22 February 2017

Market Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

Report on results and financial statements for the half year ended 31 December 2016

The Directors of Steadfast Group Limited announce the financial results for the half year ended 31 December 2016:

- Appendix 4D and the half year 2017 financial report
- 1H 17 results market release
- 1H 17 results investor presentation
- Appendix 3A.1: notification of dividend

Yours faithfully

Linda Ellis

Linda Ellis
Group Company Secretary & Corporate Counsel

Steadfast Group Limited
ABN: 98 073 659 677 ACN: 073 659 677
Level 3, 99 Bathurst Street, Sydney NSW 2000
t 02 9495 6500 f 02 9495 6565 www.steadfast.com.au

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Steadfast Group Limited and controlled entities

Appendix 4D (rule 4.3A)
Preliminary final report for the half year ended 31 December 2016

Results for announcement to the market
(All comparisons to half year ended 31 December 2015)

	2016 $'000	Up/Down	% Movement
Revenues from ordinary activities	208,322	16,388	9%
EBITA from ordinary activities from core operations	66,743	6,348	11%
Profit before income tax expense from core operations before non-trading items	49,337	5,811	13%
Profit before income tax expense from core operations after non-trading items	58,321	3,828	7%
Profit after income tax expense from core operations before non-trading items (Note 1)	34,957	4,961	17%
Profit/(loss) from ordinary activities after tax attributable to shareholders (Note 1)	42,606	282	1%
Net profit/(loss) after tax attributable to shareholders (NPAT) (Note 2)	37,930	-1,087	-3%
Total comprehensive income attributable to shareholders	37,796	-1,454	-4%

Note 1:

The table below provides the reconciliation between the profit after income tax expense from core operations before and after non-trading items.

	2016 $'000 BEFORE TAX	2016 $'000 AFTER TAX
Profit from core operations before non-trading items	49,337	34,957
Add/(less): non-trading income/(expenses)		
Net gain on settlement or re-estimate of deferred consideration	3,635	3,635
Net gain on sale of investment in subsidiaries	5,495	4,237
Gain on unwind of deemed interest costs on the interest free executive loans	254	177
Impairment of investments	(400)	(400)
Profit from core operations after non-trading items	58,321	42,606

Note 2:

The table below provides the reconciliation between the profit after income tax expense from core operations after non-controlling interests (NCI).

	2016 $'000	2015 $'000
Net profit / (loss) after tax attributable to shareholders (NPAT)	37,930	39,017
Non-trading items:		
Less: net gain on settlement or re-estimate of deferred consideration	(4,147)	(16,015)
Less: net gain on sale of investment in subsidiaries	(4,010)	-
Less: gain on unwind of deemed interest costs on the interest free executive loans	(177)	(188)
Add: impairment of investments	400	3,810
Net profit / (loss) after tax after non-trading items attributable to shareholders (Underlying NPAT)	29,996	26,624

Refer note 4 of the financial report for further details on non-trading items.

Some of the financial data in the table above, namely the net off of brokerage commissions paid when disclosing total revenue, the separate identification of non-trading items and EBITA, is not disclosed in accordance with current Australian Accounting Standards requirements. However, all financial data is based on the information disclosed in the reviewed financial statements and notes to the financial statements of the Group and follow the recognition requirements of Australian Accounting Standards.

Dividend information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit (%)
Interim 2017 dividend per share	2.6	2.6	30

Interim dividend dates

Ex-dividend date	08 March 2017
Record date	09 March 2017
Payment date	13 April 2017

The Company's DRP will operate by purchasing ordinary shares on market. No discount will be applied. The record date is 09 March 2017. The last election notice for participation in the DRP in relation to this interim dividend is 10 March 2017.

A copy of the full terms and conditions for the DRP are available at http://investor.steadfast.com.au/Investor-Centre/?page=Dividends.

	31 Dec 2016 ($)	30 Jun 2016 ($)
Net tangible assets per ordinary share*	0.10	0.06

* Net tangible assets per ordinary share are based on 749,751,634 shares on issue at 31 December 2016. There has been no change in the number of ordinary shares on issues since 30 June 2016.

Other information

During the reporting period, Steadfast Group Limited held an interest in the following associates and joint venture:

	Ownership interest %
Associates	
Abbott Insurance Brokers Limited	45.0%
Armbro Insurance Brokers Pty Ltd	45.0%
Armstrong's Insurance Brokers Pty Ltd and Armstrong's Insurance Brokers Unit Trust	25.0%
Ausure Group Pty Ltd- associates thereof	27.7%
Blackburn (Insurance Brokers) Pty Ltd and Liability Brokers Pty Ltd	49.0%
Covercorp Pty Ltd	49.0%
Edgewise Insurance Brokers Pty Ltd and The Bradstock GIS Unit Trust	34.2%
Emergence Insurance Group Pty Ltd	33.3%
Empire Insurance Services Pty Ltd and McLardy McShane & Associates Pty Ltd	37.0%
Finpac Insurance Advisors Pty Ltd	49.0%
Glenowar Pty Ltd	49.0%
IPS Insurance Brokers Pty Ltd	40.0%
J.D.I (YOUNG) Pty Ltd	25.0%
Johansen Insurance Brokers Pty Ltd	48.0%
King Insurance Brokers Pty Ltd	37.0%
Lanyon Partners Consolidated Pty Ltd	45.0%
McKillops Insurance Brokers Pty Ltd	49.0%
Melbourne Insurance Brokers Pty Ltd	49.0%
Meridian Lawyers Limited	25.0%
Optimus 1 Pty Ltd	25.0%
Paramount Insurance Brokers Pty Ltd	25.0%
Phoenix Insurance Brokers Pty Ltd	46.0%
Pollard Advisory Services Pty Ltd	49.0%
QUS Pty Ltd	45.0%
Risk Partners Pty Ltd	45.0%
Rose Stanton Insurance Brokers Pty Ltd	49.0%
Rothbury Group Limited	45.3%
RSM Group Pty Ltd	49.0%
Sapphire Star Pty Ltd	30.0%
Scott & Broad Pty Ltd	42.9%
Southside Insurance Brokers Pty Ltd	49.0%
Steadfast Life Pty Ltd	50.0%
Sterling Insurance Pty Limited	39.5%
Tradewise Insurance Pty Ltd	48.0%
Tudor Insurance Australia (Insurance Brokers) Pty Ltd and Tudor Insurance Agency Unit Trust	48.0%
Watkins Taylor Stone Insurance Brokers Pty Ltd and D&E Watkins Unit Trust	35.0%
Joint ventures	
Macquarie Premium Funding Pty Ltd and its subsidiaries (Macquarie Pacific Funding Group)	50.0%

The aggregate share of profits after tax of associates and joint venture accounted for using equity method is $6.935 million.

