

## Appendix 4D

### Half-year report Period ended 31 December 2014

Name of entity

|                              |
|------------------------------|
| <b>Eumundi Group Limited</b> |
|------------------------------|

ABN or equivalent company reference

|                       |
|-----------------------|
| <b>30 010 947 476</b> |
|-----------------------|

Half-year ended ('current reporting period')

|   |
|---|
| <b>31 December 2014</b><br>(previous reporting period 31 December 2013) |
|---|

#### Results for announcement to the market

|  |      |       |    | \$A<br>000's |
|--|------|-------|----|--------------|
| Revenues and other income from ordinary activities   | Down | 4.0%  | to | \$13,412     |
| Represented by:  |      |       |    |              |
| Revenues from continuing ordinary activities   | Up   | 1.3%  | to | \$12,123     |
| Other income – gain on fair value adjustment   | Down | 36.0% | to | \$1,289      |
| Profit from ordinary activities after tax attributable to members (excluding fair value adjustments) | Up   | 1.7%  | to | \$789        |
| Net profit for the period attributable to members  | Down | 22.6% | to | \$1,691      |

#### Dividends

As previously announced to ASX on 6 February 2015, the board declared a fully franked dividend of 0.2 cents per share (\$631,000 in total) which will be paid to shareholders on 27 March 2015. The Eumundi Group Limited Dividend Reinvestment Plan will apply in relation to the dividend.

#### Discussion and analysis of results

Eumundi Group Limited ("the Company") has delivered a net profit after tax of \$1.691 million (\$2.380 million profit before tax) for the half-year ended 31 December 2014 compared with a profit of \$2.185 million after tax (\$3.0 million profit before tax) for the corresponding period in 2013.

Revenue and other income from ordinary activities decreased by 4.0% to \$13.412 million from \$13.976 million in the corresponding period in 2013.

Revenue from continuing ordinary activities of \$12.123 million represents an increase of \$0.160 million compared with the corresponding period last year. The main contributor to the increase in revenue was a lift in gaming revenues to \$3.234 million from \$2.993 million previously.

Fair value adjustments on investment properties resulted in increments of \$1.289 million compared with increments of \$2.013 million in the prior comparative period.

Total expenses from continuing operations for the half-year increased marginally by 0.5% to \$11.032 from \$10.976 million in the corresponding period. Cost of goods sold of \$4.690 million declined in line with revenue from ordinary activities. Employee benefits expenses were well contained at \$1.814 million. Depreciation expense of \$0.387 million included depreciation on the Aspley Shopping Centre following reclassification of this asset to land and buildings on 30 June 2014. Outgoings on investment properties

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of \$0.619 million included a provision of \$0.140 million for sale costs relating to the sale of Bribie Harbour Shopping Village. Gaming machine tax of \$1.527 million increased as a result of the higher level of gaming turnover. Finance costs were reduced to \$0.592 million due to decreased debt levels and lower interest rates during the period.

**Discussion and analysis of results (continued)**

On 19 December 2014, the Company signed an unconditional contract for the sale of the Bribie Harbour Shopping Village for \$13.15 million. As at 31 December 2014 the property was reclassified to non-current assets held for sale.

Debt was reduced by \$1.200 million during the half-year and at 31 December 2014 the Company had commercial bills of \$23.2 million and access to undrawn commercial bill facilities of a further \$9.8 million.

**Subsequent events**


On 10 February 2015 the Bribie Harbour Shopping Village sale was finalised. Proceeds from the sale were applied to reduce debt to \$9.55 million. Unrequired commercial bill facilities were surrendered, and as a result of renegotiation, an annual reduction of \$0.346 million in facility fees is anticipated.

The Company retained access to undrawn commercial bill facilities of \$6.45 million for capital works and acquisitions.

|   | <b>2014</b> | <b>2013</b> |
|---|-------------|-------------|
| <b>NTA BACKING</b>                                      |             |             |
| <i>Net tangible asset backing per ordinary security</i> | 8.7c        | 8.6c        |

**Statement**

This report is based on accounts which have been subject to review.

Sign here:  Date: 27 February 2015

Print name: Leni Stanley

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**EUMUNDI GROUP LIMITED**

ABN 30 010 947 476

**INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED  
31 DECEMBER 2014**

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES**

**DIRECTORS' REPORT**

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Your directors present their report on Eumundi Group Limited ("the Company") and the entities it controlled at the end of and during the six months ended 31 December 2014.

