



**TOWER AUSTRALIA GROUP LIMITED
(FORMERLY ANDRIC PTY LIMITED)**

ABN 79 003 401 698

**INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 MARCH 2007**

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
For the half-year ended 31 March 2007

Table of contents

Directors' report.....	1
Auditors' independence declaration.....	2
Interim financial report	
Consolidated income statements.....	3
Consolidated balance sheets.....	4
Consolidated statements of changes in equity.....	5
Consolidated statements of cash flows.....	6
Notes to the financial statements	
1. Basis of preparation of half-year report.....	7
2. Debt forgiveness.....	7
3. Segmental reporting.....	8
4. Contributed equity.....	8
5. Acquisitions.....	9
6. Contingent liabilities.....	11
7. Subsequent events.....	11
Directors' declaration.....	12
Independent auditors' report to the members.....	13

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2006 and any public announcements made by TOWER Australia Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
DIRECTORS' REPORT
For the half-year ended 31 March 2007

The directors of TOWER Australia Group Limited (formerly Andric Pty Limited) ("the Company") present their report on the consolidated entity for the half-year ended 31 March 2007 ("the half-year"). The consolidated entity consists of the Company and the entities it controlled at the end of, or during the half-year ended 31 March 2007.

1. Directors

The following persons were directors of the Company during the financial half-year and up to the date of this report:

J R Minto
R K Barton
J L Spencer
G H Weiss
M L Jefferies
P J Lewinsky (appointed 19 December 2006)
R B Pliner (appointed 19 December 2006)
W J Falconer (resigned 19 December 2006)
A I Gibbs (resigned 19 December 2006)
S A Staley (resigned 19 December 2006)
D M Wood (resigned 19 December 2006)

2. Review of operations

The consolidated entity's operating result for the half-year ended 31 March 2007 after provision for income tax was a profit of \$17,127,000 (2006: \$37,128,000).

PrefSure Holdings Limited and its controlled entities ("PrefSure") was acquired on 31 March 2006. Therefore PrefSure's results are included in the consolidated entity's results for the current period but not in the prior comparative period, making the income statement for the two periods not readily comparable.

3. Changes in state of affairs

During the financial half-year the consolidated entity acquired TOWER Holdings (Australia) Pty Ltd and its controlled entity TOWER Asset Management Limited. Further details of this transaction is disclosed in Note 5 of the financial statements.

On 20 November 2006 the consolidated entity separated from its New Zealand parent, TOWER Limited, and separately listed on the Australian Stock Exchange on 21 November 2006. On the same day the consolidated entity issued 100,000,000 entitlements to existing shareholders to acquire new shares for \$1.60. On 19 December 2006, 99,998,011 ordinary shares were allotted to those persons who subscribed under the Entitlements Offer. The transaction costs incurred of \$6,328,000 were offset against the proceeds of the entitlements. The net proceeds were used to repay all of TOWER's debt and intercompany advances.

There were no other significant changes in the state of affairs of the Company during the half-year.

4. Matters subsequent to the end of the half-year

Scheme documentation was submitted and Court approval was obtained on 2 April 2007, to transfer and merge the statutory funds of PrefSure Life Limited with TOWER Australia Limited under part 9 of the Life Insurance Act 1995. The statutory funds were transferred on 2 April 2007. There is no resulting impact on the consolidated group.

5. Rounding of amounts

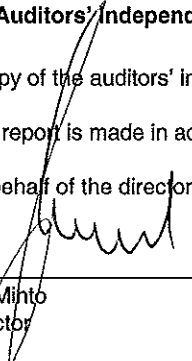
The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

6. Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

This report is made in accordance with a resolution of directors.

On behalf of the directors



J R Minto
Director

Sydney
28-May-07



PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Auditors' Independence Declaration

As lead auditor for the audit of TOWER Australia Group Limited (formerly Andric Pty Limited) for the half year ended 31 March 2007, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of TOWER Australia Group Limited (formerly Andric Pty Limited) during the period.

A handwritten signature in black ink, appearing to read 'PT Murray', with a long horizontal flourish extending to the right.

PT Murray
Partner
PricewaterhouseCoopers

29 Sydney
May 2007

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
INCOME STATEMENTS
For the half-year ended 31 March 2007