Additional Appendix 4D disclosure requirements can be found in the directors' report and the 31 December 2016 financial statements and accompanying notes.

This report is based on the consolidated financial statements which have been reviewed by KPMG.

Attachment A – Steadfast Group Ltd Half year financial report – 31 December 2016

Steadfast Group Limited

Half Year Report 2017

Steadfast
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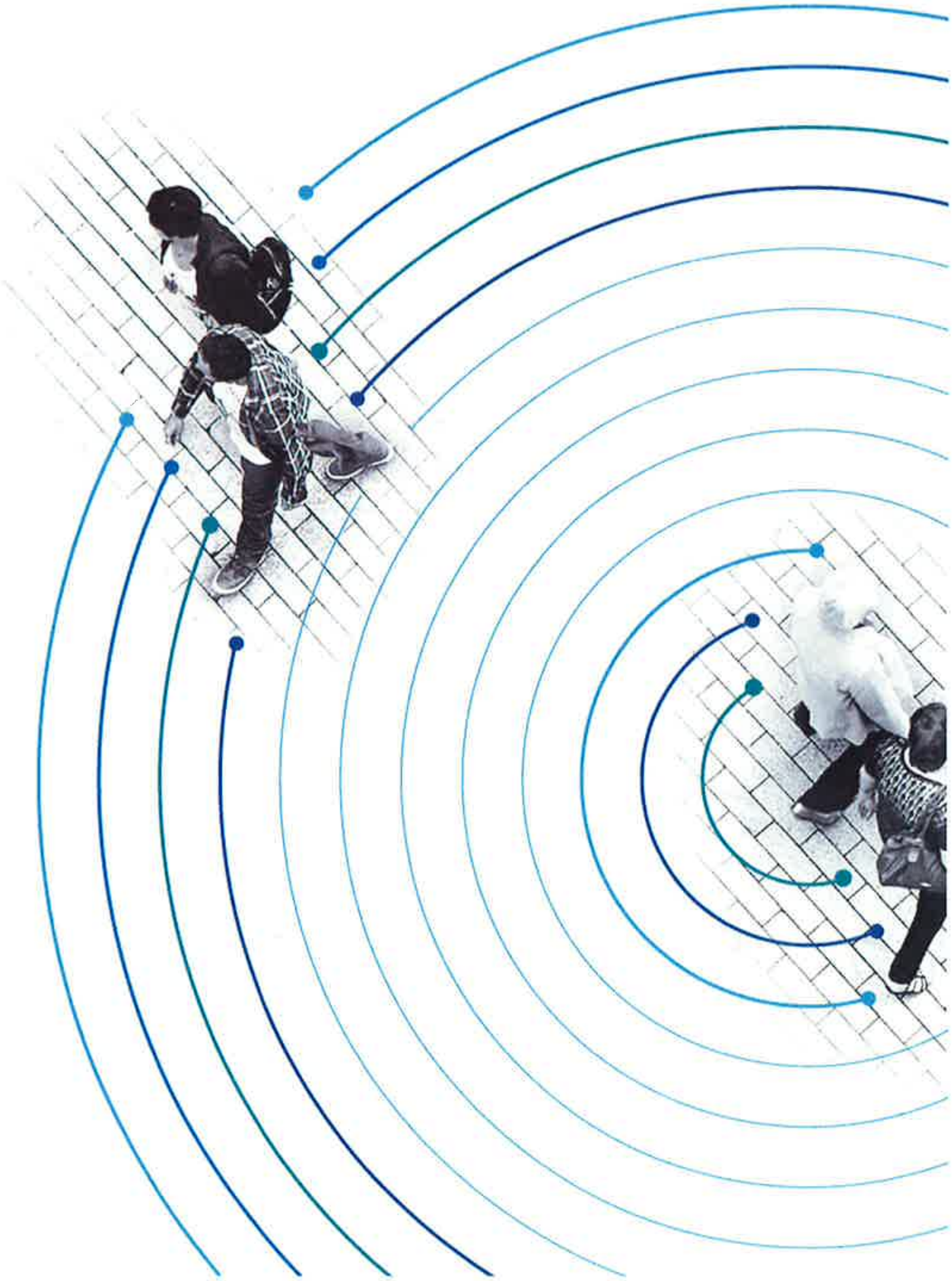

Steadfast Group Limited

ABN 98 073 659 677

Financial Report

For the half year ended 31 December 2016

Contents	**Page**

Steadfast Group Limited
Directors' Report

The Directors present their report together with the consolidated financial statements of Steadfast Group Limited (Steadfast or the Company) and its subsidiaries, and the Group's interests in associates and joint venture (Steadfast Group or the Group) for the half year ended 31 December 2016 and the auditor's review report thereon.

Directors

The Directors of the Company at any time during or since the end of the half year are as follows. Directors were in office for the entire period unless otherwise stated.