**Directors**

The following persons were directors of the Company during the whole of the half-year and up to the date of this report, unless otherwise stated:

J M Ganim  
G De Luca  
V A Wills

**Dividends**

No dividends were declared or paid during the half year.

On 6 February 2015 the board declared a fully franked dividend of 0.2 cents per share (\$631,000 in total) which will be payable to shareholders on 27 March 2015.

**Review of Operations**

In the six months ended 31 December 2014, the Company:

- recorded a profit after tax of \$1,691,000 (Dec 2013: profit after tax of \$2,185,000), including a fair value gain on revaluation of investment properties of \$902,000 net of tax (Dec 2013: \$1,409,000 net of tax);
- recorded a fair value gain on revaluation of land and buildings of \$227,000 net of tax (Dec 2013: loss of \$211,000 net of tax);
- reduced debt by \$1,200,000 with the ability to redraw for future acquisitions/capital works as and when required; and
- announced the sale of the Bribie Harbour Shopping Village.

**Significant After Balance Date Events**

On 6 February 2015 the board declared a fully franked dividend of 0.2 cents per share (\$631,000 in total) which will be paid on 27 March 2015. The Eumundi Group Limited Dividend Reinvestment Plan will apply to the dividend and has been fully underwritten.

On 10 February 2015 the Bribie Harbour Shopping Village was sold for \$13,150,000 before costs.

On 13 February 2015 the Company's financing arrangements were renegotiated and commercial bill facilities were reduced from \$33,000,000 to \$16,000,000 resulting in an estimated annual saving of \$346,000 in facility fees.

Proceeds from the sale of the Bribie Harbour Shopping Village were applied to reduce drawn commercial bills to \$9,550,000.

There are no other matters or circumstances that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* accompanies this report.

**Rounding**

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES**

**DIRECTORS' REPORT (continued)**

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directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.



**J M Ganim**  
**Director**

Dated this 27th day of February 2015

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**PITCHER PARTNERS**  
ACCOUNTANTS • AUDITORS • ADVISORS

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IAN JONES  
KYLIE LAMPRECHT  
NORMAN THURECHT  
BRETT HEADRICK  
WARWICK FACE  
NIGEL BATTERS  
COLE WILKINSON

The Directors  
Eumundi Group Limited  
Level 15  
10 Market Street  
BRISBANE QLD 4000

### Auditor's Independence Declaration

As lead auditor for the review of Eumundi Group Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Eumundi Group Limited and the entities it controlled during the period.

PITCHER PARTNERS

RCN WALKER  
Partner

Brisbane, Queensland  
27 February 2015

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**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2014**

|                                      | Notes | 31 Dec 14<br>\$'000 | 30 Jun 14<br>\$'000 |
|--------------------------------------|-------|---------------------|---------------------|
| <b>ASSETS</b>                        |       |                     |                     |
| <b>Current assets</b>                |       |                     |                     |
| Cash and cash equivalents            |       | 1,410               | 1,401               |
| Trade and other receivables          |       | 107                 | 169                 |
| Inventories                          |       | 1,862               | 1,597               |
| Other assets                         |       | 386                 | 372                 |
| Non-current assets held for sale     | 3     | 13,150              | -                   |
| <b>Total current assets</b>          |       | <u>16,915</u>       | <u>3,539</u>        |
| <b>Non-current assets</b>            |       |                     |                     |
| Property, plant and equipment        | 4     | 24,214              | 24,217              |
| Investment properties                | 5     | 12,600              | 24,400              |
| Deferred tax asset                   |       | -                   | 184                 |
| Intangible assets                    |       | 547                 | 548                 |
| <b>Total non-current assets</b>      |       | <u>37,361</u>       | <u>49,349</u>       |
| <b>Total assets</b>                  |       | <u>54,276</u>       | <u>52,888</u>       |
| <b>LIABILITIES</b>                   |       |                     |                     |
| <b>Current liabilities</b>           |       |                     |                     |
| Trade and other payables             |       | 2,361               | 2,120               |
| Income tax payable                   |       | 196                 | 168                 |
| Provisions                           |       | 299                 | 294                 |
| <b>Total current liabilities</b>     |       | <u>2,856</u>        | <u>2,582</u>        |
| <b>Non-current liabilities</b>       |       |                     |                     |
| Borrowings                           | 6     | 23,140              | 24,324              |
| Deferred tax liabilities             |       | 380                 | -                   |
| <b>Total non-current liabilities</b> |       | <u>23,520</u>       | <u>24,324</u>       |
| <b>Total liabilities</b>             |       | <u>26,376</u>       | <u>26,906</u>       |
| <b>Net assets</b>                    |       | <u>27,900</u>       | <u>25,982</u>       |
| <b>EQUITY</b>                        |       |                     |                     |
| Contributed equity                   | 7     | 18,572              | 18,572              |
| Reserves                             |       | 3,574               | 3,347               |
| Retained profits                     |       | 5,754               | 4,063               |
| <b>Total equity</b>                  |       | <u>27,900</u>       | <u>25,982</u>       |

