

Appendix 4D

For The Six Months Ended 31 December 2015

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 2015. Comparatives are for the six months ended 31 December 2014.

2. Results for announcement to the market

	31-Dec-15	31-Dec-14	Change %
2.1 Revenue from ordinary activities	32,884,859	26,406,247	24.53%
2.2 Profit from ordinary activities after tax attributable to members	6,862,948	10,954,968	-37.35%
2.3 Net Profit for the period attributable to members	6,269,881	10,979,999	-42.90%
2.4 Final 2015 Dividend per share, fully franked	6.0 cents	6.0 cents	0.00%
Declared Interim 2016 Dividend per share, fully franked	3.0 cents	4.0 cents	-25.00%
Earnings per Share (Cents per Share)	2.97	4.80	-38.13%
2.5 Record date for dividend	4 March 2016		
2.6 Explanation	Refer to Company Announcement		

3. Net tangible assets per share

	31-Dec-15	31-Dec-14
Net tangible assets per share (Cents per Share)	100.49	101.08

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 3.0 cents per share payable on 10 March 2016. The record date for the dividend is 4 March 2016.

6. Details of subsidiaries

	Ownership
1 Mends Street Pty Ltd	100%
17 Sunlander Drive Pty Ltd	100%
31 Rowe Avenue Pty Ltd	100%
43 McGregor Road Pty Ltd	100%
5-7 Harper Terrace Pty Ltd	100%
52 Mill Point Road Pty Ltd	100%
59 Albany Highway Pty Ltd	68.75%
63 Adelaide Terrace Pty Ltd	100%
88 Terrace Road Pty Ltd	100%
96 Mill Point Road Pty Ltd	100%
172 Railway Parade West Leederville Pty Ltd	100%
175 Adelaide Terrace Pty Ltd	100%
208 Adelaide Terrace Pty Ltd	100%
239 Great Eastern Highway Pty Ltd	100%
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 (De-registered)	100%
Finbar Elizabeth Quay Pty Ltd	100%
Finbar Finance Pty Ltd	100%
Finbar Fund Limited	100%

Appendix 4D continued

For The Six Months Ended 31 December 2015

6. Details of subsidiaries (continued)

Finbar Funds Management Limited	100%
Finbar Karratha Pty Ltd	100%
Finbar Port Hedland	100%
Finbar Property Trust	100%
Finbar Project Management Pty Ltd	100%
Finbar Sub 100 Pty Ltd	100%
Finbar Sub 104 Pty Ltd	100%
Lake Street Pty Ltd (De-registered)	100%
Lot 1 to 10 Whatley Crescent Pty Ltd	100%

7. Details of joint venture entities

	<u>Ownership</u>
36 Chester Avenue Pty Ltd	50%
185 Swansea Street Pty Ltd (De-registered)	50%
375 Hay Street Pty Ltd (De-registered)	50%
406 & 407 Newcastle Street Pty Ltd	50%
647 Murray Street Pty Ltd	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 2015



FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
INTERIM FINANCIAL REPORT
For the Six Months Ended 31 December 2015

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
Independent Auditor's Review Report 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 2015

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 2015 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 2015:

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, GradDipACG, ACSA, AGIA, MAICD, AFAIM

Director since 6 November 2008
Managing Director since 15 July 2010

Non-executive Directors

John Boon Heng CHEAK - B Eco

Director from 28 April 1993 to 17 December 2015

Kee Kong LOH - B Acc, CPA

Director since 28 April 1993

Yuun Yean TENG - B Comm, FCPA

Director since 17 December 2015

Non-executive (Independent) Director

Lee VERIOS - LLB, MAICD

Director since 6 December 2011

2 Company Secretary

Anthony David HEWETT - MBusLaw (Curtin), GradDipACG, FCSA, FGIA, MSAA

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 2015 continued to be property development and investment.

The consolidated groups' focus is the development of medium to high-density residential buildings in Western Australia by way of direct ownership, ownership through fully owned Subsidiaries or by Equity Accounted Investees (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 \$6,269,881 (2015 : \$10,979,999).