Name	Date of appointment
Chairman	
Frank O'Halloran, AM	21 October 2012
Managing Director & CEO	
Robert Kelly	18 April 1996
Other Directors	
David Liddy, AM	1 January 2013
Anne O'Driscoll	1 July 2013
Philip Purcell	1 February 2013
Greg Rynenberg	10 August 1998

Operating and financial review

Operating results for the half year

	Note	31 Dec 2016 $'000	31 Dec 2015 $'000
Revenue – consolidated entities	4	**192,003**	170,431
Expenses – consolidated entities	4	**(137,340)**	(119,886)
EBITA* – consolidated entities	4	**54,663**	50,545
Share of EBITA from associates and joint venture	4	**12,080**	9,850
EBITA from core operations		**66,743**	60,395
Finance costs	4	**(4,929)**	(4,615)
Amortisation expense	4	**(12,477)**	(12,254)
Profit before income tax before non-trading items		**49,337**	43,526
Income tax expense on profit before non-trading items	4	**(14,380)**	(13,530)
Profit after income tax before non-trading items		**34,957**	29,996
Non-trading items:			
Income	4	**9,384**	16,284
Expenses	4	**(400)**	(5,317)
Income tax expense / benefit on non-trading items	4	**(1,335)**	1,361
Net profit after income tax for the half year		**42,606**	42,324
Non-controlling interests (NCI)		**(4,855)**	(3,307)
NCI in non-trading items			
Income		**284**	-
Income tax expense on non-trading items		**(105)**	-
Net profit after income tax attributable to owners of Steadfast Group Limited (NPAT)		**37,930**	39,017
Other comprehensive income attributable to owners of Steadfast Group Limited		**(134)**	233
Total comprehensive income after income tax attributable to owners of Steadfast Group Limited		**37,796**	39,250

* EBITA refers to earnings before interest expense, tax and amortisation.

The Group's profit after income tax but before non-trading items for the half year was $34.957 million (31 December 2015: $29.996 million). The increase in profit after tax was mainly due to underlying earnings growth from the Group's businesses, an increase in Marketing & Administration fees received as well as continued acquisitions.

Included in total comprehensive income was $7.649 million of non-trading profit (31 December 2015: $12.328 million), including:

- a net gain of $3.635 million arising from lower estimates of amounts payable for earn outs, primarily the revised estimate for certain agencies acquired from QBE in 2015;
- a net profit on sale of subsidiaries which in aggregate amounted to $5.495 million; offset by
- $0.400 million of impairment of assets.

Some of the financial data in the table above, namely the EBITA related items, are not disclosed in the Financial Statements. However, all financial data is based on the information disclosed in the reviewed financial statements and notes to the financial statements of the Group and follow the recognition requirements of Australian Accounting Standards.

Review of financial condition

Financial position

The total assets of the Group as at 31 December 2016 were largely unchanged from 30 June 2016. Net assets increased by $7.768 million due to the excess of profits derived over dividends paid.

Total debt on the Group's balance sheet stands at $204.418 million of which $174.000 million was drawn from the Company's multi-bank syndicated corporate facility which, together with $0.428 million utilised for bonds and rental guarantees, left $110.572 million available in the corporate facility as at 31 December 2016. The corporate gearing ratio was 16.1% at 31 December 2016. The total Group gearing ratio was 18.5% at 31 December 2016 well within the Board mandated maximum gearing ratios of 25% for corporate debt and 30% for total Group debt.

Cash from operations

The conversion of profits into cash remained positive with $39.145 million of cash collected from operations (before trust account movements) during the half year. Further net cash of $24.976 million was received from the sale of businesses divested. The Group invested $27.592 million in new businesses (net of cash contained within those businesses).

Events subsequent to reporting date

Subsequent to 31 December 2016, the Board declared an interim dividend of 2.6 cents per share, 100% franked.

Further details of the dividend is set out in note 16.

Likely developments

Subject to stable market conditions and no material acquisitions, the Group is on track to deliver financial results for the year ended 30 June 2017 in accordance with guidance, namely underlying EBITA of $140 million to $150 million and underlying NPAT of $63 million to $68 million.

The Group's ongoing business strategy is to grow shareholder value through maintaining and growing its market position in the provision of insurance and related services, with a core focus on general insurance intermediation.

To achieve this strategy, the Group focuses on:

- acquiring equity interests in insurance brokers and underwriting agencies;
- continuing to support the growth and development of all Steadfast network brokers, Steadfast underwriting agencies, premium funders and other complementary businesses;
- maintaining and developing its relationship with strategic partners who provide products for distribution by the Group;
- realisation of synergies from hubbing and back office systems;
- acquiring non-insurance businesses which offer complementary products and services; and
- the cross-sell of products and services between Steadfast network brokers and other businesses with which the Group has a relationship.

In assessing future business acquisitions, strict acquisition criteria will continue to be applied, including that each acquisition is expected to be earnings per share accretive for the Group within 12 months of acquisition.

The Group continues to work closely with the management team of each acquired business, and allow each business to operate in a manner consistent with the Group's co-ownership model. In most cases, this model involves ongoing equity participation of key management personnel in the business acquired.

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 4 and forms part of the Directors' report for the half year ended 31 December 2016.

Rounding

The Group is of the kind referred to in the Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities & Investment Commission. In accordance with that Instrument, amounts in the Directors' report and financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed at Sydney on 22 February 2017 in accordance with a resolution of the Directors.

Frank O'Halloran, AM
Chairman

Robert Kelly
Managing Director & CEO

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

To the Directors of Steadfast Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Andrew Dickinson
Partner

Sydney

22 February 2017

Steadfast Group Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2016

	Note	31 Dec 2016 $'000	31 Dec 2015 $'000
Revenue			
Fee and commission income		**210,433**	199,153
Less: brokerage commission paid		**(59,681)**	(66,883)
Net fee and commission income		**150,752**	132,270
Marketing and administration fees		**18,361**	16,588
Interest income		**3,912**	3,687
Other revenue		**18,272**	17,886
		191,297	170,431
Share of profits of associates accounted for using the equity method	11	**5,831**	3,754
Share of profits of joint venture accounted for using the equity method	12	**1,104**	1,465
Net gain from adjustments to deferred consideration estimates	4,10	**3,635**	16,015
Net gain from sale of investment in subsidiaries	4	**5,495**	-
Other income		**960**	269
		208,322	191,934
Expenses			
Employment expense		**(90,103)**	(77,333)
Selling expense		**(9,025)**	(7,859)
Administration, brokers' support service and other expenses		**(23,769)**	(21,517)
Steadfast Network Broker rebates expense		**(5,522)**	(5,200)
Occupancy expense		**(7,202)**	(6,337)
Amortisation expense	4,7	**(10,779)**	(10,528)
Depreciation expense		**(1,649)**	(1,601)
Impairment expense	4(v)	**(400)**	(5,317)
Finance costs	4	**(4,594)**	(4,209)
Stamp duty, due diligence and restructure costs		**(70)**	(39)
		(153,113)	(139,940)
Profit before income tax expense		**55,209**	51,994
Income tax expense		**(12,603)**	(9,670)
Profit after income tax expense for the half year		**42,606**	42,324
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement in foreign currency translation reserve		**(74)**	114
Cash flow hedge effective portion of change in fair value		**(118)**	218
Income tax expense on other comprehensive income		**58**	(99)
Other comprehensive income for the period, net of tax		**(134)**	233
Total comprehensive income for the half year, net of tax		**42,472**	42,557
Profit for the half year is attributable to:			
Non-controlling interests		**4,676**	3,307
Owners of Steadfast Group Limited		**37,930**	39,017
		42,606	42,324
Total comprehensive income for the half year is attributable to:			
Non-controlling interests		**4,676**	3,307
Owners of Steadfast Group Limited	4	**37,796**	39,250
		42,472	42,557
Basic earnings per share (cents per share)	5	**5.08**	5.25
Diluted earnings per share (cents per share)	5	**5.06**	5.23

