

Appendix 4D

For The Six Months Ended 31 December 2013

1. Details of the reporting period

This report details the consolidated results of Finbar Group Limited and its controlled entities for the six months ended 31 December 2013. Comparatives are for the six months ended 31 December 2012.

2. Results for announcement to the market

	31-Dec-13	31-Dec-12	Change %
2.1 Revenue from ordinary activities	134,210,906	62,239,828	115.64%
2.2 Profit from ordinary activities after tax attributable to members	18,876,732	14,038,149	34.47%
2.3 Net Profit for the period attributable to members	18,876,732	14,072,172	34.14%
2.4 Final 2013 Dividend per share, fully franked	6.0 cents	5.5 cents	9.09%
Declared Interim 2014 Dividend per share, fully franked	4.0 cents	3.5 cents	14.29%
Earnings per Share (Cents per Share)	8.57	6.54	31.03%
2.5 Record date for dividend	6 March 2014		
2.6 Explanation	Refer to Company Announcement		

3. Net tangible assets per share

	31-Dec-13	31-Dec-12
Net tangible assets per share (Cents per Share)	96.07	87.62

4. Details of entities over which control has been gained or lost during the period

4.1 Not Applicable.

5. Details of dividends

The Board has declared a dividend of 4.0 cents per share payable on 17 April 2014.
The record date for the dividend is 6 March 2014.

6. Dividend reinvestment plan

The company has a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash.

Last date for the receipt of an election notice for participation in the DRP is 6 March 2014.

Appendix 4D continued

For The Six Months Ended 31 December 2013

7. Details of subsidiaries

	Ownership
17 Sunlander Drive Pty Ltd	100%
31 Rowe Avenue Pty Ltd	100%
43 McGregor Road Pty Ltd	100%
52 Mill Point Road Pty Ltd	100%
59 Albany Highway Pty Ltd	68.75%
88 Terrace Road Pty Ltd	100%
172 Railway Parade West Leederville Pty Ltd	100%
175 Adelaide Terrace Pty Ltd	100%
208 Adelaide Terrace Pty Ltd	60%
241 Railway Parade Pty Ltd	100%
262 Lord Street Perth Pty Ltd	100%
269 James Street Pty Ltd	100%
280 Lord Street Perth Pty Ltd	100%
Burt Way Developments Pty Ltd	100%
Finbar Finance Pty Ltd	100%
Finbar Funds Management Limited	100%
Finbar Port Hedland	100%
Finbar Property Trust	100%
Finbar Karratha Pty Ltd	100%
Finbar Project Management Pty Ltd	100%
Finbar Sub 100 Pty Ltd	100%
Lake Street Pty Ltd	100%
Lot 1 to 10 Whatley Crescent Pty Ltd	100%
Pelago Apartment Rentals Pty Ltd	100%

8. Details of joint venture entities

	Ownership
1 Richardson Street Pty Ltd	50%
22 Plain Street Pty Ltd	50%
36 Chester Avenue Pty Ltd	50%
143 Adelaide Terrace Pty Ltd	50%
185 Swansea Street Pty Ltd	50%
375 Hay Street Pty Ltd	50%
406 & 407 Newcastle Street Pty Ltd	50%
701 Wellington Street Pty Ltd (De-registered)	50%
Finbar Sub 5050 Pty Ltd	50%
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50%
Rowe Avenue Pty Ltd	50%
Roydhouse Street Subiaco Pty Ltd	50%

8. Foreign entities

Not Applicable.

9. Auditor's review report

No dispute or qualification exists in the auditor's review report.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 97 009 113 473

ACN 009 113 473

INTERIM FINANCIAL REPORT

for the financial period ended 31st December 2013



FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
INTERIM FINANCIAL REPORT
For the Six Months Ended 31 December 2013

CONTENTS	Page
Directors' Report	3
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	5
Condensed Consolidated Interim Statement of Changes in Equity	6
Condensed Consolidated Interim Statement of Financial Position	7
Condensed Consolidated Interim Statement of Cash Flows	8
Notes to the Condensed Consolidated Interim Financial Statements	9
Directors' Declaration	15
Auditor's Independent Report on review of condensed consolidated interim financial report	16
Lead Auditors' Independence Declaration	18

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

For the Six Months Ended 31 December 2013

1 Directors

The Directors present their report together with the consolidated financial report of Finbar Group Limited ('the Company') for the six months ended 31 December 2013 and the auditor's review report thereon.

