



SAFEROADS HOLDINGS LIMITED

ABN 81 116 668 538

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2014

RELEASED
25 February 2015

Saferoads specialises in providing innovative road safety solutions.

Headquartered in Drouin, Victoria, and with representation across Australia and New Zealand, the company services State Government Departments, local councils and road construction and traffic management companies with a broad range of products and services designed to direct, protect, inform and illuminate all road users.

Appendix 4D

Half year report

Name of entity	ABN Reference
SAFEROADS HOLDINGS LIMITED	81 116 668 538

1. Reporting periods

Half year ended (‘current period’)	Half year ended (‘previous corresponding period’)
31 December 2014	31 December 2013

2. Results for announcement to the market

	Current period	Previous corresponding period	% Change increase / (decrease)	Amount (\$) increase / (decrease)
Key information	\$	\$		\$
Revenues from continuing activities	7,847,086	8,980,041	-13%	(1,132,955)
Profit/(loss) from continuing activities after tax attributable to members	(154,255)	(492,585)	-69%	338,330
Net profit/(loss) for the period attributable to members	(154,255)	(492,585)	-69%	338,330
Dividends (distributions)			Amount per share	Franked amount per share at 30% tax
Final dividend	Record Date Paid	N/A N/A	N/A	N/A
Interim dividend	Record Date Payable	N/A N/A	N/A	N/A
Supplementary comments				
Commentary in respect of the results is provided in the Directors' Report, which forms part of the half-year report ended 31 December 2014.				

3. NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share (\$)	\$0.12	\$0.17

4. Dividends

	Date paid/payable	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign source dividend	Amount \$
Final dividend:	N/A	N/A	N/A	N/A	N/A
Interim dividend:	N/A	N/A	N/A	N/A	N/A

5. Dividend reinvestment plans

N/A

6. Associates and Joint Ventures

N/A

7. Foreign entities

N/A



SAFEROADS HOLDINGS LIMITED

Directors' Report

The directors of Saferoads Holdings Limited present their report for the half-year ended 31 December 2014.

DIRECTORS

The Company's directors in office during the half-year and until the date of this report are:

David Ashmore (Non-executive Chairman)
 Darren Hotchkin (Chief Executive Officer)
 David Cleland (Non-executive)

REVIEW OF OPERATIONS

The directors of Saferoads Holdings Limited are pleased to report a half-year consolidated EBIT (Earnings Before Interest and Tax) of \$104,646 compared with an EBIT (loss) of \$(425,981) for the previous corresponding period ("pcp"). This result is consistent with the guidance provided at the Company's Annual General Meeting in November. The net loss (after Finance costs) was \$(214,300) compared to a loss of \$(692,931) for the pcp. Whilst total revenue for the half-year was down 12.6%, overhead expenses were down 30.7% over the pcp, as we have worked on right-sizing the business to a level that has now achieved a profitable return (before funding costs). This has been a major focus and achievement over the past six months and whilst gross margin has fallen slightly, mainly due to mix, we are now focused on growing profitable sales.

The table below summarises our journey over the past 18 months:

Half on half analysis

<u>\$'000</u>	<u>Six months ending</u>			
	Dec 2013	Jun 2014	Dec 2014	% to Dec 13
Revenue	8,980	7,294	7,847	-12.6%
Gross profit	3,450	2,632	2,745	-20.4%
EBIT*	(426)	(113)	105	n/a
Profit/(loss) before tax*	(693)	(380)	(214)	+69.1%
Cash balance	1,027	1,355	1,074	+4.6%
Core bank debt**	(5,375)	(5,000)	(3,250)	-39.5%

* excludes one-off Restructuring costs

** excludes Plant & equipment hire purchase liabilities



The highlights for the December 2014 half include:

- Core debt reduced by \$1.75 million (or 35%) from 30 June 2014, funded primarily through the proceeds from the 2 for 5 Share Entitlement Issue in December and surplus asset sales during the half. We have secured a three year extension to our banking facilities and terminated an unfavourable fixed rate loan (incurring a break cost), but which has now secured around a 50% reduction in future financing costs (measured on an annualised basis);
- The launch of our proprietary Ironman Hybrid steel and concrete temporary barrier solution has contributed to growth in our Rental barrier offering (up 8% on pcg);
- Our Public Lighting portfolio sales have increased (up 11% on pcg) with growth from our existing core customer base as well as new customer opportunities, reflecting our value in providing a comprehensive service to the electrical contracting market;
- Expenses have reduced \$1.1 million (or 31%) on pcg, as we have further rationalised our business model and its support base to generate greater efficiencies and effectiveness;
- Positive operating cash flows generated in the half, even after financing costs, reflecting the rigorous focus on maintaining adequate working capital and ensuring customers pay in a timely manner;
- Generated around \$0.4 million in proceeds from the sale of surplus assets pertaining to our former Civil Services portfolio, realising a profit of \$22,323 for the half. Proceeds were utilised to reduce bank debt.

Our balance sheet has strengthened through the abovementioned Share Entitlement issue and the subsequent core debt reduction. We continue to work on securing an acceptable commercial offer for the Rental barrier assets. During the past six months we have progressively retrofitted our existing Ironman fleet and successfully secured our first deployments of our new Ironman Hybrid temporary safety barrier solution. The interest in this innovative product is growing and customer feedback has been extremely favourable. We believe this market response will strengthen our position in securing a sale of these assets to one of the major providers in this market space.

Subsequent to balance date, we have received a \$303,990 Research & Development ("R&D") Tax cash rebate with respect of our innovative R&D activities carried out in the financial year ended 30 June 2014. Note that this amount had not previously been accrued due to uncertainty associated with the timing of lodgment and the approval process of the claim. These funds will be invaluable in assisting the business to continue its research and development of new and improved road safety solutions, something we have been known for in the past and that will again position us to be at the forefront of the road safety sector.



The directors do not propose an interim dividend be declared as a result of the net loss recorded for the period and the need to conserve cash in the face of continuing uncertain times.

As outlined at the previous Annual General Meeting, we continue to operate in a challenging economic environment with constrained government spending at all three levels and significant competition for sales. Order deferrals are common, highlighting demand for our products and services, but there are funding constraints. We continue to find ways to maintain and build sales, including exploring overseas opportunities (we have signed agreements with two US-based entities to exclusively distribute their products here in Australia) and, with our own innovative solutions such as Ironman Hybrid, Safepole, Omni-stop bollard and new flexible keep left signage. We believe we can maintain the momentum of rebuilding this business and improving profitability.

Looking ahead, we now have a less onerous banking facility secured for the next three years, to allow us to better focus on managing the growth of the business going forward and we have developed some new relationships with overseas parties whom which we are looking to bring innovative new products to Australia and export some of our products to their jurisdictions. Domestically, we are also looking at some strategic alliances to broaden our product reach nationally.

Finally, I would like to acknowledge our dedicated staff, who have worked tirelessly on the company's ongoing transformation and I look forward to their support in continuing the effort of repositioning the company to be a market leader in innovative road safety solutions.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained the attached independence declaration from our auditors, Grant Thornton, in accordance with S307c of the Corporations Act 2001 for the half year ended 31 December 2014.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read "David Ashmore", is written over a thin horizontal line.

David Ashmore
Director
25 February 2015

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Auditor's Independence Declaration To The Directors of Saferoads Holdings Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Saferoads Holdings Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M. A. Cunningham
Partner - Audit & Assurance

Melbourne, 25 February 2015

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SAFEROADS HOLDINGS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	CONSOLIDATED	
		December 2014 \$	December 2013 \$
Revenue	2	7,847,086	8,980,041
Costs of direct materials and labour		(5,074,443)	(4,827,863)
Movement in inventories		(27,312)	(702,213)
Gross profit		2,745,331	3,449,965
Other income	2	45,795	57,308
Employee benefits		(1,449,955)	(2,313,987)
Depreciation and amortisation		(171,979)	(305,791)
Finance costs		(318,946)	(266,950)
Motor vehicle costs		(119,257)	(270,199)
Occupancy costs		(154,003)	(215,630)
Other expenses		(791,286)	(827,647)
Profit/(loss) before tax		(214,300)	(692,931)
Income tax benefit/(expense)		60,045	200,346
Profit/(loss) after income tax from continuing operations		(154,255)	(492,585)
Net profit/(loss) for the period		(154,255)	(492,585)
Net profit/(loss) attributable to members of parent		(154,255)	(492,585)
Other Comprehensive Income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign controlled entity		(177)	9,079
Total comprehensive income for the period		(177)	9,079
Total comprehensive income attributable to members of the parent		(154,432)	(483,506)
Earnings per share (cents per share)			
- basic for profit/(loss) for the half-year (cents)		(0.6)	(1.9)
- diluted for profit/(loss) for the half-year (cents)		(0.6)	(1.9)
- dividends paid per share (cents)		0.0	0.0