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

Steadfast Group Limited
Consolidated Statement of Financial Position
As at 31 December 2016

	Note	31 Dec 2016 $'000	30 June 2016 $'000
Assets			
Current assets			
Cash and cash equivalents		**60,649**	67,457
Cash held on trust		**230,857**	224,752
Receivables from broking/underwriting agency operations		**256,832**	301,011
Trade and other receivables		**39,833**	35,466
Related party loans receivable		**1,017**	976
Other		**6,231**	4,455
Total current assets		**595,419**	634,117
Non-current assets			
Goodwill	7	**713,363**	712,329
Intangible assets	7	**159,589**	165,280
Investments in associates	11	**139,154**	121,783
Interest in joint venture	12	**2,411**	2,211
Deferred tax assets		**16,702**	8,284
Property, plant and equipment		**27,113**	27,908
Related party loans receivable		**6,833**	7,197
Other loans receivable		**32,555**	33,389
Total non-current assets		**1,097,720**	1,078,381
Total assets		**1,693,139**	1,712,498
Liabilities			
Current liabilities			
Bank overdrafts	8	**533**	464
Borrowings	8	**1,045**	1,116
Deferred consideration	10	**10,612**	11,821
Payables on broking/underwriting agency operations		**434,530**	453,322
Trade and other payables		**39,307**	48,002
Income tax payable		**14,643**	17,583
Provisions		**13,350**	15,363
Total current liabilities		**514,020**	547,671
Non-current liabilities			
Borrowings	8	**203,373**	200,326
Deferred consideration	10	**10**	1,848
Other payables		**3,229**	3,005
Deferred tax liabilities		**59,895**	55,342
Provisions		**6,703**	6,165
Total non-current liabilities		**273,210**	266,686
Total liabilities		**787,230**	814,357
Net assets		**905,909**	898,141
Equity			
Share capital	9	**796,857**	796,857
Treasury shares held in trust	9	**(6,907)**	(4,396)
Foreign currency translation reserve		**(23)**	28
Share-based payments reserve		**3,818**	3,675
Undistributed profits reserve		**52,297**	31,542
Other reserves		**(15,262)**	(15,108)
Retained earnings		**37,582**	47,399
Equity attributable to the owners of Steadfast Group Limited		**868,362**	859,997
Non-controlling interests		**37,547**	38,144
Total equity		**905,909**	898,141

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

Steadfast Group Limited
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2016

31 Dec 2016	Share capital	Treasury shares held in trust	Foreign currency translation reserve	Share-based payments reserve	Un-distributed profits reserve	Other reserves	Retained earnings	Non-controlling interests	Total equity
	Equity attributable to owners of Steadfast Group Limited								
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2016	796,857	(4,396)	28	3,675	31,542	(15,108)	47,399	38,144	898,141
Profit after income tax expense for the half year	-	-	-	-	-	-	37,930	4,676	42,606
Other comprehensive income for the half year, net of tax	-	-	(51)	-	-	(83)	-	-	(134)
Total comprehensive income for the half year	-	-	(51)	-	-	(83)	37,930	4,676	42,472
Transactions with owners in their capacity as owners:									
Shares issued for Dividend Reinvestment Plan (Note 9)	-	-	-	-	-	-	-	-	-
Shares acquired and held in trust (Note 9)	-	(2,827)	-	-	-	-	-	-	(2,827)
Share-based payments on Executive Shares and employee share plans	-	-	-	143	-	-	-	-	143
Shares allotted through Dividend Reinvestment Plan (Note 9)	-	(145)	-	-	-	-	-	-	(145)
Shares allotted to employees under Employee Conditional Rights Scheme	-	461	-	-	-	-	-	-	461
Transfer of retained earnings to profit reserve	-	-	-	-	20,755	-	(20,755)	-	-
Acquisition of non-controlling interests (Note 10)	-	-	-	-	-	-	-	1,609	1,609
Change in equity interest in subsidiaries	-	-	-	-	-	(71)	-	(1,407)	(1,478)
Dividends declared and paid	-	-	-	-	-	-	(26,992)	(5,475)	(32,467)
Balance at 31 December 2016	796,857	(6,907)	(23)	3,818	52,297	(15,262)	37,582	37,547	905,909

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Steadfast Group Limited
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2015