The Directors of the Company at any time during or since the end of the six months ended 31 December 2013:

Executive Director and Chairman

John CHAN - BSc, MBA, MAICD

Director since 27 April 1995

Chairman since 15 July 2010

Managing Director

Darren John PATEMAN - EMBA, Grad Dip App CorpGov, ACSA, ACIS, MAICD, AFAIM

Director since 6 November 2008

Managing Director since 15 July 2010

Non-executive Directors

John Boon Heng CHEAK - B Eco

Director since 28 April 1993

Kee Kong LOH - B Acc, CPA

Director since 28 April 1993

Non-executive (Independent) Director

Lee VERIOS - LLB, MAICD

Director since 6 December 2011

2 Company Secretary

Anthony David HEWETT - MBusLaw (Curtin)

Company Secretary since 5 February 2013

3 Principal Activities

The principal activities of the consolidated group during the course of the six months ended 31 December 2013 continued to be property development and investment.

The consolidated group's focus is the development of medium to high-density residential buildings in Western Australia by way of direct ownership, ownership through fully owned Subsidiaries, through Jointly Controlled operations or by Joint Ventures (through companies registered specifically to conduct the development).

There were no significant changes in the nature of the activities of the consolidated group during the financial half-year.

4 Results

Operating Results

Total comprehensive income attributable to owners of the group amounted to \$18,876,732 (2013 : \$14,072,172).

The largest generator of earnings for the half year relates to the completion and settlement of lots in the second stage of the Company's wholly owned Pelago project in the Pilbara town of Karratha along with settlements of the wholly owned St Marks project in Highgate.

Finbar has finished the half year with a record cash position of \$64.1 million which has placed the Company in a strong position to fund capital commitments for land settlements and project working capital requirements.

The Directors have resolved to announce a 14% increase in the interim dividend from 3.5c (31 December 2012) per share to 4.0c per share fully franked, payable on 17 April 2014. The record date for the dividend is 6 March 2014.

5 Review of Operations

Sales activity to the date of this report has been strong with the Company selling 274 apartments, both by way of completed lots and off-the-plan sales. The sales activity increased late in the second half of the six months as a result of the release of Norwood, Subi Strand and Toccata projects.

During the half year to date, Knightsgate, St Marks and Pelago East were completed and all settlements for sold properties in these projects have occurred. The Ecco project has also recently reached a stage of practical completion with settlements anticipated to commence in April 2014 and impact on company earnings during the 30 June 2014 financial year.

As a result of the completions, the Company retired a total of \$87.1 million in project specific debt for construction facilities that relate to the completed projects.

The Au and 52 Mill Point Road projects are anticipated to settle within the next six months.

Finbar has received development approvals for Norwood, Subi Strand and Arbor North, as well as a Scheme Amendment that would allow the planned Anchorage project in Port Hedland to realise its full redevelopment potential, subject to development approval.

The half year has seen the commencement of construction of three large projects at Spring View Towers, Toccata, and Subi Strand.

During the half year, the Company has negotiated and secured three new joint ventures with land owners on sites on the corner of Tenth Avenue, Kennedy Street and Railway Parade in Maylands, 172 Railway Parade in West Leederville and Lot 1014 Springs in Rivervale. Furthermore, a Finbar wholly owned subsidiary has contracted to acquire a development site located at 269 James Street in Northbridge where a residential development is in the early stages of planning.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT
For the Six Months Ended 31 December 2013

5 Review of Operations (continued)

Leasing activity for Finbar's commercial property has remained subdued in the half year with no additional leasing space being secured in the Company's Fairlanes project during the period. The Monadelphous building remains 99% leased while Finbar has secured leases for 31% of the recently completed commercial space in the Pelago East project for the year to date and continues to hold leases on 65% of the Pelago West property.

Sales for regional projects in Karratha have also remained subdued as a result of the current Pilbara market conditions and resource sector sentiment. However, leasing activity has been strong with residential apartments being leased for rental returns while the property is held as stock for sale. Finbar does not have any debt on residential regional projects.

6 Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on Page 18 and forms part of the Directors' Report for the six months ended 31 December 2013.

Dated at Perth this 25th day of February 2014.