The accompanying notes form part of these financial statements

SAFEROADS HOLDINGS LIMITED

Statement of Financial Position

AS AT 31 DECEMBER 2014

	Notes	CONSOLIDATED	
		December 2014 \$	June 2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,073,739	1,354,945
Trade and other receivables		1,986,000	2,531,262
Inventories		2,846,470	2,873,782
Prepayments		432,430	378,563
		6,338,639	7,138,552
Assets classified as held for sale	8	2,018,252	2,196,578
Total Current Assets		8,356,891	9,335,130
Non-current Assets			
Property, plant and equipment		1,205,311	1,317,730
Intangible assets		839,492	708,390
Deferred tax assets		1,293,631	1,233,586
Total Non-current Assets		3,338,434	3,259,706
TOTAL ASSETS		11,695,325	12,594,836
LIABILITIES			
Current Liabilities			
Trade and other payables		1,191,949	1,316,412
Unearned income		220,805	151,770
Interest-bearing loans and borrowings		529,334	533,245
Provisions		277,907	415,077
Total Current Liabilities		2,219,995	2,416,504
Non-current Liabilities			
Interest-bearing loans and borrowings		2,777,743	4,542,238
Provisions		22,400	35,129
Total Non-current Liabilities		2,800,143	4,577,367
TOTAL LIABILITIES		5,020,138	6,993,871
NET ASSETS		6,675,187	5,600,965
EQUITY			
Contributed equity	4	5,359,362	4,130,708
Reserves		-	(55,878)
Retained earnings		1,315,825	1,526,135
TOTAL EQUITY		6,675,187	5,600,965

The accompanying notes form part of these financial statements

SAFEROADS HOLDINGS LIMITED

Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

CONSOLIDATED	Contributed Equity \$	Reserves \$	Retained Earnings \$	Total Equity \$
At 1 July 2013	4,130,708	(64,567)	2,457,113	6,523,254
Net profit/(loss) for the period	-	-	(492,585)	(492,585)
Other comprehensive income for the period	-	9,079	-	9,079
At 31 December 2013	4,130,708	(55,488)	1,964,528	6,039,748
At 1 July 2014	4,130,708	(55,878)	1,526,135	5,600,965
Issue of share capital	1,228,654	-	-	1,228,654
Net profit/(loss) for the period	-	-	(154,255)	(154,255)
Cessation of foreign operation	-	56,055	(56,055)	-
Other comprehensive income for the period	-	(177)	-	(177)
At 31 December 2014	5,359,362	-	1,315,825	6,675,187

The accompanying notes form part of these financial statements

SAFEROADS HOLDINGS LIMITED

Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	CONSOLIDATED	
		December 2014 \$	December 2013 \$
Cash flows from operating activities			
Receipts from customers		9,270,843	10,891,569
Payments to suppliers and employees		(8,710,806)	(11,432,730)
		560,037	(541,161)
Interest received		8,102	16,111
Interest paid		(338,926)	(268,678)
Net cash flows from operating activities	7	229,213	(793,728)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		398,900	140,768
Purchase of property, plant and equipment		(226,529)	(62,550)
Product development costs		(162,384)	(173,557)
Net cash flows from investing activities		9,987	(95,339)
Cash flows from financing activities			
Proceeds from issue of shares	4	1,248,000	-
Repayment of borrowings		(1,768,406)	(325,285)
Net cash flows from financing activities		(520,406)	(325,285)
Net increase/(decrease) in cash and cash equivalents		(281,206)	(1,214,352)
Cash and cash equivalents at beginning of period		1,354,945	2,240,533
Effects of exchange rate changes on cash		-	413
Cash and cash equivalents at end of period	7	1,073,739	1,026,594

