proceeds of asset sales and raising equity.

The Directors are aware that uncertainty exists due to the above events, which may cast doubt upon GRD's ability to meet or extend the repayment of the debt facility by 30 June 2010, and therefore continue as a going concern. However, having regard to the factors and uncertainties noted above, the Directors have a reasonable expectation that GRD has the potential sources of financing available to it, including the AMEC proposal noted above, and expected future operating cash flows to adopt the going concern basis in preparing this financial report.

The financial report does not include any adjustments relating to the recoverability of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary if GRD were unable to continue as a going concern.

**3. Segment Information**

This is the first time the Group has adopted AASB 8 *Operating Segments*. The accounting policies used by the Group in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

GRD has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on the nature of the services provided.

GRD operates in two main continuing business segments:

- (i) Engineering: GRD Minproc is a leading independent engineering and project delivery business specialising in the design, procurement and construction of mineral resources and waste-to-resources projects. GRD Minproc is among the few engineering companies that services the entire resources product development cycle from feasibility, through to project delivery and into ongoing training, maintenance and operational needs.
- (ii) Waste-to-Resources: Global Renewables is a UK based development company specialising in the recovery of resources from municipal solid waste. Global Renewables is currently undertaking the Lancashire Waste PFI Project, in partnership with Lend Lease Corporation, one of the largest waste contracts of its type in the United Kingdom.

GRD's Eastern Creek business was previously reported within the Waste-to-Resources segment in June 2008. This business was disposed in January 2009, and has been reclassified as discontinued in the comparative disclosures of this financial report. Detailed information regarding this discontinued operation is included in Note 4.

The group accounts for intersegment sales on commercial terms.

<b>30 June 2009</b>	<b>Engineering \$'000</b>	<b>Waste-to- Resources \$'000</b>	<b>Total Continuing Operations \$'000</b>
Revenue from external customers	98,906	1,487	100,393
Intersegment revenues	52	70	122
<b>Segment revenue</b>	<b>98,958</b>	<b>1,557</b>	<b>100,515</b>
Interest income			130
Intersegment eliminations			(122)
Total revenue per Statement of Comprehensive Income			<u>100,523</u>
<b>Segment Result</b>	<b>9,122</b>	<b>1,726</b>	<b>10,848</b>
<i>Reconciliation of segment profit to net profit before tax</i>			
Interest income			130
Finance costs			(2,098)
Corporate charges			(2,941)
Unrealised loss on equity accounted investment eliminated on consolidation			495
Net profit before tax from continuing operations			<u><u>6,434</u></u>

## 3. Segment Information (continued)

30 June 2008	Engineering \$'000	Waste-to- Resources \$'000	Total Continuing Operations \$'000
Revenue from external customers	124,533	1,746	126,279
Intersegment revenues	1,109	150	1,259
<b>Segment revenue</b>	<b>125,642</b>	<b>1,896</b>	<b>127,538</b>
Interest income			1,276
Intersegment eliminations			(1,259)
Total revenue per Statement of Comprehensive Income			127,555
<b>Segment Result</b>	<b>18,011</b>	<b>(4,307)</b>	<b>13,704</b>
<i>Reconciliation of segment profit to net profit before tax</i>			
Interest income			1,276
Finance costs			(2,242)
Corporate charges			(3,942)
Unrealised profit on equity accounted investment eliminated on consolidation			(2,075)
Net profit before tax from continuing operations			6,721
<b>Total Segment Assets</b>	<b>Engineering \$'000</b>	<b>Waste-to- Resources \$'000</b>	<b>Total Continuing Operations \$'000</b>
<b>30 June 2009</b>			
Segment Assets	85,377	62,455	147,832
<i>Reconciliation of segment assets to consolidated total assets</i>			
Unallocated assets			1,537
Deferred tax assets			20,625
Total assets from continuing operations per balance sheet			169,994
<b>31 December 2008</b>			
Segment Assets	89,130	41,522	130,652
<i>Reconciliation of segment assets to consolidated total assets</i>			
Unallocated assets			2,055
Deferred tax assets			20,145
Total assets from continuing operations per balance sheet			152,852

**4. Discontinued Operations**

In December 2008 a share sale agreement was signed for the sale of several companies comprising GRD's Eastern Creek business, and the sale was completed on 21 January 2009. The Eastern Creek business was previously reported within the Waste-to-Resources segment. The Fabrication business of GRD Minproc was closed down in early 2008 and its assets disposed.