Signed in accordance with a resolution of the Board of Directors:



Darren Pateman
Managing Director

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
For the Six Months Ended 31 December 2013

	Note	31-Dec-13 \$	31-Dec-12 \$
Revenue		134,210,906	67,969,710
Cost of sales		(99,888,342)	(42,963,567)
Gross Profit		34,322,564	25,006,143
Other income	8	331,045	1,143,598
Administrative expenses		(3,730,111)	(3,279,679)
Advertising expenses		(929,353)	(816,042)
Other expenses		(2,420,069)	(2,503,689)
Results from Operating Activities		27,574,076	19,550,331
Finance income		1,662,255	1,739,309
Finance costs		(1,825,493)	(1,628,030)
Net Finance (Costs)/Income		(163,238)	111,279
Share of (loss)/profit of Equity Accounted Investees (net of income tax)		(116,110)	204,571
Profit before Income Tax		27,294,728	19,866,181
Income tax expense	9	(8,273,774)	(5,846,664)
Profit for the period		19,020,954	14,019,517
Other comprehensive income		-	48,605
Income tax relating to components of other comprehensive income		-	(14,582)
Other comprehensive income for the period, net of income tax		-	34,023
Total comprehensive income for the period		19,020,954	14,053,540
Profit/(Loss) attributable to:			
Owners of the Group		18,876,732	14,038,149
Non-controlling interest		144,222	(18,632)
Profit for the period		19,020,954	14,019,517
Total comprehensive income/(loss) attributable to:			
Owners of the Group		18,876,732	14,072,172
Non-controlling interest		144,222	(18,632)
Total comprehensive income for the period		19,020,954	14,053,540
Earnings per Share:			
Basic earnings per share (cents per share)		8.57	6.54
Diluted earnings per share (cents per share)		8.57	6.54
Dividends per share (cents per share)	12	6.00	5.50

The condensed notes on pages 9 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the Six Months Ended 31 December 2013

	Attributable to equity holders of the company				Non Controlling Interest	Total Equity
	Share Capital	Retained Earnings	Asset Revaluation Reserve	Total		
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2012	132,690,730	51,101,089	1,490,060	185,281,879	3,140,107	188,421,986
Total comprehensive income for the period						
Profit		14,038,149		14,038,149	(18,632)	14,019,517
Other comprehensive income			34,023	34,023		34,023
Transactions with owners, recognised directly in equity						
Issue of ordinary shares	663,104			663,104		663,104
Dividends to shareholders Note 12		(11,779,510)		(11,779,510)		(11,779,510)
Balance as at 31 December 2012	133,353,834	53,359,728	1,524,083	188,237,645	3,121,475	191,359,120
Balance as at 1 July 2013	137,779,605	63,616,005	1,395,971	202,791,581	3,011,877	205,803,458
Total comprehensive income for the period						
Profit		18,876,732		18,876,732	144,222	19,020,954
Transactions with owners, recognised directly in equity						
Issue of ordinary shares	3,576,572			3,576,572		3,576,572
Dividends to shareholders Note 12		(13,080,370)		(13,080,370)		(13,080,370)
Closing balance at 31 December 2013	141,356,177	69,412,367	1,395,971	212,164,515	3,156,099	215,320,614

Amounts are stated net of tax

The condensed notes on pages 9 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Note	31-Dec-13 \$	30-Jun-13 \$
ASSETS			
Current Assets			
Cash and cash equivalents		64,100,863	35,596,741
Trade and other receivables		12,973,456	24,275,371
Inventories	10	155,963,426	179,819,864
Prepayments		286,625	380,952
Investments in Equity Accounted Investees		45,815	73,664
Other assets		342,430	340,072
Total Current Assets		233,712,615	240,486,664
Non Current Assets			
Trade and other receivables		25,947,723	12,009,731
Inventories	10	5,839,221	4,360,571
Investment property		122,102,119	122,102,119
Investments in Equity Accounted Investees		91,189	1,109,448
Property, plant and equipment	11	12,651,375	14,711,394
Other assets		2,066,632	2,238,204
Total Non Current Assets		168,698,259	156,531,467
Total Assets		402,410,874	397,018,131
LIABILITIES			
Current Liabilities			
Trade and other payables		23,215,181	33,381,575
Loans and borrowings	13	62,569,918	43,730,421
Current tax payable		10,767,150	8,964,521
Employee benefits		27,856	39,377
Total Current Liabilities		96,580,105	86,115,894
Non Current Liabilities			
Loans and borrowings	13	78,608,676	95,770,679
Deferred tax liabilities		11,724,693	9,193,718
Employee benefits		176,786	134,382
Total Non Current Liabilities		90,510,155	105,098,779
Total Liabilities		187,090,260	191,214,673
Net Assets		215,320,614	205,803,458
EQUITY			
Share capital		141,356,177	137,779,605
Retained earnings		69,412,367	63,616,005
Reserves		1,395,971	1,395,971
Total Equity Attributable to Holders of the Group		212,164,515	202,791,581
Non-controlling interest		3,156,099	3,011,877
Total Equity		215,320,614	205,803,458