5 Review of Operations

Completed Projects

Norwood - 280 Lord Street, Perth : Completion of the Norwood project occurred during the reporting period. 43 units have settled in the reporting period. 16 units remain for sale in the 63 unit development.

Arbor North - Lot 1001 - 1003 Rowe Avenue, Rivervale : Completion of the Arbor North project occurred during the reporting period. 91 units have settled in the reporting period. 34 units remain for sale in the 154 unit development.

Ecco - 262 Lord Street, Perth : No settlements occurred during the reporting period. 3 units remain for sale in the 98 unit development.

Spring View Towers - 3 Homelea Court, Rivervale : 4 units settled in the reporting period. 4 units remain for sale in the 188 unit development.

Subi Strand - Cnr Roydhouse Street & Hood Street, Subiaco : 42 units settled in the reporting period. 14 units remain for sale in the 264 unit development.

Toccata - 88 Terrace Road, East Perth : 15 units settled in the reporting period. 2 units remains for sale in the 47 unit development.

Currently Under Construction

Unison on Tenth - 241 Railway Parade, Maylands : Construction works at the Unison on Tenth development are expected to reach completion in the second half of the financial year ending 30 June 2016. To date 100 sales have been achieved in the 169 unit development.

Linq - 269 James Street, Northbridge : Construction works at the Linq development are expected to reach completion in the second half of the financial year ending 30 June 2016. To date 75 sales have been achieved in the 116 unit development.

Aurelia - 96 Mill Point Road, South Perth : Construction works continue to progress well at the Aurelia development with completion expected during the financial year ending 30 June 2017. To date 99 sales have been achieved in the 138 unit development.

Concerto & Harmony - 193 Adelaide Terrace, East Perth : Construction works continue to progress well at the Concerto development, with completion expected during the financial year ending 30 June 2017. To date 144 sales have been achieved in the 227 unit development.

Motive - 172 Railway Parade, West Leederville : Construction works at the Motive project commenced during the reporting period with completion expected during the financial year ending 30 June 2017. To date 62 sales have been achieved in the 143 unit development.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

For the Six Months Ended 31 December 2015

5 Review of Operations (continued)

Future Projects

Civic Heart - 1 Mends Street, South Perth : Marketing of the Civic Heart project commenced during the reporting period. To date 84 sales have been achieved in the 312 unit development.

Sunago - 36 Chester Avenue, Dianella : Marketing of the Sunago project is expected to commence in March 2016.

Aire - 647-659 Murray Street, West Perth : Marketing of the Aire project commenced in February 2016.

Chase - 239 Great Eastern Highway, Belmont : Development Approval has been received for the development of 194 apartments and 2 commercial lots. It is anticipated that marketing of the Chase project will commence in April 2016.

Vue Tower - 63 Adelaide Terrace : Development Approval has been received for the development of 247 apartments with 5 commercial lots. It is anticipated that marketing of the Vue Tower project will commence early in April 2016.

5 Harper Terrace, South Perth : Development Approval has been received for the development of 42 apartments with 1800m² of commercial space. It is anticipated that marketing of the Harper Terrace project will commence in May 2016.

Anchorage - Lot 452 Sutherland Street, Port Hedland : Development Approval has been received for the first stage of a four stage development comprising 109 apartments plus six commercial tenancies. A wholly owned subsidiary of Finbar has contracted to purchase the development land subject to development approval and marketing success of the first stage. Now that approval has been received, Finbar will prepare to launch the first stage of the four stage project to the market in an effort to secure sufficient pre-sales to underpin the financial viability of the project.

Arbor South - Lot 1001 - 1003 Rowe Avenue, Rivervale : The company continues to work towards the lodgement of a Development Application for the site.

The Point - 31 Rowe Avenue, Rivervale : Development Approval has been received for the development of 183 apartments. Marketing of the Point project is expected to commence in the financial year ending 30th June 2017.

Springs Commercial - 2 Hawksburn Road, Rivervale : The company has not secured a lease to date which would underpin the viability of the development of a commercial building on this land. The company will continue to seek a leasing pre-commitment. If it is unsuccessful by the time the Arbor development nears completion, the company will consider seeking approval from the statutory authorities for the redesign into a residential apartment project.