31 Dec 2015	Share capital $'000	Treasury shares held in trust $'000	Foreign currency translation reserve $'000	Share-based payments reserve $'000	Un-distributed profits reserve $'000	Other reserves $'000	Retained earnings $'000	Non-Controlling interests $'000	Total equity $'000
	Equity attributable to owners of Steadfast Group Limited								
Balance at 1 July 2015	787,946	(3,018)	(237)	3,130	6,562	(10,698)	39,196	18,684	841,565
Profit after income tax expense for the half year	-	-	-	-	-	-	39,017	3,307	42,324
Other comprehensive income for the half year, net of tax	-	-	84	-	-	149	-	-	233
Total comprehensive income for the half year	-	-	84	-	-	149	39,017	3,307	42,557
Transactions with owners in their capacity as owners:									
Shares issued for Dividend Reinvestment Plan (Note 9)	8,911	-	-	-	-	-	-	-	8,911
Shares acquired and held in trust (Note 9)	-	(1,388)	-	-	-	-	-	-	(1,388)
Share-based payments on Executive Shares and employee share plans	-	-	-	508	-	-	-	-	508
Shares allotted through Dividend Reinvestment Plan (Note 9)	-	(85)	-	-	-	-	-	-	(85)
Shares allotted to employees under Employee Conditional Rights Scheme	-	165	-	-	-	-	-	-	165
Transfer of retained earnings to profit reserve	-	-	-	-	17,082	-	(17,082)	-	-
Acquisition of non-controlling interests (Note 10)	-	-	-	-	-	-	-	248	248
Changes in part equity interest in subsidiaries without loss of control	-	-	-	-	-	72	-	3,874	3,946
Dividends declared and paid	-	-	-	-	(22,302)	-	-	(3,351)	(25,653)
Balance at 31 December 2015	796,857	(4,326)	(153)	3,638	1,342	(10,477)	61,131	22,762	870,774

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows
For the half year ended 31 December 2016

	Note	31 Dec 2016 $'000	31 Dec 2015 $'000
Cash flows from operating activities			
Receipts from customers		**195,834**	178,868
Payments to suppliers and employees, and Network Broker rebates		**(141,358)**	(130,735)
Dividends received from associates and joint venture		**6,567**	6,621
Interest received		**3,245**	2,900
Interest and other finance costs paid		**(4,875)**	(3,955)
Income taxes paid		**(20,268)**	(6,637)
Net cash from operating activities before customer trust accounts movement		**39,145**	47,062
Net movement in customer trust accounts (net cash receipts/payments on behalf of customers)		**4,187**	41,818
Net cash from operating activities	13	**43,332**	88,880
Cash flows from investing activities			
Payments for acquisitions of subsidiaries and business assets, net of cash acquired		**(17,288)**	(10,078)
Payment for deferred consideration of subsidiaries, associates and business assets		**(8,888)**	(21,400)
Proceeds from disposal of investment in subsidiaries, net of cash disposed		**24,976**	-
Payments for investments in associates		**(10,304)**	(7,069)
Proceeds from disposal of investment in associates		**-**	161
Payments for step-up investment in subsidiaries on hubbing arrangements		**(880)**	(4,077)
Proceeds from part disposal of investment in subsidiaries on hubbing arrangements		**1,554**	-
Payments for property, plant and equipment		**(595)**	(5,274)
Payments for intangible assets		**(3,106)**	(2,512)
Net cash used in investing activities		**(14,531)**	(50,249)
Cash flows from financing activities			
Payments for purchase of treasury shares		**(2,827)**	(1,388)
Repayment of related party loans		**851**	810
Provision of related party loan		**(275)**	(100)
Repayment of non-related party loans		**2,020**	458
Provision of non-related party loans		**-**	(695)
Proceeds from borrowings		**40,000**	187,825
Repayment of borrowings		**(36,875)**	(153,403)
Dividends paid to owners of Steadfast, net of Dividend Reinvestment Plan		**(26,992)**	(13,391)
Dividends paid to non-controlling interests		**(5,475)**	(2,914)
Net cash from financing activities		**(29,573)**	17,202
Net increase in cash and cash equivalents		**(772)**	55,833
Cash and cash equivalents at the beginning of the financial period		**291,745**	239,171
Cash and cash equivalents at the end of the financial period*		**290,973**	295,004
* Balance represents:			
Cash and cash equivalents		**60,649**	79,884
Cash held on trust		**230,857**	215,120
Bank overdrafts		**(533)**	-
		290,973	295,004

The above consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

Note 1. General information

This financial report is for the half year ended 31 December 2016 and comprises the consolidated financial statements for Steadfast Group Limited (Steadfast or the Company) and its subsidiaries, and the Group's interests in associates and a joint venture (Steadfast Group or the Group). These financial statements are presented in Australian dollars, which is Steadfast's functional and presentation currency.

The Company is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 3, 99 Bathurst Street, Sydney NSW 2000.

A description of the nature of the Group's operations and its principal activities is included in the Directors' Report, which is not part of the financial report.

This financial report was authorised for issue by the Board on 22 February 2017.

This report should be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the Company during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Note 2. Significant accounting policies

A. Statement of compliance

This half year financial report has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 134 Interim Financial Reporting, the recognition and measurement requirements of other applicable Australian Accounting Standards adopted by the Australian Accounting Standards Board, as appropriate for for-profit oriented entities and the Australian Securities Exchange (ASX) Listing Rules.

International Financial Reporting Standards (IFRS) refer to the overall framework of standards and pronouncements approved by the International Accounting Standards Board. IFRS forms the basis of the Australian Accounting Standards. This half year financial report of the Group does not include all information required for annual financial statement presentation in accordance with IFRS.

B. Basis of preparation of the financial report

The accounting policies adopted in the preparation of this financial report have been applied consistently by all entities in the Group and are the same as those applied for the most recent annual financial report. These financial statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

i. New and amended standards adopted by the Group

The Group has adopted the following revised or amending Accounting Standard issued by the Australian Accounting Standards Board that is mandatory for the year ending 30 June 2017 and thus is also applicable for the half year ended 31 December 2016. Adoption of this standard has not had any material effect on the financial position or performance of the Group.

Title	Description
AASB 1057	Application of Australian Accounting Standards

ii. Reclassification of comparatives

No prior year comparative information has been revised in this financial report to conform to the current period's presentation.

iii. Rounding

The Group is of the kind referred to in the Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities & Investment Commission. In accordance with that Instrument, amounts in the Directors' report and financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

iv. Australian Accounting Standards issued and not yet effective

The Company has not early adopted and applied any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory for the half year ended 31 December 2016.

The Company intends to adopt new, revised or amending Accounting Standards and Interpretations in the operating year commencing 1 July after the effective date of these standards and interpretations as set out in the table below.