	<u>Half year to</u>	
	<u>Mar 2007</u>	<u>Mar 2006</u>
Note	<u>\$000</u>	<u>\$000</u>
Revenue from continuing operations		
Premium revenue from insurance contracts	288,018	139,867
Less: Outwards reinsurance expense	<u>(101,117)</u>	<u>(41,718)</u>
Net premium revenue	186,901	98,149
Investment revenue	231,230	221,725
Fee and other revenue	<u>13,217</u>	<u>12,237</u>
Net revenue from continuing operations	431,348	332,111
Claims expense	146,170	56,797
Less: Reinsurance recoveries revenue	<u>(85,927)</u>	<u>(25,364)</u>
Net claims expense	60,243	31,433
Change in life insurance contract liabilities	(1,089)	3,852
Change in life investment contract liabilities	163,791	155,725
Management and sales expenses	<u>157,793</u>	<u>94,430</u>
Net claims and operating expenses	380,738	285,440
Amortisation expense	(1,896)	-
Financing costs	(3,894)	-
Share of profits from associates	30	19
Debt forgiveness	2	<u>16,452</u>
Profit before taxation	44,850	63,142
Income tax expense	<u>27,723</u>	<u>26,014</u>
Profit for the half-year	17,127	37,128
	<u>Cents</u>	<u>Cents</u>
Basic and diluted earnings per share	5.8	7.3

The above income statements should be read in conjunction with the accompanying notes.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
BALANCE SHEETS
As at 31 March 2007

	Note	As at	
		Mar 2007 \$000	Sep 2006 \$000
Assets			
Cash and cash equivalents		348,336	310,281
Receivables		231,594	164,724
Financial assets at fair value through income statement		3,019,279	2,823,624
Other financial assets		32,102	32,456
Investment property		14,131	15,334
Deferred acquisition costs		64,345	67,889
Other assets		184	188
Property, plant and equipment		3,296	4,339
Assets arising from reinsurance contracts		137,675	165,652
Deferred tax asset		50,869	50,902
Intangible assets		152,583	154,209
Total assets		4,054,394	3,789,598
Liabilities			
Payables		347,866	328,374
Current tax liabilities		8,517	15,109
Provisions		22,698	16,464
Interest bearing liabilities		99,539	100,000
Insurance liabilities		62,029	51,621
Deferred tax liabilities		85,793	65,519
Other liabilities		1,549	1,664
Deferred revenue liability		97,482	100,692
Life insurance contract liabilities		546,990	597,724
Life investment contract liabilities		2,273,059	2,175,427
Total liabilities		3,545,522	3,452,594
Net assets		508,872	337,004
Equity			
Contributed equity	4	384,242	230,573
Retained profits		122,762	105,636
Reserves		1,868	795
Total equity		508,872	337,004

The above balance sheets should be read in conjunction with the accompanying notes.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
STATEMENTS OF CHANGES IN EQUITY
For the half-year ended 31 March 2007

	<u>Half year to</u>	
	<u>Mar 2007</u>	<u>Mar 2006</u>
	<u>\$000</u>	<u>\$000</u>
Total equity at the beginning of the half-year	<u>337,004</u>	<u>207,126</u>
Profit for the half-year	17,127	37,128
Total recognised income and expense for the half-year	<u>17,127</u>	<u>37,128</u>
Transactions with equity holders in their capacity as equity holders:		
Rights issue	153,669	-
Share based payments reserve	1,072	456
Movements in equity for the half-year	<u>171,868</u>	<u>37,584</u>
Total equity at the end of the half-year	<u><u>508,872</u></u>	<u><u>244,710</u></u>

The above statements of changes in equity should be read in conjunction with the accompanying notes.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
CASH FLOW STATEMENTS
For the half-year ended 31 March 2007

	Half year to	
	Mar 2007	Mar 2006
Note	\$000	\$000
Cash flows from operating activities		
Premiums received	396,467	235,479
Reinsurance paid	(104,696)	(36,254)
Interest received	44,496	48,231
Dividends received	24,052	17,376
Investment income	6,977	16,819
Non-life company fee income	10,841	12,155
Claims expenses	(306,857)	(218,482)
Reinsurance received	74,676	26,707
Payments/receipts to suppliers and employees	(128,331)	(130,015)
Interest paid	(3,894)	-
Income taxation received/(paid)	(12,517)	(18,231)
Net cash inflow / (outflow) from operating activities	1,214	(46,215)
Cash flows from investing activities		
Payments for financial assets	(332,587)	(446,755)
Proceeds from sale of financial assets	373,854	383,167
Proceeds from sale of available-for-sale financial assets	-	47,500
Net proceeds / (payments) for sale / purchase of property, plant and equipment	20	(89)
Loans repaid	65,649	-
Payment for purchase of subsidiaries, net of cash acquired	5 (68,279)	(111,230)
Net cash (outflow) from investing activities	38,657	(127,407)
Cash flows from financing activities		
Repayment of borrowings	(155,485)	-
Proceeds from borrowings	-	100,000
Proceeds from issue of shares and other equity securities	153,669	-
Net cash (outflow) / inflow from financing activities	(1,816)	100,000
Net increase / (decrease) in cash and cash equivalents	38,055	(73,622)
Cash and cash equivalents at beginning of the half-year	310,281	419,427
Cash and cash equivalents at end of the half-year	348,336	345,805

The above cash flow statements should be read in conjunction with the accompanying notes.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 March 2007

1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 March 2007 has been prepared in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2006 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The following accounting policies, have been adopted but not disclosed in prior periods.

