United Networks Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	United Networks Limited
ABN:	60 607 921 246
Reporting period:	For the half-year ended 31 December 2018
Previous period:	For the half-year ended 31 December 2017

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	16.6%	to	2,012,258
Loss from ordinary activities after tax attributable to the owners of United Networks Limited	down	89.7%	to	(104,903)
Loss for the half-year attributable to the owners of United Networks Limited	down	89.7%	to	(104,903)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $104,903 (31 December 2017: $1,015,913).

Reference is made to the 'Review of Operations' in the Directors' Report contained in the attached Interim Financial Report for United Networks Limited for the half-year ended 31 December 2018.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.80	0.74

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

United Networks Limited
Appendix 4D
Half-year report

7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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11. Attachments

Details of attachments (if any):

The Interim Report of United Networks Limited for the half-year ended 31 December 2018 is attached.

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12. Signed

Signed ______________________ Date: 27 February 2019

United Networks Limited

ABN 60 607 921 246

Interim Report - 31 December 2018

United Networks Limited
Corporate directory
31 December 2018

Directors	Anthony Ghattas - Chairman Nicholas Ghattas - Chief Executive Officer Charbel Nader
Company secretary	Michael Potts
Registered office and principal place of business	Suite 201, Level 2 100 William Street Woolloomooloo NSW 2011 Phone:(02) 9003 9573
Share register	Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 Phone: (08) 9389 8033
Auditor	Rothsay Chartered Accountants Level 1, 12 O'Connell Street Sydney NSW 2000
Solicitors	Sekel Grindberg Lawyers Level 8 - Currency House 23 Hunter Street Sydney NSW 2000
Bankers	National Australia Bank 85-95 Marrickville Rd Marrickville NSW 2204 Westpac Banking Corporation 425 Victoria Ave Chatswood NSW 2067
Stock exchange listing	United Networks Limited shares are listed on the Australian Securities Exchange (ASX code: UNL)
Website	www.unitednetworks.net.au
Corporate Governance Statement	www.unitednetworks.net.au/investors#corporateGovernance

United Networks Limited
Directors' report
31 December 2018

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of United Networks Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Principal activities
During the financial half-year the principal continuing activities of the consolidated entity consisted of:
- sale, customisation and integration of IT and telecommunications systems
- maintenance of IT and telecommunications systems
- internet based selling of hardware and software products

Dividends
There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $104,903 (31 December 2017: $1,015,913).

The year to date results show total revenue of $2,007,512 up to 16% compared to the same period last year. The current period includes a Research and Development rebate of $606,070 which was received in January 2019.

The management team has worked hard at reshaping the cost base of the business whilst focused on delivery innovation and new partners. We have made progress in announcing two new partnerships with two new global insurance companies and the release of new Insurtech solutions.

Key Highlights
- The launch of the new on demand Insurtech product Flight Delay Insurance, in conjunction with Chubb and Swiss Re
- The launch of AIG Wi-Fi and SOS offers and the featuring of UNL's solution at the Singapore FinTech Festival in November 2018
- The launch of the company’s first UK partner Collinson in November 2018 under the Columbus brand
- Successful trials of eSIM were held over the period with a successful commercial launch in February 2019
- The eSIM has received significant interest from our current partners

Financial Overview
- Operating overheads for the period were $0.97m down 42% from $1.66m on the prior corresponding period
- Positive EBITDA of $0.4m up from the prior corresponding period loss of $0.83m
- Operating EBITDA before R&D a loss of $0.27m compared to a loss of $0.92m in the prior corresponding period a $0.65m improvement
- Cash as at 31 December 2018 was $0.54m (cash as at 31 January 2019 $1.07m)
- Lodgement and approval of Research and Development Rebate of $0.607m (received on 31 January 2019)
- The final 6 weeks of revenue from the Covermore contract (ceased August 2018)