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

|  | Notes | 31 Dec 14<br>\$'000 | 31 Dec 13<br>\$'000 |
|--|-------|---------------------|---------------------|
| <b>Revenue</b>   |       |                     |                     |
| Sale of goods  |       | 6,649               | 6,761               |
| Gaming revenue   |       | 3,234               | 2,993               |
| Rental income and recoverable outgoings  |       | 1,969               | 1,945               |
| Other  |       | 271                 | 264                 |
|  |       | <u>12,123</u>       | <u>11,963</u>       |
| <b>Other income</b>  |       |                     |                     |
| Net gain on fair value adjustment - investment properties  | 5     | 1,289               | 2,013               |
|  |       | <u>13,412</u>       | <u>13,976</u>       |
| <b>Expenses</b>  |       |                     |                     |
| Purchase of inventories  |       | (4,563)             | (4,360)             |
| Change in inventories  |       | (127)               | (397)               |
| Employee benefits expense  |       | (1,814)             | (1,836)             |
| Depreciation and amortisation  |       | (388)               | (250)               |
| Insurance  |       | (46)                | (47)                |
| Operating lease rentals  |       | (180)               | (165)               |
| Rates and taxes  |       | (48)                | (48)                |
| Outgoings – investment properties  |       | (619)               | (410)               |
| Gaming machine tax   |       | (1,527)             | (1,428)             |
| Finance costs  |       | (592)               | (858)               |
| Other expenses   |       | (1,128)             | (1,177)             |
| Total expenses   |       | <u>(11,032)</u>     | <u>(10,976)</u>     |
| <b>Profit before income tax</b>  |       | 2,380               | 3,000               |
| Income tax expense   |       | (689)               | (815)               |
| <b>Profit for the half-year</b>  |       | <u>1,691</u>        | <u>2,185</u>        |
| <b>Other comprehensive income</b>  |       |                     |                     |
| <i>Items that will not be reclassified subsequently to profit or loss</i>                        |       |                     |                     |
| Fair value revaluations of land and buildings  |       | 324                 | (301)               |
| Income tax benefit / (expense) on items of other comprehensive income                            |       | (97)                | 90                  |
| <b>Other comprehensive income for the period, net of tax</b>                                     |       | <u>227</u>          | <u>(211)</u>        |
| <b>Total comprehensive income for the half-year</b>  |       | <u>1,918</u>        | <u>1,974</u>        |
| <b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b> |       |                     |                     |
| Basic and diluted earnings per share (cents per share)   |       | 0.54¢               | 1.21¢               |

The above consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.



**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

|   | Contributed<br>equity | Revaluation<br>surplus | Retained<br>earnings | Total         |
|---|-----------------------|------------------------|----------------------|---------------|
| Notes   | \$'000                | \$'000                 | \$'000               | \$'000        |
| <b>Balance at 1 July 2013</b>                               | <b>11,038</b>         | <b>3,558</b>           | <b>2,316</b>         | <b>16,912</b> |
| Profit for the period                                       | -                     | -                      | 2,185                | 2,185         |
| Other comprehensive income – net of tax                     | -                     | (211)                  | -                    | (211)         |
| Total comprehensive income for the period                   | -                     | (211)                  | 2,185                | 1,974         |
| <b>Transactions with owners in their capacity as owners</b> |                       |                        |                      |               |
| Contributions of equity net of transaction costs and tax    | 6,146                 | -                      | -                    | 6,146         |
| <b>Balance at 31 December 2013</b>                          | <b>17,184</b>         | <b>3,347</b>           | <b>4,501</b>         | <b>25,032</b> |
| <b>Balance at 1 July 2014</b>                               | <b>18,572</b>         | <b>3,347</b>           | <b>4,063</b>         | <b>25,982</b> |
| Profit for the period                                       | -                     | -                      | 1,691                | 1,691         |
| Other comprehensive income – net of tax                     | -                     | 227                    | -                    | 227           |
| Total comprehensive income for the period                   | -                     | 227                    | 1,691                | 1,918         |
| <b>Balance at 31 December 2014</b>                          | <b>18,572</b>         | <b>3,574</b>           | <b>5,754</b>         | <b>27,900</b> |