45-53 McGregor Road, Palmyra : Finbar has negotiated a development agreement with the land owner whereby the land owner will provide the land unencumbered for the development, while Finbar, through a wholly owned subsidiary, will contribute to the working capital and obtain finance to carry out the redevelopment of the site. Finbar and the land owner will share equally in the development profit with the Company also earning a management fee. Finbar's initial design concept has the site being redeveloped into approximately 254 apartments over two equal size stages. Detailed design works will begin immediately with the view to achieve development approval followed by a marketing launch in 2016.

Homelea Court - Finbar Sub 100 : Finbar through a wholly owned subsidiary has purchased an additional four parcels of land in the Springs precinct in Rivervale for a combined value of \$5.15m. The four vacant sites are located on the corners of Rowe Avenue and Homelea Court and comprise a total of 3,770 square metres of land which Finbar intends to amalgamate to develop a project consisting of approximately 185 apartments within a 10 level building.

Investment Property

Fairlanes - 175 Adelaide Terrace, East Perth : The Fairlanes property was revalued during the reporting period. This valuation resulted in a \$6.3m reduction to the profit before tax of 175 Adelaide Terrace Pty Ltd. The company continues to benefit from the investment income generated from the leased property. The property is currently 92% leased. The company continues to actively market the remaining tenancies for rental.

Pelago West Commercial - 23 Sharpe Avenue, Karratha : The company continues to benefit from the investment income generated from the leased property. The property is currently 65% leased. The company continues to actively market the remaining tenancies for rental.

Pelago East Commercial - 26 Sharpe Avenue, Karratha : The company continues to benefit from the investment income generated from the leased property. The property is currently 91% leased. The company continues to actively market the remaining tenancies for rental.

Pelago West Residential - 23 Sharpe Avenue, Karratha : The company continues to benefit from the investment income generated from the leased property. The property is currently 73% leased. The company continues to actively market the remaining tenancies for rental.

Pelago East Residential - 26 Sharpe Avenue, Karratha : The company continues to benefit from the investment income generated from the leased property. The property is currently 80% leased. The company continues to actively market the remaining tenancies for rental.

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 2015.

Dated at Perth this 23rd day of February 2016.

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 2015

	Note	31-Dec-15 \$	31-Dec-14 \$
Revenue		32,884,859	26,406,247
Cost of sales		(20,804,800)	(12,224,180)
Gross Profit		12,080,059	14,182,067
Other income	8	2,564,731	1,894,570
Recovery of costs in relation to disposal of shareholdings		271,938	-
Administrative expenses		(3,375,077)	(3,576,635)
Advertising expenses		(924,336)	(777,479)
Revaluation decrement of investment property		(5,323,111)	(1,841,390)
Rental Expenses		(2,372,620)	(2,620,306)
Other expenses		(4,500)	-
Results from Operating Activities		2,917,084	7,260,827
Finance income		1,712,505	2,522,387
Finance costs		(1,046,258)	(1,824,355)
Net Finance Income		666,247	698,032
Share of profit of Equity Accounted Investees (net of income tax)		4,343,451	5,462,253
Profit before Income Tax		7,926,782	13,421,112
Income tax expense	9	(1,000,073)	(2,063,151)
Profit for the period		6,926,709	11,357,961
Other comprehensive income			
Items which will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		(847,239)	35,758
Income tax relating to components of other comprehensive income		254,172	(10,727)
Other comprehensive (loss)/income for the period, net of income tax		(593,067)	25,031
Total comprehensive income for the period		6,333,642	11,382,992
Profit attributable to:			
Owners of the Group		6,862,948	10,954,968
Non-controlling interest		63,761	402,993
Profit for the period		6,926,709	11,357,961
Total comprehensive income attributable to:			
Owners of the Group		6,269,881	10,979,999
Non-controlling interest		63,761	402,993
Total comprehensive income for the period		6,333,642	11,382,992
Earnings per Share:			
Basic earnings per share (cents per share)		2.97	4.80
Diluted earnings per share (cents per share)		2.97	4.80
Dividends per share (cents per share)	12	6.00	6.00