The condensed notes on pages 9 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the Six Months Ended 31 December 2013

	31-Dec-13 \$	31-Dec-12 \$
Cash Flows from Operating Activities		
Cash receipts from customers	137,143,632	61,621,072
Cash paid to suppliers and employees	(82,394,834)	(80,197,994)
Cash generated from/(used in) Operating Activities	<u>54,748,798</u>	<u>(18,576,922)</u>
Interest paid	(2,812,261)	(3,135,956)
Income tax paid	(3,940,196)	(1,326,893)
Net Cash generated from/(used in) Operating Activities	<u>47,996,341</u>	<u>(23,039,771)</u>
Cash Flows from Investing Activities		
Interest received	1,516,202	1,344,074
Dividends received from equity accounted investees	930,000	3,820
Acquisition of property, plant and equipment	(270,213)	(356,779)
Loans to equity accounted investees	(13,613,663)	20,281
Net Cash (used in)/provided by Investing Activities	<u>(11,437,674)</u>	<u>1,011,396</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	1,449,252	37,498,569
Dividends paid (net of DRP)	(9,503,797)	(11,116,405)
Net Cash (used in)/provided from Financing Activities	<u>(8,054,545)</u>	<u>26,382,164</u>
Net increase in cash and cash equivalents	28,504,122	4,353,789
Cash and cash equivalents at 1 July	35,596,741	31,733,295
Cash and Cash Equivalents at 31 December	<u>64,100,863</u>	<u>36,087,084</u>

The condensed notes on pages 9 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended 31 December 2013

1 Reporting Entity

Finbar Group Limited (the 'Company') is a company domiciled in Australia. These condensed consolidated interim financial statements of the Group as at and for the six months ended 31 December 2013 comprise the Company and its Subsidiaries (together referred to as the "Group") and the Group's interest in Joint Ventures. The Group is primarily involved in property development and investment.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2013 are available on request from the Company's registered office at Level 6, 181 Adelaide Terrace, East Perth, WA, 6004 or can be downloaded from the Company's website at www.finbar.com.au.

2 Statement of Compliance

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001 and with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position, and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2013. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 30 June 2013.

The condensed interim financial statements were approved by the Board of Directors on 25th day of February 2014.

3 Significant Accounting Policies

The accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30 June 2013.

4 Judgements and Estimates

In preparing these condensed interim financial statements management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements at and for the year ended 30 June 2013.

5 Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2013.

6 Changes in Accounting Policies

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

AASB 10 *Consolidated Financial Statements* (2011) (see (a))

AASB 11 *Joint Arrangements* (see (b))

AASB 13 *Fair Value Measurement* (see (c))

(a) Subsidiaries

As a result of AASB 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. AASB 10 (2011) introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, AASB 10 (2011) requires the Group consolidate investees that it controls on the basis of de facto circumstances. This has had no impact on the Group's control conclusions in relation to its subsidiaries.

(b) Joint Arrangements

As a result of AASB 11, the Group has changed its accounting policy for its interests in joint arrangements. Under AASB 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group has re-evaluated its involvement in its joint arrangements and has reclassified all investments except its one jointly controlled operation from jointly controlled entities to joint ventures. The jointly controlled operation is accounted for as a joint operation whereby the venturers have a right to the underlying assets and obligations of the venture and are accounted for by recognising the Group's share of those assets and obligations. In respect to the reclassification from jointly controlled entities to joint ventures, the investments continue to be accounted for using the equity method; accordingly, there has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2013

6 Changes in Accounting Policies (continued)

(c) Fair Value Measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement dates. It also replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 *Financial Instruments : Disclosures*. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Group has included additional disclosures in this regard (see Note 14).