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The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

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**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

|  | Notes | 31 Dec 14<br>\$'000 | 31 Dec 13<br>\$'000 |
|--|-------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |       |                     |                     |
| Receipts from customers  |       | 13,440              | 13,494              |
| Payments to suppliers and employees                            |       | (11,315)            | (11,553)            |
| Interest received  |       | 13                  | 16                  |
| Finance costs  |       | (576)               | (887)               |
| Income tax paid  |       | (194)               | (49)                |
| Net cash provided by operating activities                      |       | 1,368               | 1,021               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |       |                     |                     |
| Payments for investment properties                             |       | (66)                | (13)                |
| Payments for property, plant and equipment                     | 4     | (93)                | (321)               |
| Payments for intangible assets                                 |       | -                   | (478)               |
| Receipts from held-to-maturity investments                     |       | -                   | 16                  |
| Net cash used in investing activities                          |       | (159)               | (796)               |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |       |                     |                     |
| Proceeds from issue of shares                                  |       | -                   | 6,388               |
| Payment of share issue costs                                   |       | -                   | (345)               |
| Proceeds from borrowings                                       |       | 2,650               | 300                 |
| Repayment of borrowings  |       | (3,850)             | (6,300)             |
| Net cash provided by/(used in) financing activities            |       | (1,200)             | 43                  |
| Net increase in cash and cash equivalents                      |       | 9                   | 268                 |
| Cash and cash equivalents at beginning of the reporting period |       | 1,401               | 972                 |
| Cash and cash equivalents at end of the reporting period       |       | 1,410               | 1,240               |

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

**1. BASIS OF PREPARATION OF INTERIM REPORT**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures that the interim financial statements and notes also comply with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted in the Group's annual financial report for the year ended 30 June 2014. The Group has adopted all the mandatory new and amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period. There was no material impact on the financial report as a result of the adoption of these standards.

**2. SEGMENT INFORMATION**

**Reportable segments**

*Hotel Operations* - The hotel operations segment sells packaged alcoholic beverages through its retail outlets, sells food and alcoholic beverages on-premise through bars and restaurants and operates licensed gaming venues.

*Investment Properties* - The investment properties segment owns and leases investment property assets to retail tenants.

|  | Hotel<br>Operations<br>\$'000 | Investment<br>Properties<br>\$'000 | Total<br>\$'000 |
|--|-------------------------------|------------------------------------|-----------------|
| <b>Half-year to 31 Dec 2014</b>                |                               |                                    |                 |
| <b>Revenue</b>                                 |                               |                                    |                 |
| Sales to external customers                    | 9,884                         | 1,969                              | 11,853          |
| Other revenue                                  | 257                           | -                                  | 257             |
| Total segment revenue                          | 10,141                        | 1,969                              | 12,110          |
| Other revenue                                  |                               |                                    | 13              |
|  |                               |                                    | 12,123          |
| <b>Results</b>                                 |                               |                                    |                 |
| Segment results                                | 898                           | 1,350                              | 2,248           |
| Unallocated revenue less unallocated expenses  |                               |                                    | (1,157)         |
| Fair value adjustment on investment properties |                               |                                    | 1,289           |
| Profit before income tax                       |                               |                                    | 2,380           |
| Income tax expense                             |                               |                                    | (689)           |
| Profit for the half-year                       |                               |                                    | 1,691           |

EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. SEGMENT INFORMATION (continued)

|  | Hotel<br>Operations<br>\$'000 | Investment<br>Properties<br>\$'000 | Total<br>\$'000 |
|--|-------------------------------|------------------------------------|-----------------|
| <b>Half-year to 31 Dec 2013</b>                |                               |                                    |                 |
| <b>Revenue</b>                                 |                               |                                    |                 |
| Sales to external customers                    | 9,754                         | 1,945                              | 11,699          |
| Other revenue                                  | 248                           | -                                  | 248             |
| Total segment revenue                          | 10,002                        | 1,945                              | 11,947          |
| Other revenue/income                           |                               |                                    | 16              |
|  |                               |                                    | <u>11,963</u>   |
| <b>Results</b>                                 |                               |                                    |                 |
| Segment results                                | 812                           | 1,535                              | 2,347           |
| Unallocated revenue less unallocated expenses  |                               |                                    | (1,360)         |
| Fair value adjustment on investment properties |                               |                                    | 2,013           |
| Profit before income tax                       |                               |                                    | 3,000           |
| Income tax expense                             |                               |                                    | (815)           |
| Profit for the half-year                       |                               |                                    | <u>2,185</u>    |