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 2015

	Attributable to equity holders of the company			Total	Non Controlling Interest	Total Equity
	Share Capital	Retained Earnings	Asset Revaluation Reserve			
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2014	151,687,878	78,198,818	1,425,771	231,312,467	7,362,934	238,675,401
Total comprehensive income for the period						
Profit		10,954,968		10,954,968	402,993	11,357,961
Other comprehensive income			25,031	25,031		25,031
Transactions with owners, recognised directly in equity						
Issue of ordinary shares	2,520,355			2,520,355		2,520,355
Dividends to shareholders Note 12		(13,621,092)		(13,621,092)	(3,460,000)	(17,081,092)
Balance as at 31 December 2014	154,208,233	75,532,694	1,450,802	231,191,729	4,305,927	235,497,656
Balance as at 1 July 2015	154,756,607	81,615,416	1,135,616	237,507,639	584,920	238,092,559
Total comprehensive income for the period						
Profit		6,862,948		6,862,948	63,761	6,926,709
Other comprehensive income			(593,067)	(593,067)		(593,067)
Transactions with owners, recognised directly in equity						
Issue of ordinary shares	3,721,911			3,721,911		3,721,911
Buyback of shares	(962,668)			(962,668)		(962,668)
Dividends to shareholders Note 12		(13,738,329)		(13,738,329)	(337,500)	(14,075,829)
Balance as at 31 December 2015	157,515,850	74,740,035	542,549	232,798,434	311,181	233,109,615

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 2015

	Note	31-Dec-15 \$	30-Jun-15 \$
ASSETS			
Current Assets			
Cash and cash equivalents		44,312,237	68,998,846
Trade and other receivables		15,014,130	24,776,485
Inventories	10	70,342,448	47,474,982
Prepayments		24,234	41,792
Investments in Equity Accounted Investees		6,470,444	8,220,088
Other assets		234,859	232,290
Total Current Assets		136,398,352	149,744,483
Non Current Assets			
Trade and other receivables		36,968,497	42,813,870
Inventories	10	62,518,027	26,097,480
Investment property	11	104,578,258	110,672,670
Prepayments		725,928	465,053
Investments in Equity Accounted Investees		4,061,634	4,129,886
Property, plant and equipment		13,756,772	13,490,430
Other assets		374,050	491,906
Total Non Current Assets		222,983,166	198,161,295
Total Assets		359,381,518	347,905,778
LIABILITIES			
Current Liabilities			
Trade and other payables		13,944,120	15,280,625
Loans and borrowings	13	36,913,504	31,850,251
Current tax payable		2,279,653	4,245,964
Employee benefits		275,980	137,261
Total Current Liabilities		53,413,257	51,514,101
Non Current Liabilities			
Loans and borrowings	13	69,970,236	53,047,730
Deferred tax liabilities		2,860,599	5,102,343
Employee benefits		27,811	149,045
Total Non Current Liabilities		72,858,646	58,299,118
Total Liabilities		126,271,903	109,813,219
Net Assets		233,109,615	238,092,559
EQUITY			
Share capital		157,515,850	154,756,607
Retained earnings		74,740,035	81,615,416
Reserves		542,549	1,135,616
Total Equity Attributable to Holders of the Group		232,798,434	237,507,639
Non-controlling interest		311,181	584,920
Total Equity		233,109,615	238,092,559

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 2015

	31-Dec-15 \$	31-Dec-14 \$
Cash Flows from Operating Activities		
Cash receipts from customers	59,476,908	41,153,986
Cash paid to suppliers and employees	(103,069,327)	(54,305,661)
Cash used in Operating Activities	(43,592,419)	(13,151,675)
Interest paid	(1,444,817)	(2,342,709)
Income tax paid	(5,702,188)	(8,719,462)
Net Cash used in Operating Activities	(50,739,424)	(24,213,846)
Cash Flows from Investing Activities		
Interest received	1,832,145	2,528,488
Dividends received from equity accounted investees	6,161,350	337,500
Acquisition of property, plant and equipment	(745,242)	(13,597)
Proceeds from sale of investment property	(5,973)	-
Loans to/(repaid by) Equity Accounted Investees	8,655,860	(1,101,156)
Net Cash provided by Investing Activities	15,898,140	1,751,235
Cash Flows from Financing Activities		
Repurchase of own shares	(962,668)	-
Proceeds from borrowings	54,076,904	25,264,905
Repayment of borrowings	(32,315,643)	-
Dividends paid (net of DRP)	(10,306,418)	(11,460,737)
Dividends paid to non-controlling interest	(337,500)	(3,460,000)
Net Cash provided by Financing Activities	10,154,675	10,344,168
Net decrease in cash and cash equivalents	(24,686,609)	(12,118,443)
Cash and cash equivalents at 1 July	68,998,846	60,914,484
Cash and Cash Equivalents at 31 December	44,312,237	48,796,041

