

Half Year Preliminary Announcement

Appendix 1

Turners Auctions Limited		
Results for announcement to the market		
2.1	Reporting Period	Six months to 30 June 2007
	Previous Reporting Period	Six months to 30 June 2006
2.2-a		Amount (000s)
2.2-b	Revenue from ordinary activities	\$42,201
		Percentage change
	Profit (loss) from ordinary activities after tax attributable to security holder	(78.0%)
2.2-c	Net profit (loss) attributable to security holders	(78.0%)
2.2-d	Interim/Final Dividend	Amount per security
	Interim	\$0.015
	Special	\$0.039403
2.2-e	Record Date	14 September 2007
	Dividend Payment Date	21 September 2007
2.2-f	Comments:	See attached file.

3.1 All statements are prepared in accordance with New Zealand Financial Reporting Standards

3.2 The directors believe that the inventories and the receivables accounting policies are critical to the portrayal of Turners Auctions Limited's financial condition and results and require the directors to make judgements and estimates about matters that are inherently uncertain.

Parts and finished goods are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

3.3 The accounting policies applied in preparation of the statements have changed from being in accordance with New Zealand Financial Reporting Standards to being in accordance New Zealand International Financial Reporting Standards. The impact of this change is set out in the file attached.

3.4 The financial statements have not been audited.

3.5 See file attached for further information.

2.3(a)

Consolidated Income Statements		
	Reporting Period \$NZ'000	Previous Corresponding Period \$NZ'000
Revenue from continuing operations	42,201	40,616
Other income	25	80
Cost of sales of goods	(18,567)	(16,039)
Cost of providing services	(1,973)	(2,052)
Employee benefits expense	(8,230)	(7,725)
Property expense	(3,793)	(3,429)
Other operating leases expense	(361)	(354)
Depreciation and amortisation expense	(1,440)	(1,397)
Impairment of goodwill	-	(22)
Advertising expense	(1,106)	(1,233)
Alleged fraud expense	(1,158)	-
Other expenses	(4,323)	(4,004)
Finance costs	(420)	(443)
Total expenses	(41,371)	(36,698)
Profit before income tax	855	3,998
Income tax expense	(327)	(1,385)
Profit from continuing operations	528	2,613
Loss from discontinued operations	-	(250)
Profit for the period	528	2,363
Profit attributable to minority interest	(4)	23
Profit attributable to members of Turners Auctions Limited	524	2,386

Revenue		
	Reporting Period \$NZ'000	Previous Corresponding Period \$NZ'000
Sale of goods	20,800	18,017
Commission and other auction revenue	18,713	19,457
Rents and sublease rentals	173	201
Interest	1,226	1,371
Other services revenue	1,289	1,570
Total revenue from continuing activities	42,201	40,616

Consolidated Statements of Movements in Equity		
	Reporting Period \$NZ'000	Previous Corresponding Period \$NZ'000
Equity at beginning of year	21,749	22,400
Cash flow hedges, net of tax	10	(89)
Exchange differences on translation of	(17)	55
Minority interest in exchange differences on	10	(22)
Net income recognised directly in equity	3	(56)
Profit for the period	528	2,363
Total recognised income and expense for	531	2,307
Contributions of equity	-	23
Employee share options	15	4
Dividends paid	(959)	(1,669)
Minority interest contributions	-	54
Equity at end of year	21,336	23,119
Attributable to:		
Equity holders of the parent	525	2,306
Minority interest	6	1
Total recognised income and expense for	531	2,307

2.3(b)

Consolidated Statements of Financial Position		
	Reporting Period \$NZ'000	Previous Corresponding Period \$NZ'000
Assets		
Current assets		
Cash and cash equivalents	6,862	6,620
Receivables	7,488	7,519
Inventories	9,923	8,803
Derivative financial instruments	-	8
Current tax receivables	1,868	79
Finance receivables	5,501	5,221
Total current assets	31,642	28,250
Non-current assets		
Finance receivables	5,555	6,453
Other financial assets	12	11
Property, plant and equipment	5,389	6,231
Intangible assets	2,900	3,818
Deferred tax assets	195	160
Total non-current assets	14,051	16,673
Total assets	45,693	44,923
Liabilities		
Current liabilities		
Payables	12,738	9,713
Derivative financial instruments	8	-
Provisions	50	91
Deferred income	125	114
Finance payables	5,612	5,250
Total current liabilities	18,533	15,168
Non-current liabilities		
Provisions	158	156
Finance payables	5,666	6,480
Total non-current liabilities	5,824	6,636
Total liabilities	24,357	21,804
Net assets	21,336	23,119
Equity		
Contributed equity	11,413	11,413
Reserves	89	5
Retained earnings	9,800	11,660
Minority interest	34	41
Total equity	21,336	23,119