(a) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(b) Share based payments

The consolidated entity issues share-based compensation packages to senior executives as part of their remuneration packages.

These options are measured at fair value at grant date and expensed over the period during which the employee becomes unconditionally entitled to the options, based on the estimate of shares that will eventually vest. Fair value at grant date is measured using a binomial model, taking into account the specific conditions of the options issued. The determination of fair value excludes the impact of any non-market vesting conditions which are allowed for in assumptions about the number of options that are expected to be exercisable. When an expense is recognised there is an equal and opposite entry made to the share option reserve in equity. When the options are exercised the receipt of the exercise price is transferred to share capital.

Where there is a tax deduction allowable in relation to the share option scheme this is recognised in the income statement, to the extent of the tax credit commensurate to the expense recognised in the income statement, with the balance reported through the share option reserve in equity.

Where terms are changed during the period that increase the cost of the options then this is recognised over the remaining vesting period. Where terms are changed during the period that decrease the cost of the options then there is no change to the expense recognised.

2. Debt forgiveness

Prior period

On 30 March 2006 TOWER Victoria Limited (a dormant associate which has since been wound up) forgave the intercompany debt owned by TOWER Group (Australia) Pty Limited, a controlled entity, of \$16,452,000. This was included in other revenue in September 2006 and has been separately classified as debt forgiveness in March 2006 comparative, which is one-off in nature.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 March 2007

3. Segmental reporting

Description of segments

Life insurance and funds management includes all life and disability insurance and wealth management services in Australia and related eliminations.

Corporate includes Head Office revenue, expenses and related eliminations.

Business segments	Life insurance and funds management	Corporate	Total
	\$000	\$000	\$000
2007			
Profit for the half-year	22,563	(5,436)	17,127
Net revenue for the half-year	429,608	1,740	431,348
2006			
Profit for the half-year	19,081	18,047	37,128
Net revenue for the half-year	329,776	2,335	332,111

Geographical segments

Since the separation of TOWER Group (Australia) Limited from TOWER Limited, the consolidated entity solely operates in Australia.

4. Contributed equity

Movements in ordinary share capital during the half-year:

Date	Details	Half year to		Half year to	
		Mar 2007 Shares	Mar 2006 Shares	Mar 2007 \$'000	Mar 2006 \$'000
1 October	Opening balance	234,243,034	510,269,341	230,573	230,573
19 December 2006	Rights issue	99,998,011	-	159,997	-
		334,241,045	510,269,341	390,570	230,573
	Less transaction costs	-	-	(6,328)	-
31 March	Closing Balance	334,241,045	510,269,341	384,242	230,573

On 20 November 2006 the consolidated entity separated from its New Zealand parent, TOWER Limited, and separately listed on the Australian Stock Exchange on 21 November 2006. On the same day the consolidated entity issued 100,000,000 entitlements to existing shareholders to acquire new shares for \$1.60. On 19 December 2006 99,998,011 ordinary shares were allotted to those persons who subscribed under the Entitlements Offer. The transaction costs incurred of \$6,328,000 were offset against the proceeds of the entitlements. The net proceeds were used to repay all of TOWER's debt and intercompany advances.

In September 2006 the company cancelled 276,026,307 ordinary shares reducing the total number of shares on issue to 234,243,034.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 March 2007

5. Acquisition

Current period

On 19 November 2006 the Group acquired 100% of the share capital of TOWER Holdings (Australia) Pty Limited, a provider of investment funds management services, and its controlled entity TOWER Asset Management Limited, an investment funds manager for \$70,588,000.

The acquired business contributed a net profit of \$1,806,000 to the consolidated entity during the 4 months from 20 November 2006 to 31 March 2007.

Excluding the costs associated with the demerger of the consolidated entity with TOWER Limited, if the acquisition had occurred on 1 October 2006, revenue from the acquired company would have been \$170,000 and loss would have been \$2,984,000.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount \$'000
Cash	2,308
Accounts receivable	238,578
Property, plant and equipment	26
Deferred tax benefit	1,491
Total assets	<u>242,404</u>
Accounts payable	3,365
Provisions	13,426
Interest bearing liability	155,024
Total liabilities	<u>171,815</u>
NET ASSETS	<u>70,588</u>
Purchase consideration settled in cash	(70,588)
Cash and cash equivalents in subsidiary acquired	2,308
Cash outflow on acquisition	<u>(68,279)</u>

The above carrying amount of the assets and liabilities acquired approximate their fair value at 19 November 2006.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 March 2007

5. Acquisition (continued)

Prior period

On 31 March 2006 the Group acquired 100% of the share capital of PrefSure Holdings Limited and its controlled entities, a specialist life insurance business for \$115,661,000.