Title	Description	Effective date	Operating year	Note
AASB 9	Financial Instruments and the relevant amending standards	1 January 2018	30 June 2019	(i)
AASB 15	Revenue from Contracts with Customers and the relevant amending standards	1 January 2018	30 June 2019	(ii)
AASB 16	Leases	1 January 2019	30 June 2020	(iii)
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	30 June 2018	(i)
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	30 June 2019	(i)

Table notes

(i) These changes are not expected to have a significant financial impact.

(ii) The Group has completed preliminary review of contracts with insurers and customers. No significant financial impact is expected.

(iii) The Group is in the process of collecting and constructing a lease database. It is expected that there will be increases in property, plant and equipment, the corresponding lease liabilities and front-loaded lease expense comprising of interest and depreciation expenses as a result of applying the new standard.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ from the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the half year ended 31 December 2016 are detailed below.

A. Fair value of assets acquired

The Group measures the net assets acquired in a business combination at their fair value at the date of acquisition. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the fair value, then the amounts recognised as at the acquisition date will be retrospectively revised.

Fair value is estimated with reference to the market transactions for similar assets or discounted cash flow analysis.

B. Fair value of financial instruments

The Group's deferred consideration liability is measured at fair value at the end of each reporting period. The following table gives information about how the fair value of this financial liability is determined, including the valuation technique and inputs used. For the Group's financial instruments not measured at fair value, the carrying amount of these financial instruments provides a reasonable approximation of their fair values.

Financial instrument	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Deferred consideration	Level 3	The fair value is calculated based on a contracted multiple of forecast EBITA or fees and commissions	Forecast EBITA or fees and commissions	The estimated fair value would increase/(decrease) if the forecast EBITA or fees and commissions were higher/(lower)
Interest rate swaps	Level 2	The fair value is calculated using the present value of the estimated future cash flow based on observable yield curves	Not applicable	Not applicable

C. Deferred consideration

The Group has made a best estimate of the fair value of consideration payable for the acquisitions where there is a variable purchase price (generally, a multiple of revenue or future period earnings before interest expense, tax and amortisation (EBITA)) after performing due diligence on the acquisition. Should the fair value of the final consideration payable vary from these estimates, the Group will be required to recognise the difference as expense or income.

D. Goodwill

Goodwill is not amortised but assessed for impairment annually or when there is an evidence of impairment.

The recoverable amount of goodwill is estimated using the higher of fair value or the value in use analysis of the relevant cash generating unit (CGU) deducting the carrying amount of the identifiable net assets of the CGU. Key assumptions used in the calculation of recoverable amounts are the discount rates, terminal value growth rates and EBITA growth rates.

E. Intangible assets

The carrying amounts of intangible assets with finite lives are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated on the same basis as goodwill above.

An impairment loss is recognised if the carrying amount of the intangible asset exceeds its recoverable amount.

F. Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

G. Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and operating tax losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

The Company's corporate structure includes equity investments in insurance intermediary entities (insurance broking, underwriting agencies and premium funders) and complementary businesses. Discrete financial information about each of these entities is reported to management on a regular basis and, accordingly, management considers each entity to be a discrete business operation. The Company believes that all of the Group's equity investments in insurance intermediary entities exhibit similar economic characteristics and have therefore been aggregated into a single reporting segment, being the general insurance intermediary sector. This assessment is based on each of the business operations having similar products and services, similar types of customer, employing similar operating processes and procedures, and operating within similar regulatory environments. The Group is in the business of distributing and advising on insurance products in Australia, New Zealand, London and Singapore.

In addition to reviewing performance based on statutory profit after tax, the Chief Operating Decision Maker (being the Managing Director & CEO) also reviews a key additional performance measure being earnings before interest expense, tax and amortisation (EBITA) broken down by consolidated entities, associates and joint venture.

The additional performance measures, EBITA and other related information (broken down by consolidated entities, and associates and joint venture) provided on a regular basis to the Chief Operating Decision Maker are outlined in the table below.

		Half year to 31 Dec 2016			**Half year to 31 Dec 2015**		
	Table note	**Insurance intermed-iary $'000**	**Other $'000**	**Total $'000**	**Insurance intermed-iary $'000**	**Other $'000**	**Total $'000**
Revenue – consolidated entities		**183,818**	**8,185**	**192,003**	164,418	6,013	170,431
Expenses – consolidated entities		**(129,693)**	**(7,647)**	**(137,340)**	(114,899)	(4,987)	(119,886)
EBITA – consolidated entities		**54,125**	**538**	**54,663**	49,519	1,026	50,545
Share of EBITA from associates and joint venture (Note 11, 12)		**11,854**	**226**	**12,080**	9,727	123	9,850
EBITA from core operations		**65,979**	**764**	**66,743**	59,246	1,149	60,395
Finance costs (net of interest received on surplus cash held)	(i)	**(4,918)**	**(11)**	**(4,929)**	(4,607)	(8)	(4,615)
Amortisation expense	(ii)	**(11,867)**	**(610)**	**(12,477)**	(11,958)	(296)	(12,254)
Profit before income tax before non-trading items		**49,194**	**143**	**49,337**	42,681	845	43,526
Income tax expense on profit before non-trading items	(iii)	**(14,459)**	**79**	**(14,380)**	(13,321)	(209)	(13,530)
Profit after income tax before non-trading items		**34,735**	**222**	**34,957**	29,360	636	29,996
Non-trading items:							
Income	(iv)	**1,200**	**8,184**	**9,384**	16,284	-	16,284
Expenses	(v)	**(400)**	**-**	**(400)**	(5,317)	-	(5,317)
Income tax expense on non-trading items		**(221)**	**(1,114)**	**(1,335)**	1,361	-	1,361
Net profit after income tax for the half year		**35,314**	**7,292**	**42,606**	41,688	636	42,324
Non-controlling interests (NCI)		**(4,855)**	**-**	**(4,855)**	(3,307)	-	(3,307)
NCI in non-trading items							
Income		**284**	**-**	**284**	-	-	-
Income tax expense on non-trading items		**(105)**	**-**	**(105)**	-	-	-
Net profit after income tax attributable to owners of Steadfast Group Limited (NPAT)		**30,638**	**7,292**	**37,930**	38,381	636	39,017
Other comprehensive income attributable to owners of Steadfast Group Limited		**(134)**	**-**	**(134)**	233	-	233
Total comprehensive income after income tax attributable to owners of Steadfast Group Limited		**30,504**	**7,292**	**37,796**	38,614	636	39,250