The accompanying notes form part of these financial statements

SAFEROADS HOLDINGS LIMITED

Notes to the Financial Statements

FOR THE HALF YEAR-ENDED 31 DECEMBER 2014

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of the half-year financial report

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore does not provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. It is therefore recommended that the half-year financial report should be read in conjunction with the annual Financial Report of Saferoads Holdings Limited as at 30 June 2014, together with any public announcements made by Saferoads Holdings Limited and its controlled entities during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the ASX listing rules.

The consolidated financial statements comprise the financial statements of the parent entity, Saferoads Holdings Limited and its subsidiaries ('the Group').

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Accounting Standards including *AASB 134 - Interim Financial Reporting*. Compliance with *AASB 134* ensures that the financial statements and notes comply with International Financial Reporting Standard *IAS 34 - Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The half-year financial report has been prepared on a historical cost basis.

For the purposes of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) New Accounting Standards

The Group has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the Group.

(c) Going concern

The consolidated entity has incurred an operating loss before tax of \$214,300 for the half-year ended 31 December 2014.

The Board acknowledges that the current period loss may give rise to an uncertainty that may be material in relation to the consolidated entity's ability to continue as a going concern.

The Company has reduced core debt by 35% in the half year and has now entered into a three-year borrowing facility with its financier, Commonwealth Bank of Australia. The financier has agreed a debt repayment plan without the requirement of any financial covenants. Prior to this new agreement and at reporting date, the Company had complied with the previous financial covenants and the former debt repayment plan.

The ability of the consolidated entity to continue as a going concern is dependent on its ability to:

- continue to manage the performance of the business, including increasing sales, maintaining margins and operating cash flows and continuing to control overheads;
- secure further profitable sales contracts for its emerging products; and
- continue to meet the minimum debt repayment plan set by the financier.

At the date of this report and having considered the above factors, the continuance of its banking relationship and the fact the Company maintains a solid share of the road safety market, the directors are confident that the consolidated entity will be able to continue as a going concern. Accordingly, the accounts have been prepared on this basis.

In the unlikely event that the above factors do not eventuate then the going concern basis may not be appropriate and as a result, the consolidated entity may have to realise assets and discharge its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

(d) Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2014 and the corresponding interim reporting period.

SAFEROADS HOLDINGS LIMITED

Notes to the Financial Statements

FOR THE HALF YEAR-ENDED 31 DECEMBER 2014

2 REVENUES

Profit/(loss) before income tax includes the following revenues whose disclosure is relevant in explaining the performance of the entity:

	CONSOLIDATED	
	December 2014	December 2013
	\$	\$
Revenue		
Sale of goods	7,847,086	8,980,041
	7,847,086	8,980,041
Other income		
Royalty income	13,935	37,737
Net gain/(loss) on sale of assets	22,323	(4,501)
Interest	8,102	16,111
Other	1,435	7,961
	45,795	57,308

3 DIVIDENDS PAID AND PROPOSED

Equity dividends on ordinary shares:

Dividends paid during the half year:

Final franked dividend for the financial year 30 June 2014 (0.0 cents)
(2013 : 0.0 cents)

Dividends proposed and not recognised as a liability:

Interim franked dividend for financial year 30 June 2015 (0.0 cents)
(2014: 0.0 cents)

	CONSOLIDATED	
	December 2014	December 2013
	\$	\$
	-	-
	-	-
	-	-

SAFEROADS HOLDINGS LIMITED

Notes to the Financial Statements

FOR THE HALF YEAR-ENDED 31 DECEMBER 2014

4 ISSUED CAPITAL

	December 2014 \$	June 2014 \$
Ordinary shares (issued and fully paid)		
Beginning of the period	4,130,708	4,130,708
2 for 5 entitlement issue	1,248,000	-
less share issue costs	(19,346)	-
	5,359,362	4,130,708
Number of shares	No.	No.
Beginning of the period	26,000,000	26,000,000
2 for 5 entitlement issue	10,400,000	-
	36,400,000	26,000,000

5 SEGMENT REPORTING

The Group's chief operating decision maker (Chief Executive Officer) reviews financial information on a consolidated basis and makes strategic decisions based on this consolidated information.