The company’s major achievements in the period have included:
- The implemented restructuring and reduction in operational costs implemented in the prior period resulted in a 42% decrease on the prior period
- Wi-Fi and SOS revenue continues to grow on the prior period supported by the launch of AIG and Collinson
- The average revenue per SIM of $81 was recorded year to date with the database of SIM users growing to over 500,000 in the period
- The take up rate for Wi-Fi exceeded 45% of offers for some partners
- Total app downloads exceed 40,000 in the period
- 27,353 SOS alerts were verified in in the period

The management are focused on returning the business to profitability and delivery innovative solutions to the market. The focus for growth will remain on building our direct to consumer product sales and at the same time closing the large pipeline of partner opportunities.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Nicholas Ghattas
Director

27 February 2019
Sydney

ROTHSAY
CHARTERED ACCOUNTANTS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: The Directors of United Networks Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2018 there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

Rothsay Chartered Accountants

Frank Vrachas

Partner

Sydney, 27 February 2019

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United Networks Limited
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31 December 2018

General information

The financial statements cover United Networks Limited as a consolidated entity consisting of United Networks Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is United Networks Limited's functional and presentation currency.

United Networks Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 201, Level 2
100 William Street
Woolloomooloo
NSW 2011

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2019.

United Networks Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2018

	Note	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Revenue	3	2,007,512	1,692,164
Interest revenue calculated using the effective interest method		4,746	32,956
Expenses			
Cost of sales		(726,017)	(948,999)
Marketing		(31,066)	(37,999)
Occupancy		14,615	(23,395)
Administration		(821,469)	(1,406,330)
Other expenses		(533,107)	(591,268)
Finance costs		(20,117)	(22,061)
Loss before income tax benefit		(104,903)	(1,304,932)
Income tax benefit		-	289,019
Loss after income tax benefit for the half-year attributable to the owners of United Networks Limited		(104,903)	(1,015,913)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of United Networks Limited		(104,903)	(1,015,913)
		Cents	**Cents**
Basic earnings per share	13	(0.08)	(0.81)
Diluted earnings per share	13	(0.08)	(0.81)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

United Networks Limited
Statement of financial position
As at 31 December 2018

	Note	Consolidated 31 Dec 2018 $	30 June 2018 $
Assets			
Current assets			
Cash and cash equivalents	4	543,752	1,355,892
Trade and other receivables	5	1,099,827	372,898
Inventories		65,947	90,900
Other		52,104	103,700
Total current assets		1,761,630	1,923,390
Non-current assets			
Property, plant and equipment	6	278,229	361,386
Intangibles	7	1,800,180	1,981,955
Total non-current assets		2,078,409	2,343,341
Total assets		3,840,039	4,266,731
Liabilities			
Current liabilities			
Trade and other payables	8	398,900	616,484
Borrowings	9	444,295	505,704
Provisions		168,234	147,815
Other		20,000	-
Total current liabilities		1,031,429	1,270,003
Non-current liabilities			
Borrowings	10	3,973	87,188
Total non-current liabilities		3,973	87,188
Total liabilities		1,035,402	1,357,191
Net assets		2,804,637	2,909,540
Equity			
Issued capital		24,278,800	24,278,800
Accumulated losses		(21,474,163)	(21,369,260)
Total equity		2,804,637	2,909,540

The above statement of financial position should be read in conjunction with the accompanying notes

United Networks Limited
Statement of changes in equity
For the half-year ended 31 December 2018

Consolidated	**Issued capital $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2017	24,278,800	(2,100,651)	22,178,149
Loss after income tax benefit for the half-year	-	(1,015,913)	(1,015,913)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(1,015,913)	(1,015,913)
Balance at 31 December 2017	24,278,800	(3,116,564)	21,162,236

Consolidated	**Issued capital $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2018	24,278,800	(21,369,260)	2,909,540
Loss after income tax expense for the half-year	-	(104,903)	(104,903)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(104,903)	(104,903)
Balance at 31 December 2018	24,278,800	(21,474,163)	2,804,637