The results and cash flows of the Eastern Creek and Fabrication businesses for the current and prior period are presented below.

**Financial Performance of Discontinued Operations**

The results of the discontinued operations for the half-years ended 30 June 2008 and 2009 until disposal are presented below:

	30 June 2009	30 June 2008		
	Eastern Creek \$'000	Eastern Creek \$'000	Fabrication \$'000	Total \$'000
Revenue	1,030	8,420	2,479	10,899
Expenses	(1,097)	(13,110)	(2,052)	(15,162)
Finance costs	(181)	(1,744)	(1)	(1,745)
Loss on disposal of Eastern Creek (a)	(596)	-	-	-
Profit/(loss) before income tax	(844)	(6,434)	426	(6,008)
Tax benefit/(expense)				
- related to pre-tax profit	906	1,930	(128)	1,802
- related to loss on disposal of Eastern Creek	(100)	-	-	-
Profit/(loss) from discontinued operations after tax	(38)	(4,504)	298	(4,206)

**Earnings per share information (cents per share)**

	30 June 2009 ¢	30 June 2008 ¢
Basic earnings per share – discontinued operations	(0.02)	(2.19)
Diluted earnings per share – discontinued operations	(0.02)	(2.19)

**(a) Details of the Loss on Disposal of Eastern Creek**

	30 June 2009 \$'000
Consideration paid on disposal:	
Cash paid	(5,801)
Consideration to be paid	(750)
Transaction costs	(1,893)
Net disposal consideration paid or payable	(8,444)
Less net liabilities disposed (b)	(10,168)
Less hedge reserve disposed	2,320
	(7,848)
Loss on disposal before income tax	(596)
Related income tax expense	(100)
Loss on disposal after income tax	(696)

**4. Discontinued Operations (continued)****(b) Assets and Liabilities of Eastern Creek**

The major class of assets and liabilities of the Eastern Creek business that were disposed of in January 2009 are:

	<b>30 June 2009 \$'000</b>
<b>Assets</b>	
Cash and cash equivalents	559
Trade and other receivables	3,884
Inventories	1,113
Property, plant and equipment	<u>33,363</u>
Total assets	<u>38,919</u>
<b>Liabilities</b>	
Trade and other payables	5,561
Provisions	2,305
Interest bearing liabilities	37,907
Derivatives	<u>3,314</u>
Total liabilities	<u>49,087</u>
Net liabilities attributable to disposal group	<u>(10,168)</u>

**(c) Cash Flow Information**

	<b>30 June 2009 \$'000</b>
<b>Net Cash Flow on Disposal</b>	
Net cash consideration paid	(5,801)
Add transaction costs paid	(1,205)
Less net cash overdraft of business disposed	<u>1,951</u>
Net cash outflow on disposal	<u>(5,055)</u>

**5. Reconciliation of Cash**

For the purposes of the Cash Flow Statement, cash includes cash on hand and on deposit, net of outstanding bank overdrafts. The balance of cash as shown in the Cash Flow Statement is reconciled to the cash balance in the Balance Sheet as follows:

	<b>Consolidated</b>	
	<b>30 June 2009 \$'000</b>	<b>30 June 2008 \$'000</b>
Cash and cash equivalents	9,554	45,559
Less: Bank overdraft (current interest bearing liabilities)	<u>(4,506)</u>	<u>(3,016)</u>
Cash per Cash Flow Statement	<u>5,048</u>	<u>42,543</u>

**6. Earnings Per Share**

The following reflects the income and share data used in the computations of basic and diluted earnings per share:

	<b>Consolidated</b>	
	<b>30 June 2009 \$'000</b>	<b>30 June 2008 \$'000</b>
Profit from continuing operations	<b>5,241</b>	3,768
Loss from discontinued operations	<b>(38)</b>	(4,206)
Net profit/(loss) for period	<b><u>5,203</u></b>	<b><u>(438)</u></b>
	<b>2009 Number of Shares</b>	<b>2008 Number of Shares</b>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<b>192,384,982</b>	192,384,982
<i>Effect of dilutive securities</i>		
- Share Options	-	99,555
Adjusted weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share	<b><u>192,384,982</u></b>	<b><u>192,484,537</u></b>

The weighted average number of ordinary shares used in the calculation of diluted earnings per share did not include 13,235,083 share options that were not dilutive (30 June 2008: 13,349,451).