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 2015

1 Reporting Entity

Finbar Group Limited (the 'Company') is a public company domiciled in Australia. These condensed consolidated interim financial statements of the Group as at and for the six months ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in equity accounted investees. The Group is primarily involved in residential property development and investment.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2015 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 Basis of Preparation

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 the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2015. The condensed 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 2015.

The condensed consolidated interim financial statements were approved by the Board of Directors on 23rd day of February 2016.

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 2015.

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 consolidated financial statements as at and for the year ended 30 June 2015.

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 2015.

6 Changes in Accounting Policies

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2015, however, the Group has not applied the following new or amended standards in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9 *Financial Instruments* - published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

IFRS 15 *Revenue from Contracts with Customers* - IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2015

7 Operating Segments

The Group operates predominantly in the property development sector and has identified four reportable segments, as described below, which are the Group's three 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 is management fees and net assets attributable to the corporate office.

Information about Reportable Segments For the Six Months ended 31 December 2015	Residential Apartment Development \$	Commercial Office/Retail Development \$	Rental of Property \$	Corporate \$	Total \$
External Revenues - Company and Subsidiaries	24,658,179	1,775,099	5,336,039	3,680,273	35,449,590
External Revenues - Equity Accounted Investees	31,859,141	2,035,543	7,460	-	33,902,144
External Revenues - Total	56,517,320	3,810,642	5,343,499	3,680,273	69,351,734
Reportable Segment Profit before Income Tax - Company and Subsidiaries	4,569,753	146,389	2,963,419	3,935,711	11,615,272
Reportable Segment Profit before Income Tax - Equity Accounted Investees	5,967,518	187,483	7,460	42,647	6,205,108
Reportable Segment Profit before Income Tax - Total	10,537,271	333,872	2,970,879	3,978,358	17,820,380
Information about Reportable Segments as at 31 December 2015					
Reportable Segment Assets - Company and Subsidiaries	149,068,034	6,483,320	106,040,146	24,002,935	285,594,435
Reportable Segment Assets - Equity Accounted Investees	32,661,166	4,428,987	-	-	37,090,153
Reportable Segment Liabilities - Company and Subsidiaries	67,451,455	2,890,872	49,991,519	797,805	121,131,651
Reportable Segment Liabilities - Equity Accounted Investees *	16,673,328	821,053	-	-	17,494,381
Capital Expenditure	-	-	-	482,556	482,556

* 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 2015

7 Operating Segments (continued)

Information about Reportable Segments For the Six Months ended 31 December 2014	Residential Apartment Development	Commercial Office/Retail Development	Rental of Property	Corporate	Total
	\$	\$	\$	\$	\$
External Revenues - Company and Subsidiaries	17,131,974	28,035	9,362,707	1,778,101	28,300,817
External Revenues - Equity Accounted Investees	39,954,470	315,000	11,078	-	40,280,548
External Revenues - Total	57,086,444	343,035	9,373,785	1,778,101	68,581,365
Reportable Segment Profit before Income Tax - Company and Subsidiaries	912,157	(72,198)	6,742,401	5,008,785	12,591,145
Reportable Segment Profit/(Loss) before Income Tax - Equity Accounted Investees	7,761,173	15,484	11,078	15,484	7,803,219
Reportable Segment Profit before Income Tax - Total	8,673,330	(56,714)	6,753,479	5,024,269	20,394,364
Information about Reportable Segments as at 31 December 2014					
Reportable Segment Assets - Company and Subsidiaries	117,069,813	3,138,992	136,563,981	21,498,990	278,271,777
Reportable Segment Assets - Equity Accounted Investees	65,000,412	4,044,850	-	-	69,045,262
Reportable Segment Liabilities - Company and Subsidiaries	35,489,132	350,343	78,365,071	779,178	114,983,724
Reportable Segment Liabilities - Equity Accounted Investees *	43,602,410	2,816,458	-	-	46,418,868
Capital Expenditure	-	-	-	376,727	376,727

