

INCOME STATEMENTS

For the year ended 30 September 2008

	Note	Group		Company	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
Revenue from continuing operations					
Premium revenue from insurance contracts		712,807	641,238	–	–
Less: Outwards reinsurance expense		(226,687)	(221,356)	–	–
Net premium revenue	3	486,120	419,882	–	–
Investment income	4	(303,280)	367,289	18,231	73,196
Fee and other revenue	5	70,580	73,019	–	–
Net operating revenue		253,420	860,190	18,231	73,196
Claims expense		306,398	298,150	–	–
Less: Reinsurance recoveries revenue		(169,890)	(181,999)	–	–
Net claims expense	6	136,508	116,151	–	–
Change in life insurance contract liabilities	31	(35,053)	12,650	–	–
Change in life investment contract liabilities	31	(282,663)	308,431	–	–
Management and sales expenses	7	369,426	339,066	2,476	2,062
Net claims and operating expenses		188,218	776,298	2,476	2,062
Amortisation/impairment expense		(5,925)	(3,791)	–	(70,588)
Goodwill derecognised	16	–	(3,172)	–	–
Financing costs	7	(8,190)	(7,853)	–	–
Share of net profits of associates	13	105	95	–	–
Profit before taxation		51,192	69,171	15,755	546
Income tax (benefit)/expense	8	(17,500)	28,506	589	(1,940)
Profit from continuing operations		68,692	40,665	15,166	2,486
Profit for the year attributable to shareholders of TOWER Australia Group Limited		68,692	40,665	15,166	2,486
Earnings per share for profit attributable to the ordinary equity holders of the Company					
		Cents	Cents		
Basic earnings per share	26	20.4	13.0		
Diluted earnings per share	26	20.1	13.0		

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