There have been no ordinary shares issued following the exercise of share options since the reporting date and before the date of signing this report.

**7. Income Tax – Continuing Operations****Reconciliation of Income Tax Expense**

The income tax expense applicable to accounting profit before income tax from continuing operations at the statutory income tax rate is reconciled to the income tax expense reported in the Statement of Comprehensive Income as follows:

	<b>Consolidated</b>	
	<b>30 June 2009 \$'000</b>	<b>30 June 2008 \$'000</b>
Profit before tax from continuing operations	<b>6,434</b>	6,721
At the statutory income tax rate of 30% (2008: 30%)	<b>1,930</b>	2,016
Equity accounted loss not allowable for income tax purposes	<b>62</b>	54
Non-deductible share-based payments	<b>78</b>	148
Other non-deductible expenditure	<b>77</b>	751
Effect of different tax rate for foreign subsidiaries	<b>(69)</b>	(16)
Adjustments in respect of prior periods	<b>(1,016)</b>	-
Tax losses not brought to account (outside Australia)	<b>155</b>	-
Other	<b>(24)</b>	-
Income tax expense attributable to continuing operations	<b><u>1,193</u></b>	<b><u>2,953</u></b>

**8. Dividends Paid and Proposed****(a) Dividends paid during the half-year**

Previous year final:		
Unfranked dividends (nil) (2008: 3 cents per share)	-	5,772

**(b) Dividends declared and recognised as a liability**

Current year interim:		
Unfranked dividends (nil) (2008: nil)	-	-
	<u>-</u>	<u>5,772</u>

**(c) Dividends proposed and not recognised as a liability**

Current year interim:		
Unfranked dividends (nil) (2008: 3 cents per share)	-	5,772

**9. Issues, Repurchases and Repayments of Securities***Shares*

During the period the Company did not issue any new ordinary fully paid shares (30 June 2008: nil).

*Options*

During the period there were no share options exercised or issued, while 2,250,000 options were cancelled. The balance of outstanding share options on issue at 30 June 2009 is 12,000,000.

During the prior period there were no share options exercised. There were 2,450,000 share options issued during the prior period and 1,700,000 options were cancelled. The balance of outstanding share options on issue at 30 June 2008 was 14,600,000.

*Shares Held in Trust for Employees*

During the period there was a net increase of \$71,246 in the cost of unvested shares held in trust for employees under the Employee Share Acquisition Plan (2008: \$249,920 net increase).

**10. Contingent Liabilities and Assets**

The following contingent liabilities existed at 30 June 2009, for which there has been a significant change to the nature or exposure since that reported in the 31 December 2008 annual report:

- (a) Performance and other guarantees, predominantly in the form of bank guarantees and insurance bonds, in relation to engineering and construction contracts executed in the normal course of business totalled \$5.344 million (31 December 2008: \$6.112 million).

**11. Subsequent Events**

On 20 July 2009 GRD announced to the ASX that the Company and AMEC had entered into a Scheme Implementation Agreement for the proposed acquisition by AMEC, through a Scheme of Arrangement, of all shares in GRD at a cash price of 55 cents per share. The key terms of the Scheme Implementation Agreement were summarised in the Company's announcement.

The transaction is unanimously recommended by the Board, subject to no superior competing proposal and confirmation by an independent expert that the transaction is in the best interests of GRD shareholders. As at the date of this report a Scheme Booklet is being prepared by the Company for distribution to shareholders shortly.

Since the end of the period there are no other matters or circumstances that have significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.