



A.C.N. 063 656 333  
A.B.N. 64 063 656 333

VIETNAM INDUSTRIAL INVESTMENTS LIMITED

26 August 2010

Company Announcements Office  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Sirs

**PRELIMINARY HALF-YEAR GROUP RESULT**

This announcement is made in accordance with Listing Rule 3.1 as there is a significant reduction in the expected half year Group result compared to the previous corresponding period. These figures are based on unaudited results.

VII's share of the unaudited consolidated operating profit after income tax for the half-year ended 30 June 2010 was \$8.548 million (2009: \$12.925 million) on revenues of \$192.806 million (2009: \$183.908 million). The increase in revenue and decrease in net profit were largely attributable to the operations of the steel making division.

As noted in our Chairman's Report in our last Annual Report in 2009, the Group was able to benefit from high demand for construction steel in the infrastructure, construction and property development industries which was in part due to the Vietnam government implementing stimulus measures to promote economic growth. The Group also benefitted from the Vietnam government's loan subsidy program, lowering the cost of working capital finance. However, in late 2009 the Government sought to implement anti-inflationary measures and in the first half of 2010 there continues to be significant uncertainty regarding the trading conditions and performance of the Vietnam operations. Following reinforcing steel capacity increasing in the North of Vietnam and raw material volatility, the profitability of the rebar mills is expected to be lower than the prior period for the remainder of the year.

Yours faithfully

LAM VAN HUNG (HENRY)  
**Managing Director**  
**(Vietnam Operations)**