In accordance with the transitional provisions of AASB 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

7 Operating Segments

The Group operates predominantly in the property development sector and has identified 4 reportable segments, as described below, which are the Group's 3 strategic business units, as well as the Corporate office. The strategic business units offer different products, and are managed separately because they require different technology, marketing strategies and have different types of customers. For each of the strategic business units, the CODM reviews internal management reports on a regular basis. The following describes the operations in each of the Group's reportable segments:

- Residential apartment development in Western Australia,
- Commercial office/retail development in Western Australia,
- Rental of property in Western Australia.
- Corporate costs and net assets attributable to the corporate office.

**Information about Reportable Segments
For the Six Month ended 31 December 2013**

	Residential Apartment Development	Commercial Office/Retail Development	Rental of Property	Corporate	Total
	\$	\$	\$	\$	\$
External Revenues - Company and Subsidiaries	124,265,671	3,500,000	6,445,235	331,045	134,541,951
External Revenues - Equity Accounted Investees	4,421	1,679,000	-	-	1,683,421
External Revenues - Total	124,270,092	5,179,000	6,445,235	331,045	136,225,372
Interest Income	1,112,247	-	-	549,994	1,662,241
Interest Expense	-	-	-	1,819,233	1,819,233
Depreciation and Amortisation	-	-	105,480	78,334	183,814
Reportable Segment Profit before Income Tax - Company and Subsidiaries	26,496,799	451,177	4,025,166	273,511	31,246,653
Reportable Segment Profit before Income Tax - Equity Accounted Investees	(382,434)	194,341	-	-	(188,093)
Reportable Segment Profit before Income Tax - Total	26,114,365	645,518	4,025,166	273,511	31,058,560

Information about Reportable Segments as at 31 December 2013

Reportable Segment Assets - Company and Subsidiaries	157,320,707	17,182,209	124,930,798	12,791,549	312,225,263
Reportable Segment Assets - Equity Accounted Investees	36,685,304	1,333,469	-	-	38,018,773
Reportable Segment Liabilities - Company and Subsidiaries	81,060,856	3,758,588	78,714,112	1,064,861	164,598,417
Reportable Segment Liabilities - Equity Accounted Investees*	24,621,347	771,133	-	-	25,392,480
Capital Expenditure	-	-	-	266,081	266,081

* Excludes Liabilities payable to Finbar Group

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2013

7 Operating Segments (continued)

Information about Reportable Segments For the Six Month ended 31 December 2012	Residential Apartment Development	Commercial Office/Retail Development	Rental of Property	Corporate	Total
	\$	\$	\$	\$	\$
External Revenues - Company and Subsidiaries	61,955,720	-	5,729,882	1,089,282	68,774,884
External Revenues - Equity Accounted Investees	4,441,147	330,000	28,774	-	4,799,921
External Revenues - Total	<u>66,396,867</u>	<u>330,000</u>	<u>5,758,656</u>	<u>1,089,282</u>	<u>73,574,805</u>
Interest Income	767,663	-	-	971,646	1,739,309
Interest Expense	-	-	-	1,622,913	1,622,913
Depreciation and Amortisation	-	-	-	89,292	89,292
Reportable Segment Profit before Income Tax - Company and Subsidiaries	18,176,111	-	3,226,193	1,038,193	22,440,497
Reportable Segment Profit before Income Tax - Equity Accounted Investees	237,312	35,765	16,401	-	289,478
Reportable Segment Profit before Income Tax - Total	<u>18,413,423</u>	<u>35,765</u>	<u>3,242,594</u>	<u>1,038,193</u>	<u>22,729,975</u>

Information about Reportable Segments as at 30 June 2013

Reportable Segment Assets - Company and Subsidiaries	194,513,269	14,024,258	132,877,486	6,813,511	348,228,525
Reportable Segment Assets - Equity Accounted Investees	25,680,328	1,901,891	-	-	27,582,219
Reportable Segment Liabilities - Company and Subsidiaries	88,109,907	4,980,964	78,898,160	1,067,403	173,056,434
Reportable Segment Liabilities - Equity Accounted Investees*	19,912,540	32,622	-	-	19,945,162
Capital Expenditure	-	-	-	616,906	616,906