* Excludes Liabilities payable to Finbar Group

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

	31-Dec-15 \$	31-Dec-14 \$
Revenues		
Total revenue for development reportable segments	31,769,317	26,522,716
Total revenue for other reportable segments	3,680,273	1,778,101
Consolidated Revenue	35,449,590	28,300,817
Total revenue for development reportable segments - Equity Accounted Investees	33,894,684	40,269,470
Total revenue for rental segments included in other income - Equity Accounted Investees	7,460	11,078
Total Reportable Segments Revenue	69,351,734	68,581,365
Profit or Loss		
Total profit or loss for reportable segments	17,820,380	20,394,364
Finance income - Company and Subsidiaries	1,712,505	2,522,388
Finance costs - Company and Subsidiaries	(1,046,258)	(1,824,355)
Unallocated amounts:		
Administrative expenses	(3,375,077)	(3,488,929)
Revaluation of investment property	(5,323,111)	(1,841,390)
Income tax applicable to share of profit of Equity Accounted Investees	(1,861,657)	(2,340,966)
Consolidated Profit before Income Tax	7,926,782	13,421,112
Assets	31-Dec-15	30-Jun-15
Total assets for reportable segments	285,594,435	238,213,482
Cash and cash equivalents	44,312,237	68,998,846
Investments in Equity Accounted Investees	10,532,078	12,349,974
Other assets *	18,942,768	28,343,476
Consolidated Total Assets	359,381,518	347,905,778
Liabilities		
Total liabilities for reportable segments	121,131,651	100,464,912
Other liabilities **	5,140,252	9,348,307
Consolidated Total Liabilities	126,271,903	109,813,219

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 2015

		Consolidated	
		31-Dec-15	31-Dec-14
		\$	\$
8	Other Income		
	Administration Expenses	62,891	75,653
	Commission income	801	1,066
	Management Fees	2,501,039	1,805,797
	Other	-	12,054
	Total Other Income	2,564,731	1,894,570
	Revaluation of property (reported as other comprehensive income)	-	35,758

9 Income Tax Expense

The Group's consolidated effective tax rate in respect of continuing operations (excluding equity accounted investees) for the six months ended 31 December 2015 was 27.3% (2014 : 26%).

		31-Dec-15	30-Jun-15
10	Inventories		
	Current		
	Work in progress	70,342,448	47,263,173
	Completed Stock	-	211,809
	Total Current Inventories	70,342,448	47,474,982
	Non Current		
	Work in progress	62,518,027	26,097,480
	Total Non Current Inventories	62,518,027	26,097,480

11 Investment Property

All investment properties of the Group have been categorised on a Level 3 fair value basis under *AASB 13 Fair Value Measurement*, as some of the inputs required to value the properties are not based on "observable market data". The updated significant unobservable inputs for the Discounted Cash Flow Technique as at 31st December 2015 are detailed below. For all other significant assumptions/inputs used please refer to the 30 June 2015 annual financial statements.

- Expected market rental growth 1.5%-5.0%, weighted average 2.78%,
- Void periods (average 7.1 months after the end of each lease),
- Occupancy Rate 91.54%,
- Rent free periods (8-27 month period on certain new leases),
- Risk-adjusted discounted rates (weighted average 9.0%).