The acquired business did not contribute revenues or net profit to the Group during the 6 months from 1 October 2005 to 31 March 2006 as the acquisition took place on the last day of the reporting period.

Details of net assets acquired and goodwill are as follows:

	2006
	\$000
Purchase consideration:	
Cash paid (excluding direct acquisition costs)	113,548
Direct cost related to acquisition paid in cash	2,113
Cash paid	<u>115,661</u>
Total purchase consideration	115,661
Fair value of net assets acquired	81,145
Intangibles	<u>34,516</u>
Value of inforce business	19,407
Goodwill	15,109
Intangibles	<u>34,516</u>

The intangible assets comprise goodwill and the value of in-force business over and above the fair value of the other net assets acquired. The goodwill is attributable to the profitability of the acquired business and the synergies expected to arise as a result of the acquisition. The value of in-force business is the present value of the future profits on the life insurance policies in-force at the date of acquisition.

The assets and liabilities arising from the acquisition are as follows:

	Fair value	Acquiree's
	\$000	carrying
	\$000	amount
	\$000	\$000
Cash	13,199	13,199
Accounts receivable	47,413	47,413
Assets classified as held for sale	152,839	152,839
Fixed interest securities	2,500	2,500
Assets arising from reinsurance contracts for using the equity	115,646	115,646
Property, plant and equipment	564	564
Deferred tax benefit	843	2,387
Intangibles	12,495	12,495
Total assets	<u>357,702</u>	<u>359,246</u>
Accounts payable	67,924	67,924
Taxation payable	2,982	2,907
Provisions	5,721	5,721
Deferred tax liability	13,777	13,756
Policyholder liabilities - insurance contracts investment contracts	169,132	167,851
	17,021	17,021
Total liabilities	<u>276,557</u>	<u>275,180</u>
NET ASSETS	<u>81,145</u>	<u>84,066</u>
Purchase consideration settled in cash		(115,661)
Cash and cash equivalents in subsidiary acquired		13,199
Cash outflow on acquisition		<u>(102,462)</u>
Less adjustments for deferred consideration paid post 31 March 2006		(8,768)
Net cash outflow on acquisition as at 31 March 2006		<u>(111,230)</u>

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 March 2007

<u>As at</u>	
<u>Mar 2007</u>	<u>Sep 2006</u>
<u>\$000</u>	<u>\$000</u>

6. Commitments and Contingent Liabilities

The estimated maximum amounts of unsecured contingent liabilities not provided for in the financial statements are:

Investment commitments (i)	1,738	1,815
Total contingent liabilities	<u>1,738</u>	<u>1,815</u>

(i) Investment commitments

The consolidated entity has partly paid shares in various investments that it is committed to paying further calls on capital (if any) made by the investee.

No material losses are anticipated in respect of the above contingent liabilities.

(ii) Finance facilities

In the prior year the consolidated entity committed to provide funding support to two associates that formed part of the TOWER Holdings (Australia) Pty Limited Group. Following the acquisition of TOWER Holdings (Australia) Pty Limited these cease to exist.

7. Subsequent events

Scheme documentation was submitted and Court approval was obtained on 2 April 2007, to transfer and merge the statutory funds of PrefSure Life Limited with TOWER Australia Limited under part 9 of the Life Insurance Act 1995. The statutory funds were transferred on 2 April 2007. There is no resulting impact on the consolidated group.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
DIRECTORS' DECLARATION
For the half-year ended 31 March 2007

In the directors' opinion:

- (a) the financial statements and notes set out on pages 3 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2007 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the directors



J R Minto
Director

Sydney
28-May-07



INDEPENDENT AUDITOR'S REVIEW REPORT
to the members of TOWER Australia Group Limited
(formerly Andric Pty Limited)

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of TOWER Australia Group Limited, which comprises the balance sheet as at 31 March 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the TOWER Australia Group Limited Group (the consolidated entity). The consolidated entity comprises both TOWER Australia Group Limited (the company) and the entities it controlled during that 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 designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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 31 March 2007 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*. As the auditor of TOWER Australia Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
For the half-year ended 31 March 2007

INDEPENDENT AUDITOR'S REVIEW REPORT Continued

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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

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.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

TOWER AUSTRALIA GROUP LIMITED (FORMERLY ANDRIC PTY LIMITED)
For the half-year ended 31 March 2007

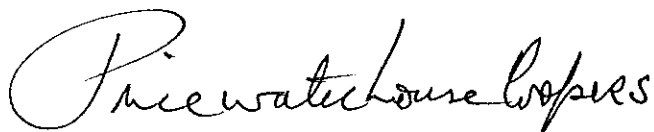
INDEPENDENT AUDITOR'S REVIEW REPORT Continued

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 TOWER Australia Group Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2007 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



PT Murray
Partner

29 Sydney
May 2007