The above statement of changes in equity should be read in conjunction with the accompanying notes

United Networks Limited
Statement of cash flows
For the half-year ended 31 December 2018

	Note	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,398,979	1,666,026
Payments to suppliers and employees (inclusive of GST)		(1,821,083)	(3,034,060)
		(422,104)	(1,368,034)
Interest received		4,746	32,956
Interest and other finance costs paid		(21,358)	(41,427)
Net cash used in operating activities		(438,716)	(1,376,505)
Cash flows from investing activities			
Payments for property, plant and equipment	6	(7,214)	(6,923)
Payments for intangibles	7	(221,586)	(524,197)
Loans from/(to) related and other parties		-	1,905
Net cash used in investing activities		(228,800)	(529,215)
Cash flows from financing activities			
Repayment of borrowings		(144,624)	(430,373)
Net cash used in financing activities		(144,624)	(430,373)
Net decrease in cash and cash equivalents		(812,140)	(2,336,093)
Cash and cash equivalents at the beginning of the financial half-year		1,355,892	4,214,949
Cash and cash equivalents at the end of the financial half-year	4	543,752	1,878,856

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Note 1. Significant accounting policies (continued)

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
For the half-year ended 31 December 2018 the consolidated entity incurred a loss after income tax of $104,903 and net cash outflows from operating activities of $438,716. The recurring historical operating losses and net cash outflows from operating activities give rise to uncertainty that may cast doubt about the ability of the consolidated entity to continue as a going concern.

The ability of the consolidated entity to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on the consolidated entity having sufficient working capital to fund its activities.

The Directors have concluded that any uncertainty regarding going concern is mitigated by the following:
- The company has prepared a consolidated income and expenditure budget and cash flow budget for the 12 months ended 31 December 2019, based on reasonable assumptions, and considered extended forecasts for a period of not less than 12 months from the date of signature of the audit report on this financial report to the expected date of signature of the audit report on the financial report for the half-year ending 31 December 2019. The Directors are budgeting a turnaround in the business for the 30 June 2019 financial year.
- The consolidated entity has restructured a number of its costs to ensure reductions are achieved where possible without compromising service delivery.
- Two new partner contracts were announced in August 2018 and November 2018, and the release of the new Insuretech products that will contribute to sales in the 2019 financial year.
- The company has announced the successful launch of its global eSIM in February 2019 which has received significant interest from partners in the first month of release.
- A research and development rebate of $606,070 was received on 31 January 2019 increasing the cash on hand to $1,067,889.

Based on the above, the Directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the consolidated entity will be able to achieve a combination of the above in order to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of signature of the audit report on this financial report to the date of signature of the audit report on the financial report for the half-year ending 31 December 2019, and has accordingly prepared the financial report on a going concern basis.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2. Operating segments

Identification of reportable operating segments
Operating segments are identified based on separate financial information which is regularly reviewed by the Board of Directors, representing the consolidated entity's Chief Operating Decision Makers (CODM), in assessing performance and determining the allocation of resources.

The consolidated entity operates in primarily one geographical segment, namely Australia. The primary business segment is telecommunications namely voice, data and value added services. As the consolidated entity operates in only one segment, the consolidated results are also its segment results.

Revenue from overseas customers is not material to the consolidated entity.