* Excludes Liabilities payable to Finbar Group

Reconciliation of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities

	31-Dec-13 \$	31-Dec-12 \$
Revenues		
Total revenue for development reportable segments	134,210,906	67,685,602
Total revenue for other reportable segments	331,045	1,089,282
Consolidated Revenue	<u>134,541,951</u>	<u>68,774,884</u>
Total revenue for development reportable segments - Equity Accounted Investees	1,683,421	4,771,147
Total revenue for rental segments included in other income - Equity Accounted Investees	-	28,774
Total Reportable Segments Revenue	<u>136,225,372</u>	<u>73,574,805</u>
Profit or Loss		
Total profit or loss for reportable segments	31,058,560	22,729,975
Finance income - Company and Subsidiaries	1,662,255	1,739,309
Finance income - Equity Accounted Investees	43,167	17,884
Finance costs - Company and Subsidiaries	(1,825,493)	(1,628,030)
Finance costs - Equity Accounted Investees	(250)	(519)
Unallocated amounts:		
Administrative expenses	(3,693,273)	(3,246,974)
Revaluation of investment property	-	338,424
Income tax applicable to share of profit of Equity Accounted Investees	49,762	(83,888)
Consolidated Profit before Income Tax	<u>27,294,728</u>	<u>19,866,181</u>
Assets	31-Dec-13	30-Jun-13
Total assets for reportable segments	312,225,263	348,228,524
Cash and cash equivalents	64,100,863	35,596,741
Investments in Equity Accounted Investees	137,004	1,183,114
Other assets*	25,947,744	12,009,752
Consolidated Total Assets	<u>402,410,874</u>	<u>397,018,131</u>
Liabilities		
Total liabilities for reportable segments	164,598,417	173,056,434
Other liabilities**	22,491,843	18,158,239
Consolidated Total Liabilities	<u>187,090,260</u>	<u>191,214,673</u>

Geographical Segments

The Group operates predominantly in the one geographical segment of Western Australia.

* Includes receivables due to Finbar Group from Equity Accounted Investees

** Includes liabilities payable to Finbar Group from Equity Accounted Investees

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2013

		Consolidated	
		31-Dec-13	31-Dec-12
		\$	\$
8	Other Income		
	Administration Expenses	57,534	51,089
	Commission income	1,604	2,188
	Other	271,907	751,897
	Total Other Income before revaluation	331,045	805,174
	Revaluation of investment property	-	338,424
	Total Other Income	331,045	1,143,598
	Revaluation of property (reported as other comprehensive income)	-	48,605

9 Income Tax Expense

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2013 was 30% (2012 : 29.4%).

		31-Dec-13	30-Jun-13
10	Inventories		
	Current		
	Work in progress	79,735,601	153,474,454
	Completed Stock	76,227,825	26,345,410
	Total Current Inventories	155,963,426	179,819,864
	Non Current		
	Work in progress	5,839,221	4,360,571
	Total Non Current Inventories	5,839,221	4,360,571

11 Property, Plant & Equipment

During the six months ended 31 December 2013 the Group acquired assets with a cost of \$266,081 (six months ended 31 December 2012: \$379,305).

12 Capital and Reserves

		Company	
		Ordinary shares	
		31-Dec-13	31-Dec-12
	On issue at 1 July	218,006,169	214,172,868
	Issued under Dividend Reinvestment Plan	2,841,015	651,762
	On Issue at 31 December - Fully Paid	220,847,184	214,824,630

Dividends

The following dividends were declared and paid by the Group:

	Cents per Share	Total Amount \$	Franked / Unfranked	Date of Payment
Dividend Paid During the six months ended 31 December 2013				
Final 2013 ordinary	6.00	13,080,370	Franked	11 September 2013
Total Amount		13,080,370		
Dividend Paid During the six months ended 31 December 2012				
Final 2012 ordinary	5.50	11,779,510	Franked	4 September 2012
Total Amount		11,779,510		