2.3(c)

Consolidated Statements of Cash Flows		
	Reporting Period \$NZ'000	Previous Corresponding Period \$NZ'000
Cash flows from operating activities		
Cash receipts from customers	216,638	212,371
Interest received	1,305	1,179
Cash paid to suppliers and employers	(213,237)	(208,017)
Interest paid	(412)	(422)
Net GST received/(paid)	152	(632)
Income tax paid	(1,879)	(1,995)
Net cash flows from operating activities	2,567	2,484
Cash flows from investing activities		
Purchases of property, plant and equipment (PPE)	(657)	(845)
Proceeds from sale of PPE	196	132
Purchase of intangible assets	(20)	(771)
Proceeds from disposal of subsidiaries	-	(24)
Net cash outflows from investing activities	(481)	(1,508)
Cash flows from financing activities		
Proceeds from Issuance of ordinary shares	-	23
Dividends paid to group shareholders	(959)	(1,669)
Net cash outflows from financing activities	(959)	(1,646)
Net increase in cash held	1,127	(670)
Cash at the beginning of period	5,735	7,290
Cash at the end of period	6,862	6,620

Segment information							
\$NZ'000	Auctions	Fleet	Finance	Smart Autocentre	Other	Unallocated	Group
Reporting Period							
Total segment revenue	19,596	20,799	1,130	447	810	583	43,365
Inter-segment revenue	(929)	-	150	-	(73)	(312)	(1,164)
Revenue	18,667	20,799	1,280	447	737	271	42,201
Segment result	122	648	58	(191)	(49)	267	855
Inter-segment net income and expenses	(856)	779	150	-	(73)	-	0
Segment contribution/Profit before income tax	(734)	1,427	208	(191)	(122)	267	855
Commission and other auction revenue	18,494	-	-	-	219	-	18,713
Sale of goods	-	20,800	-	-	-	-	20,800
Cost of sales of goods	-	(18,567)	-	-	-	-	(18,567)
Segment assets	14,621	10,149	11,402	366	386	8,770	45,694
Previous Corresponding Period							
Total segment revenue	20,358	18,019	1,346	509	1,018	950	42,200
Inter-segment revenue	(911)	-	150	-	(199)	(624)	(1,584)
Revenue	19,447	18,019	1,496	509	819	326	40,616
Segment result	3,362	314	298	(190)	(99)	313	3,998
Inter-segment net income and expenses	(712)	761	150	-	(199)	-	0
Segment contribution/Profit before income tax	2,650	1,075	448	(190)	(298)	313	3,998
Commission and other auction revenue	18,709	-	-	-	748	-	19,457
Sale of goods	-	18,017	-	-	-	-	18,017
Cost of sales of goods	-	(16,039)	-	-	-	-	(16,039)
Segment assets	15,216	8,972	13,093	491	1,428	5,723	44,923

2.3(g) there are no entities over which control has been gained or lost during the period.

2.3(h) There are no associate or joint venture entities.

Interim Dividend		
	Reporting Period	Previous Corresponding Period
Payment Date	21 September 2007	00 January 1900
Number of shares on issue	27,375,271	27,375,271
Dividend per share	\$0.015	\$0.08
Total dividend monies	\$410,629	\$2,190,022
Special Dividend		
	Reporting Period	Previous Corresponding Period
Payment Date	21 September 2007	-
Dividend per share	\$0.080	-
Total dividend monies	\$2,190,022	-

2.3(e) There are no dividend or distribution reinvestment plans in operation

Net Tangible Assets per Security		
	Reporting Period	Previous Corresponding Period
Net Tangible Assets	\$18,436	\$19,301
Net Tangible Assets per Security	\$0.67	\$0.71

Earnings Per Share		
	Reporting Period	Previous Corresponding Period
Basic EPS	\$0.019	\$0.087
Diluted EPS	\$0.019	\$0.087

Ordinary Shares on Issue	
Opening Balance	27,375,271
Issued during Reporting Period	-
Closing Balance	27,375,271

Share Options	
Opening Balance	675,000
Exercised during Reporting Period	-
Issued during Reporting Period	-
Closing Balance	675,000