3. NON-CURRENT ASSET HELD FOR SALE

|                                     | 2014<br>\$'000 | 2013<br>\$'000 |
|-------------------------------------|----------------|----------------|
| At 30 June                          | -              | -              |
| Transfer from investment properties | 13,150         | -              |
| At 31 December                      | <u>13,150</u>  | <u>-</u>       |

On 19 December 2014, the Group signed an unconditional contract for the sale of the Bribie Harbour Shopping Village for \$13,150,000 before costs. The sale settled on 10 February 2015.

The fair value of the property as at 31 December 2014 was derived from the value implicit in the sales contract. The property was transferred from level 3 in the fair value measurement hierarchy to level 1 on the date the unconditional contract was entered into.

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**4. PROPERTY, PLANT AND EQUIPMENT**

The basis of valuation of land and buildings is fair value being the price that would be received to sell the assets in an orderly transaction between market participants at balance date, based upon current prices in an active market for similar properties in the same location and condition.

The December 2014 valuation of Ashmore Tavern land and buildings (\$8,500,000) was based upon directors' internal assessment. In arriving at fair value, the directors considered whether there were any changes to the significant inputs into the last independent valuation of the property performed in September 2013.

The December 2014 valuation of Aspley Shopping Centre land and buildings (\$14,750,000) was based upon independent assessment by a member of the Australian Property Institute for bank valuation purposes. This property was reclassified to land and buildings on 30 June 2014.

Movement in property, plant and equipment for the half-year is as follows:

|                                      | Freehold<br>land<br>\$'000 | Buildings<br>\$'000 | Plant and<br>equipment<br>\$'000 | Total<br>\$'000 |
|--------------------------------------|----------------------------|---------------------|----------------------------------|-----------------|
| <b>Period ended 31 December 2013</b> |                            |                     |                                  |                 |
| Opening net book amount              | 4,660                      | 4,200               | 1,057                            | 9,917           |
| Revaluation increment / (decrement)  | (660)                      | 359                 | -                                | (301)           |
| Additions                            | -                          | -                   | 321                              | 321             |
| Depreciation charge                  | -                          | (59)                | (190)                            | (249)           |
| Closing net book amount              | 4,000                      | 4,500               | 1,188                            | 9,688           |
| <b>Period ended 31 December 2014</b> |                            |                     |                                  |                 |
| Opening net book amount              | 8,400                      | 14,746              | 1,071                            | 24,217          |
| Revaluation increment                | -                          | 324                 | -                                | 324             |
| Additions                            | -                          | 6                   | 87                               | 93              |
| Depreciation charge                  | -                          | (193)               | (194)                            | (387)           |
| Straight line rentals                | -                          | (33)                | -                                | (33)            |
| Closing net book amount              | 8,400                      | 14,850              | 964                              | 24,214          |

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**5. INVESTMENT PROPERTIES**

Overall movement in investment properties was as follows:

|   | <b>2014</b>   | <b>2013</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| At 30 June                                  | 24,400        | 36,650        |
| Capitalised subsequent expenditure          | 6             | 13            |
| Straight-line rentals                       | 55            | 24            |
| Net gain from fair value adjustment         | 1,289         | 2,013         |
| Transfer to non-current asset held for sale | 3 (13,150)    | -             |
| At 31 December                              | 12,600        | 38,700        |

The basis of valuation of investment properties is fair value being the price that would be received to sell the properties in an orderly transaction between market participants at balance date, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The table below summarises the adopted fair values for each investment property as at balance date.

| Investment Property                           | Acquisition Date | Cost Including Additions* | Last Independent Valuation |               | Book Value December |               |
|---|------------------|---------------------------|----------------------------|---------------|---------------------|---------------|
|   |                  |                           | Date                       | \$'000        | 2014                | 2013          |
|   |                  | <b>\$'000</b>             |                            | <b>\$'000</b> | <b>\$'000</b>       | <b>\$'000</b> |
| Aspley Shopping Centre <sup>#</sup>           | Mar 2004         | 17,362                    | Dec 2014                   | 14,750        | -                   | 14,350        |
| Bribie Harbour Shopping Village <sup>##</sup> | Nov 2005         | 16,459                    | Jun 2013                   | 11,800        | -                   | 11,800        |
| Aspley Arcade Shopping Village                | Jun 2007         | 13,000                    | Feb 2014                   | 12,600        | 12,600              | 12,550        |
|   |                  |                           |                            |               | 12,600              | 38,700        |

\* excluding acquisition costs

<sup>#</sup> Aspley Shopping Centre was reclassified to property, plant and equipment as at 30 June 2014.