12 Capital and Reserves

		Company	
		Ordinary shares	
		31-Dec-15	31-Dec-14
	On issue at 1 July	229,169,977	227,018,204
	Issued under Dividend Reinvestment Plan	3,091,810	1,452,611
	Share buy back	(854,515)	-
	Issued under Director Incentive Scheme	250,000	250,000
	On Issue at 31 December - Fully Paid	231,657,272	228,720,815

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 2015				
Final 2015 ordinary	6.00	13,738,329	Franked	24 September 2015
Total Amount		13,738,329		
Dividend Paid During the six months ended 31 December 2014				
Final 2014 ordinary	6.00	13,621,092	Franked	19 September 2014
Total Amount		13,621,092		

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2015

13 Loans and Borrowings

The following loans and borrowings (non-current and current) were on hand at 31 December 2015:

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

	Nominal Interest Rate	Financial Year of Maturity	31-Dec-15 Carrying Amount	30-Jun-15 Carrying Amount
				\$
Commercial bills (Secured)	BBSY+ 2.00%	2016	-	15,364,607
Commercial bills (Secured)	BBSY+ 2.00%	2016	-	13,485,644
Commercial bills (Secured)	BBSY+ 2.00%	2016	3,000,000	3,000,000
Commercial bills (Secured)	BBSY+1.30%	2017	33,913,504	-
Current			36,913,504	31,850,251
Commercial bills (Secured)	BBSY+2.00%	2017	20,892,550	22,690,000
Commercial bills (Secured)	5.66%	2018	26,000,000	26,000,000
Commercial bills (Secured)	BBSY+1.00%	2018	7,482,851	-
Shareholder loans to subsidiaries (Unsecured)*	6.00%	2017	10,258,137	2,783,640
Shareholder loans to subsidiaries (Unsecured)**		2017	350,690	350,690
Shareholder loans to subsidiaries (Unsecured)**		2018	4,986,008	1,223,400
Non Current			69,970,236	53,047,730

* These loans are from the non-controlling shareholder

** This is a non interest bearing loan

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 2015	
	Carrying Amount	Fair Value
	\$	\$
Trade and other receivables	51,982,627	51,982,627
Cash and cash equivalents	44,312,237	44,312,237
Secured bank loans	(91,288,905)	(91,288,905)
Unsecured shareholder loans	(15,594,835)	(15,594,835)
Trade and other payables	(13,944,120)	(13,944,120)

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Loans and receivables, payables and deferred income

Due to the short term nature of these financial rights and obligations, their carrying amounts approximate their fair values.

Long term loans are secured and interest bearing at bank business interest rates.

Cash and Short Term Deposits

The carrying amount is fair value due to the liquid nature of these assets.

Bank Loans

The carrying amount is a reasonable approximation of fair value.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2015

	31-Dec-15 \$	30-Jun-15 \$
15 Capital and Other Commitments		
Commitments and Contingent Liabilities		
Property Development		
Contracted but not provided for and payable:		
Within one year	139,842,938	103,220,462
Later than one year	40,766,820	39,536,669
Total Property Development Commitments	<u>180,609,758</u>	<u>142,757,131</u>
Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	-	9,848,004
Total Property Development Commitments - Equity Accounted Investees	<u>-</u>	<u>9,848,004</u>
Group's Share of Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	-	4,924,002
Total Share of Property Development Commitments - Equity Accounted Investees	<u>-</u>	<u>4,924,002</u>
Group's Property Development Commitments including Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	139,842,938	108,144,464
Later than one year	40,766,820	39,536,669
Total Property Development Commitments including Equity Accounted Investees	<u>180,609,758</u>	<u>147,681,133</u>
16 Contingencies		
The Directors are of the opinion that no contingencies exist.		
Guarantees		
The Company has guaranteed the bank facilities of certain equity accounted investees:	<u>5,000,000</u>	<u>5,000,000</u>
17 Related Parties		
The following changes to related parties occurred in the reporting period:		
On 31 August 2015, Finbar Group Limited issued 250,000 fully paid ordinary shares to Darren Pateman as Director Incentive Shares under the rules of the Director Share Plan 2014. Payment was by way of an interest free loan of \$290,000 which is repayable by 30th August 2020.		
18 Subsequent Events		
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.		

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 2015 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 23rd day of February 2016.

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 beige 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 2015, 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 2015 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 2015 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 black ink, appearing to read 'DMcComish'.

KPMG

A handwritten signature in black ink, appearing to read 'DMcComish'.

Denise McComish
Partner

Perth

23 February 2016



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 2015, 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.

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive script.

KPMG

A handwritten signature in black ink that reads 'Denise McComish' in a cursive script.

Denise McComish
Partner

Perth

23 February 2016