Note 3. Revenue

	Consolidated	
	31 Dec 2018	**31 Dec 2017**
	$	**$**
Sales revenue		
Sales of goods	12,222	26,212
Services	1,343,238	1,664,024
	1,355,460	1,690,236
Other revenue		
R&D incentive grant	606,070	-
Other revenue	45,982	1,928
	652,052	1,928
Revenue	2,007,512	1,692,164

Note 4. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2018	**30 June 2018**
	$	**$**
Cash on hand	514	455
Cash at bank	468,053	780,252
Cash on deposit	75,185	575,185
	543,752	1,355,892

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2018	**30 June 2018**
	$	**$**
Trade receivables	404,298	325,197
Less: Allowance for expected credit losses	(15,970)	(13,174)
	388,328	312,023
Other receivables	670,823	9,174
Security deposit	39,331	39,331
GST receivable	1,345	12,370
	1,099,827	372,898

Note 6. Non-current assets - property, plant and equipment

	Consolidated 31 Dec 2018 $	Consolidated 30 June 2018 $
Plant and equipment - at cost	58,663	56,999
Less: Accumulated depreciation	(28,712)	(25,807)
	29,951	31,192
Furniture, fixtures and fittings - at cost	45,746	45,746
Less: Accumulated depreciation	(8,647)	(7,893)
	37,099	37,853
Computer equipment - at cost	82,096	77,107
Less: Accumulated depreciation	(65,616)	(61,143)
	16,480	15,964
Right-of-use assets - at cost	739,094	739,094
Less: Accumulated depreciation	(544,395)	(462,717)
	194,699	276,377
	278,229	361,386

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Plant and equipment $	Furniture, fixtures and fittings $	Computer equipment $	Right-of-use assets - property leases $	Total $
Balance at 1 July 2018	31,192	37,853	15,964	276,377	361,386
Additions	2,225	-	4,989	-	7,214
Depreciation expense	(3,466)	(754)	(4,473)	(81,678)	(90,371)
Balance at 31 December 2018	29,951	37,099	16,480	194,699	278,229

Note 7. Non-current assets - intangibles

	Consolidated	
	31 Dec 2018	**30 June 2018**
	$	**$**
Goodwill - at cost	-	16,016,577
Less: Impairment	-	(16,016,577)
	-	-
Patents, trademarks and other rights - at cost	6,413	6,413
Web development - at cost	1,463,954	1,388,617
Less: Accumulated amortisation	(771,217)	(602,002)
	692,737	786,615
Software - at cost	2,664,741	2,518,492
Less: Accumulated amortisation	(1,563,711)	(1,329,565)
	1,101,030	1,188,927
	1,800,180	1,981,955

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Patents, trademarks and other rights $	Web development costs $	Software $	Total $
Balance at 1 July 2018	6,413	786,615	1,188,927	1,981,955
Additions	-	75,337	146,249	221,586
Amortisation expense	-	(169,215)	(234,146)	(403,361)
Balance at 31 December 2018	6,413	692,737	1,101,030	1,800,180

Note 8. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2018	**30 June 2018**
	$	**$**
Trade payables	331,526	486,954
Interest payable	1,054	2,295
Other payables	66,320	127,235
	398,900	616,484

Note 9. Current liabilities - borrowings

	Consolidated	
	31 Dec 2018	**30 June 2018**
	$	**$**
Promissory note - related party	252,510	315,454
Lease liability	191,785	190,250
	444,295	505,704

Note 10. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2018 $	30 June 2018 $
Lease liability	3,973	87,188

Note 11. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 12. Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 13. Earnings per share

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Loss after income tax attributable to the owners of United Networks Limited	(104,903)	(1,015,913)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	125,824,949	125,824,949
Weighted average number of ordinary shares used in calculating diluted earnings per share	125,824,949	125,824,949
	Cents	**Cents**
Basic earnings per share	(0.08)	(0.81)
Diluted earnings per share	(0.08)	(0.81)

United Networks Limited
Directors' declaration
31 December 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Nicholas Ghattas
Director

27 February 2019
Sydney

ROTHSAY
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of United Networks Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year consolidated financial report of United Networks Limited, which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity (or "Group") comprising United Networks Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the consolidated half-year 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 half-year 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 consolidated half-year 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 half-year 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 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As the auditor of United Networks Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of United Networks Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of United Networks 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 2018 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Rothsay Chartered Accountants

Frank Vrachas

Partner

Sydney, 27 February 2019