TABLE NOTES

	Half year to 31 Dec 2016 Insurance intermed-iary $'000	Other $'000	Total $'000	Half year to 31 Dec 2015 Insurance intermed-iary $'000	Other $'000	Total $'000
(i) Breakdown of finance costs:						
Finance costs – consolidated entities	**(4,594)**	-	**(4,594)**	(4,209)	-	(4,209)
Finance costs – associates and joint venture (Note 11, 12)	**(324)**	**(11)**	**(335)**	(398)	(8)	(406)
	(4,918)	**(11)**	**(4,929)**	(4,607)	(8)	(4,615)
(ii) Breakdown of amortisation expenses:						
Amortisation expense – consolidated entities	**(10,205)**	**(574)**	**(10,779)**	(10,268)	(260)	(10,528)
Amortisation expense – associates and joint venture (Note 11, 12)	**(1,662)**	**(36)**	**(1,698)**	(1,690)	(36)	(1,726)
	(11,867)	**(610)**	**(12,477)**	(11,958)	(296)	(12,254)
(iii) Breakdown of income tax expenses on profit before non-trading items:						
Income tax expense – consolidated entities	**(11,402)**	**134**	**(11,268)**	(10,845)	(186)	(11,031)
Income tax expense – associates and joint venture (Note 11, 12)	**(3,057)**	**(55)**	**(3,112)**	(2,476)	(23)	(2,499)
	(14,459)	**79**	**(14,380)**	(13,321)	(209)	(13,530)
(iv) Breakdown of non-trading income:						
Reversal of deemed interest costs on interest free executive loans	**254**	-	**254**	269	-	269
Net gain / (loss) from sale of investments in subsidiaries	**(2,689)**	**8,184**	**5,495**	-	-	-
Net gain on re-estimation and settlement of deferred consideration*	**3,635**	-	**3,635**	16,015	-	16,015
	1,200	**8,184**	**9,384**	16,284	-	16,284
(v) Breakdown of non-trading expenses:						
Impairment loss	**(400)**	-	**(400)**	(5,317)*	-	(5,317)
	(400)	-	**(400)**	(5,317)	-	(5,317)

* The Group often defers a portion of the purchase price of a business and makes the final payment referable to future financial performance. At the time of acquisition an estimate is made as to the fair value of the final payment. This is reviewed each half-year based on information available and at settlement, and the estimate is adjusted if appropriate. Any adjustment is taken to profit (downwards estimate) or loss (upwards estimate). Where an estimate is reduced, the Group will consider whether the factors leading to the estimate of deferred consideration represent an indicator of impairment, and if so, the need for impairment is considered. The deferred consideration adjustments and impairments do not affect cash flows from operating activities.

Note 5. Earnings per share

	Half year to 31 Dec 2016 cents	Half year to 31 Dec 2015 cents
A. Reporting period value		
Basic earnings per share	**5.08**	5.25
Diluted earnings per share	**5.06**	5.23

The higher earnings per share reported in the half year to 31 December 2015 compared to the half year to 31 December 2016 is primarily due to the inclusion of non-trading items in particular the net gain on re-estimation and settlement of deferred consideration as detailed in Note 4.

If these non-trading items were removed the underlying earnings per share would be as follows :

	Half year to 31 Dec 2016 cents	Half year to 31 Dec 2015 cents
Basic earnings per share	**4.06**	3.59
Diluted earnings per share	**4.04**	3.58

	Half year to 31 Dec 2016 $'000	Half year to 31 Dec 2015 $'000
B. Reconciliation of earnings used in calculating earnings per shares		
Profit after income tax	**42,606**	42,324
Non-controlling interests	**(4,676)**	(3,307)
Profit after income tax attributable to the owners of Steadfast Group Limited for calculation of basic and diluted earnings per share	**37,930**	39,017

	Half year to 31 Dec 2016 Number in '000	Half year to 31 Dec 2015 Number in '000
C. Reconciliation of weighted average number of shares used in calculating earnings per share		
I. Weighted average number of ordinary shares issued		
Weighted average number of ordinary shares issued	**749,752**	746,115
Weighted average number of treasury shares held in trust	**(3,705)**	(2,607)
Weighted average number of ordinary shares used in calculating basic earnings per share	**746,047**	743,508
II. Weighted average number of dilutive potential ordinary shares related to		
Weighted average number of ordinary shares	**746,047**	743,508
Effect of share based payment arrangements[(a)]	**1,317**	1,467
Effect of deemed bonus shares on share options[(b)]	**1,599**	996
Weighted average number of ordinary shares used in calculating diluted earnings per share	**748,963**	745,971

The weighted average number of ordinary shares or dilutive potential ordinary shares is calculated by taking into account the period from the issue date of the shares to the reporting date unless otherwise stated as below.

(a) Steadfast operates share-based payments arrangements (being an employee conditional rights scheme, a short-term incentive plan and a long-term incentive plan) where eligible employees could receive conditional rights instead of cash. One conditional right will convert to one ordinary share subject to vesting conditions being met. These share-based payments arrangements are granted to employees free of costs and no consideration will be paid on conversion to Steadfast's ordinary shares. These arrangements have a dilutive effect to the basic earnings per share (EPS).

(b) 3.000 million share options were issued to a member of key management personnel of an acquired business in 2013 with an exercise price of $1.00 per share. Because the average share price exceeds the exercise price, 1.599 million shares (Dec 2015: $0.996 million) are deemed to be bonus shares.

Note 6. Dividends

A. Dividends on ordinary shares during the half year

	Cents per share	Total amount $'000	Payment date	Tax rate for franking credit	Percentage franked
31 December 2016					
2016 final dividend	**3.6**	**26,992**	**14 October 2016**	**30%**	**100%**
31 December 2015					
2015 final dividend	3.0	22,302	14 October 2015	30%	100%

It is standard practice that the Board declares the dividend for a period after the relevant reporting date. A dividend is not accrued for until it is declared and so the dividends for a period are generally recognised and measured in the financial reporting period following the period to which the dividends relate.

