



LEMARNE CORPORATION LIMITED
A.C.N. 004 834 584

MARKET UPDATE

Based on the unaudited results for the half year ended 31 December 2004, Directors now expect the Net Profit after Tax attributable to members to exceed \$2.5 million for the half year.

This is due to a number of factors but primarily:

- Good trading by all four subsidiaries, all of which have recorded improved results on the previous corresponding period;
- A series of favourable 'one-off factors', and
- A lower than anticipated tax rate for the Group due largely to the utilisation of unrecognised international tax losses and favourable offshore tax concessions.

We anticipate releasing the Half Year Report to the Australian Stock Exchange in mid February 2005.

S.L. MASON
Company Secretary

28 January 2005