6 CONTINGENT ASSETS AND LIABILITIES

A subsidiary has given guarantees pursuant to performance of various projects and security for leased premises to third parties in the normal course of business. Where there is a likelihood of a claim and a reliable estimate of an amount can be made, provision has been raised elsewhere in the financial report.

7 ADDITIONAL CASHFLOW INFORMATION

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December:

	CONSOLIDATED	
	December 2014 \$	December 2013 \$
Cash at bank and in hand	1,073,739	1,026,594
Reconciliation from net profit/(loss) after tax to the net cash flows from operations		
Profit/(loss) after tax for the period	(154,255)	(492,585)
Adjustments for:		
Depreciation and amortisation	171,979	305,791
Net (profit)/loss on disposal of plant and equipment	(22,323)	4,501
Changes in assets and liabilities:		
(Increase)/decrease in receivables	545,262	1,001,954
(Increase)/decrease in inventories	27,312	702,213
(Increase)/decrease in other assets	(53,867)	(223,246)
(Increase)/decrease in deferred tax assets	(60,045)	(200,346)
(Decrease)/increase in payables	(143,986)	(1,412,470)
(Decrease)/increase in unearned income	69,035	(176,251)
(Decrease)/increase in provisions	(149,899)	(303,289)
Net cash from operating activities	229,213	(793,728)

SAFEROADS HOLDINGS LIMITED

Notes to the Financial Statements

FOR THE HALF YEAR-ENDED 31 DECEMBER 2014

8 ASSETS CLASSIFIED AS HELD FOR SALE

During the previous corresponding period the directors identified certain assets as available for sale other than in the ordinary course of business. These included the Company's Rental barrier assets and certain Plant and equipment associated with the Company's civil installation services portfolio. The civil installation services assets have now been disposed of or redeployed within the business.

The Company continues to seek buyers of the Rental barrier assets, and has commenced commercialisation of the new Ironman Hybrid portable safety barrier solution in anticipation of demonstrating to the market that the improved assets are commercially viable and therefore more attractive to existing temporary barrier providers.

The Company is also pursuing additional regulatory approvals for the Rental barrier assets to broaden the range of approved applications in the marketplace with the view to optimising the value of these assets. This process has taken longer than anticipated.

The major classes of assets and liabilities are as follows:

	December 2014 \$	June 2014 \$
Property, plant and equipment	2,018,252	2,196,578
	2,018,252	2,196,578

9 EVENTS AFTER THE END OF THE INTERIM PERIOD

On 6 February 2015, the Company received a Research and Development ("R&D") Tax cash rebate of approximately \$0.3 million, with respect to our innovative R&D activities carried out in the financial year ended 30 June 2014. This amount had not previously been accrued due to uncertainty associated with the timing of lodgment and the approval process of the claim.

Apart from the above, there has been no other matter or circumstance, which has arisen since 31 December 2014 that has significantly affected or may significantly affect the operations of the consolidated entity or the results of those operations or the state of affairs of the consolidated entity.

Directors' Declaration

In accordance with a resolution of the directors of Saferoads Holdings Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) give a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standard *AASB 134 - Interim Financial Reporting*; and

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

On behalf of the Board



David Ashmore
Director

25 February 2015

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Independent Auditor's Review Report To the Members of Saferoads Holdings Limited

We have reviewed the accompanying half-year financial report of Saferoads Holdings Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both 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 half-year financial report

The directors of Saferoads Holdings Limited are responsible for the preparation of the 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 controls 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 the 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 Saferoads Holdings Limited consolidated entity's financial position as at 31 December 2014 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 Saferoads Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 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 half-year financial report of Saferoads Holdings Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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.

Material uncertainty regarding going concern

Without qualification to the conclusion expressed above, we draw attention to Note 1(c) to the financial statements which notes an operating loss before tax of \$214,300 for the half-year ended 31 December 2014. This condition, along with other matters set forth in Note 1(c), indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M. A. Cunningham
Partner - Audit & Assurance

Melbourne, 25 February 2015