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2013

13 Loans and Borrowings

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

			31-Dec-13	30-Jun-13
	Nominal	Financial Year	\$	\$
	Interest Rate	of Maturity	Carrying	Carrying
			Amount	Amount
Commercial bills (Secured)	BBSY+1.13%	2014	-	31,303,164
Commercial bills (Secured)	BBSY+1.07%	2014	-	4,758,667
Commercial bills (Secured)	BBSY+0.94%	2014	-	5,794,218
Commercial bills (Secured)	BBSY+1.15%	2015	4,055,400	-
Commercial bills (Secured)	BBSY+1.35%	2015	26,390,100	4,801,500
Commercial bills (Secured)	BBSY+0.94%	2015	23,021,978	4,684,013
Commercial bills (Secured)	BBSY+2.51%	2016	4,000,000	4,000,000
Commercial bills (Secured)	5.66%	2016	43,770,000	43,770,000
Commercial bills (Secured)	BBSY+1.25%	2017	26,000,000	26,000,000
Shareholders loan to subsidiaries (Unsecured)*	BBSY+5.00%	2014	-	1,874,372
Shareholders loan to subsidiaries (Unsecured)*	BBSY+5.00%	2015	9,102,440	7,573,837
Shareholders loan to subsidiaries (Unsecured)*	BBSY+5.00%	2016	4,838,676	4,941,329
Total Facilities Available			<u>141,178,594</u>	<u>139,501,100</u>

* These loans are from the non-controlling shareholder

14 Financial Instruments

Fair Values

Fair Values Versus Carrying Amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown on the balance sheet are as follows:

	31 December 2013	
	Carrying	Fair Value
	Amount	
	\$	\$
Trade and other receivables	38,921,179	38,921,179
Cash and cash equivalents	64,100,863	64,100,863
Secured bank loans	(127,237,478)	(127,237,478)
Unsecured shareholder loans	(13,941,116)	(13,941,116)
Trade and other payables	(23,215,181)	(23,215,181)
	<u>(61,371,733)</u>	<u>(61,371,733)</u>

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2013

	31-Dec-13	30-Jun-13
	\$	\$
15 Capital and Other Commitments		
Commitments and Contingent Liabilities		
Property Development		
Contracted but not provided for and payable:		
Within one year	15,391,844	77,353,360
Total Property Development Commitments	<u>15,391,844</u>	<u>77,353,360</u>
Group's Share of Property Development - Joint Ventures		
Contracted but not provided for and payable:		
Within one year	19,142,792	14,750,000
Later than one year	-	9,142,785
Total Share of Property Development Commitments - Joint Ventures	<u>19,142,792</u>	<u>23,892,785</u>
Group's Property Development Commitments including Share of Joint Ventures		
Contracted but not provided for and payable:		
Within one year	34,534,636	92,103,360
Later than one year	-	9,142,785
Total Property Development Commitments including Joint Ventures	<u>34,534,636</u>	<u>101,246,145</u>

16 Contingencies

There are no changes to Contingencies as noted in the 30th June 2013 financial statements.

17 Related Parties

Arrangements with related parties continue to be in place on the same basis as at 30 June 2013. For full disclosure of transactions refer to 30 June 2013 annual financial report.

18 Subsequent Events

Other than the item below, there has not arisen in the interval between the end of the financial half-year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group, in future financial years.

Finbar Group has entered into a ten year exclusive services deed with long standing relationship builder, Hanssen Pty Ltd. This exclusive services deed has exclusively bound Hanssen to provide building and construction services to Finbar, its subsidiaries, or nominated joint venture entities for a period of ten years and allows Finbar to appoint other building contractors to ensure continued competitive pricing from Hanssen.

Finbar has agreed to place 5,000,000 ordinary shares to Hanssen issued at a price calculated by the volume weighted average price of Finbar shares in the 20 business days following the announcement. The calculated total value of the private placement will be classed as a loan to Hanssen which, under the terms of the agreement, must be repaid within five years from issue with interest calculated according to bank business loan rates and payable every six months.

Directors' Declaration

In the opinion of the Directors of Finbar Group Limited ('the Company'):

1. the condensed consolidated interim financial statements and notes that are contained in Pages 5 to 14 are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the six month period ended on that date; and
 - ii) complying with Australian Accounting Standards AASB134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 25th day of February 2014.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Darren Pateman', is written over a light yellow rectangular background.

Darren Pateman
Managing Director



Independent auditor's review report to the members of Finbar Group Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Finbar Group Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Finbar Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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.

Independence

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



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Finbar Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'Denise McComish'.

Denise McComish
Partner

Perth

25 February 2014



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of Finbar Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2013, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Denise McComish
Partner

Perth

25 February 2014