<sup>##</sup> Bribie Harbour Shopping Village was reclassified to non-current assets held for sale as at 31 December 2014. Refer Note 3.

The December 2014 fair value assessment for Aspley Arcade Shopping Village was based on directors' internal valuation.

In arriving at fair value, the Directors considered whether there was any changes to the last independent valuation and determined the fair value of each property using capitalised income projections based on the relevant property's net market income.

**6. FINANCE FACILITIES**

Details of the facilities drawn at 31 December 2014 are outlined below.

| <b>Amount Drawn<br/>(Face Value)*</b> |                             | <b>Repayment Terms</b>     |
|---------------------------------------|-----------------------------|----------------------------|
| <b>31 Dec 14<br/>\$'000</b>           | <b>30 Jun 14<br/>\$'000</b> |                            |
| 9,750                                 | 9,000                       | Interest only until expiry |
| 9,600                                 | 11,900                      | Interest only until expiry |
| 1,950                                 | 3,500                       | Interest only until expiry |
| 1,900                                 | -                           | Interest only until expiry |
| <u>23,200</u>                         | <u>24,400</u>               |                            |

\* Used at balance date comprises the face value of bills drawn. The amount recognised in the statement of financial position is net of discounts and other transaction costs.

As at 31 December 2014 the Group retained unrestricted access to commercial bill facilities of \$33,000,000 of which \$9,800,000 was undrawn. Commercial bill facilities expire 31 March 2017.

On 13 February 2015, the Group restructured finance facilities surrendering surplus commercial bill facilities and negotiating lower facility fees on remaining facilities. The Group retains unrestricted access to commercial bill facilities of \$16,000,000 of which \$6,450,000 is currently undrawn.

**7. CONTRIBUTED EQUITY**

| <b>Movements in share capital</b> | <b>No. of<br/>Shares</b> | <b>Issue Price<br/>¢</b> | <b>\$'000</b> |
|-----------------------------------|--------------------------|--------------------------|---------------|
| Balance at 30 June 2013           | 141,949,960              |                          | 11,038        |
| Shares issued under rights issue  | 141,949,960              | 4.5                      | 6,388         |
| Share issue costs (net of tax)    | -                        |                          | (242)         |
| Balance at 31 December 2013       | <u>283,899,380</u>       |                          | <u>17,184</u> |
| Balance at 31 December 2014       | <u>315,443,579</u>       |                          | <u>18,572</u> |

There was no movement in share capital in the December 2014 half-year.

**8. SUBSEQUENT EVENTS**

On 6 February 2015 the board declared a fully franked dividend of 0.2 cents per share (\$631,000 in total) which will be paid on 27 March 2015. The Eumundi Group Limited Dividend Reinvestment Plan will apply to the dividend and has been fully underwritten. The dividend has not been recognised as a liability in the December 2014 financial statements.

On 10 February 2015 the Bribie Harbour Shopping Village was sold for \$13,150,000 before costs.

On 13 February 2015 financing arrangements were renegotiated and commercial bill facilities were reduced from \$33,000,000 to \$16,000,000 which will result in an expected annual saving of \$346,000 in facility fees. Proceeds from the sale of the Bribie Harbour Shopping Village were applied to reduce drawn commercial bills to \$9,550,000.

There are no other matters or events that have arisen since 31 December 2014 not otherwise disclosed in the above notes that have significantly affected, or may significantly affect the consolidated entity's operations in future financial years or the results of those operations in future financial years or the state of affairs in future financial years.

**9. CONTINGENCIES**

There has been no material change in contingent liabilities disclosed in the 30 June 2014 financial report. The Group has no other material contingencies.

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**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION**

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In the opinion of the directors the accompanying financial statements and notes:

- (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that Eumundi Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



**J M Ganim**  
**Director**

Dated this 27th day of February 2015



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BRETT HEADRICK  
WARWICK FACE  
NIGEL BATTERS  
COLE WILKINSON

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Eumundi Group Limited,

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eumundi Group Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period'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 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the 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 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 Eumundi Group 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*.

*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 Eumundi Group Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of company'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*.

PITCHER PARTNERS



RCN WALKER  
Partner

Brisbane, Queensland  
27 February 2015

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