B. Dividend policy

The Company targets a dividend payout ratio in the range of 65% to 85% of net profit after tax attributable to shareholders of the Company with a minimum dividend payout ratio of 50% of net profit after tax and before amortisation expense.

C. Dividend reinvestment

A DRP operates which allows equity holders to elect to receive their dividend entitlement in the form of the Company's ordinary shares. The price of DRP shares is the average share market price calculated over the pricing period (which is at least five trading days) as determined by the Board for each dividend payment date.

D. Dividend not recognised at reporting date

On 22 February 2017, the Board resolved to pay the following dividend. As this occurred after the reporting date, the dividends declared have not been recognised in this financial report.

	Cents per share	Total amount $'000	Expected payment date	Tax rate for franking credit	Percentage franked
2017 interim dividend	**2.6**	**19,494**	**13 Apr 2017**	**30%**	**100%**

The Company's DRP will operate by purchasing ordinary shares on market. No discount will be applied. The last election notice for participation in the DRP in relation to this interim dividend is 10 March 2017.

Note 7. Intangible assets and goodwill

	Customer relationships $'000	Capitalised software $'000	Other Intangible assets $'000	Total intangible assets $'000	Goodwill $'000
31 December 2016					
A. Composition					
At cost	**206,616**	**9,797**	**7,799**	**224,212**	**714,212**
Accumulated amortisation and impairment	**(59,211)**	**(1,202)**	**(4,210)**	**(64,623)**	**(849)**
	147,405	**8,595**	**3,589**	**159,589**	**713,363**
B. Movements (6 months)					
Balance at the beginning of the financial period	**154,967**	**6,361**	**3,952**	**165,280**	**712,329**
Additions	**-**	**3,054**	**52**	**3,106**	**-**
Additions through business combinations	**8,750**	**-**	**-**	**8,750**	**29,964**
Reduction upon loss of control	**(9,440)**	**(512)**	**-**	**(9,952)**	**(29,659)**
Disposals – Accumulated amortisation & impairment upon loss of control	**2,569**	**375**	**-**	**2,944**	**1,058**
Amortisation expense transferred to other reserve on hubbing	**225**	**-**	**-**	**225**	**-**
Amortisation expense	**(9,681)**	**(683)**	**(415)**	**(10,779)**	**-**
Impairment	**-**	**-**	**-**	**-**	**(400)**
Net foreign currency exchange difference	**15**	**-**	**-**	**15**	**71**
Balance at the end of the financial period	**147,405**	**8,595**	**3,589**	**159,589**	**713,363**

	Customer relationships $'000	Capitalised software $'000	Other Intangible assets $'000	Total intangible assets $'000	Goodwill $'000
30 June 2016					
C. Composition					
At cost	207,291	7,255	7,747	222,293	713,837
Accumulated amortisation and impairment	(52,324)	(894)	(3,795)	(57,013)	(1,508)
	154,967	6,361	3,952	165,280	712,329
D. Movements (12 months)					
Balance at the beginning of the financial period	175,742	1,746	3,464	180,952	669,321
Additions	-	5,095	543	5,638	-
Additions through business combinations	13,360	-	3,109	16,469	46,405
Reduction in intangibles upon loss of control	(678)	-	-	(678)	(2,459)
Amortisation expense transferred to other reserve on hubbing	201	-	-	201	-
Amortisation expense	(19,484)	(480)	(924)	(20,888)	-
Impairment	(14,343)	-	(2,240)	(16,583)	(1,507)
Net foreign currency exchange difference	169	-	-	169	569
Balance at the end of the financial period	154,967	6,361	3,952	165,280	712,329

Note 8. Borrowings

	31 Dec 2016 $'000	30 June 2016 $'000
Bank loans		
Current	**1,045**	1,116
Non-current	**204,460**	201,265
Capitalised transaction costs	**(1,087)**	(939)
	204,418	201,442
Bank facilities available		
Bank facilities drawn down		
Bank loans - corporate facility	**174,000**	170,500
Bank loans - subsidiaries	**31,505**	31,881
Lines of credit - corporate facility	-	-
Lines of credit - subsidiaries	**533**	464
	206,038	202,845
Undrawn bank facilities		
Bank loans - corporate facility	**107,000**	110,500
Bank loans - subsidiaries	-	-
Lines of credit - corporate facility	**4,000**	4,000
Lines of credit - subsidiaries	**1,142**	1,211
	112,142	115,711
Total bank facilities available		
Bank loans	**312,505**	312,881
Lines of credit	**5,675**	5,675
	318,180	318,556

A. Bank corporate facility details

As at 31 December 2016:

- the Company had a $285.000 million multibank syndicated facility (corporate facility) with Macquarie Bank and ANZ Banking Group (30 June 2016: $285.000 million);
- $174.000 million of the $285.000 million facility has been drawn down, which together with $0.428 million for bonds and rental guarantees, leaves $110.572 million available in the corporate facility for future drawdowns (30 June 2016: $114.072 million).

The $285.000 million corporate facility, negotiated in August 2015, consists of a three-year tranche of $235.000 million and a five-year tranche of $50.000 million. The three-year tranche has the potential for two one-year extensions by agreement of all parties at the end of the first and second year of the facility. During the half year ended 31 December 2016, the first one year extension was completed, moving the maturity date of the three-year tranche from August 2018 to August 2019.

The Facility charges variable interest rates based on BBSY plus the applicable margin. The Company has entered into an interest rate swap with notional amount of $75.000 million where the Company swaps the floating rate payment into fixed rate payments.

The key terms and conditions of the multi-bank syndicated facility were disclosed in the annual report for the year ended 30 June 2016 and remain unchanged. The Company remains compliant with the terms and conditions.

Note 9. Notes to the statement of changes in equity and reserves

A. Share capital

	Half year to 31 Dec 2016 Number of shares in 000's	Year to 30 June 2016 Number of shares in 000's	Half year to 31 Dec 2016 $'000	Year to 30 June 2016 $'000
Reconciliation of movements				
Balance at the beginning of the financial period	**749,752**	743,414	**796,857**	787,946
Shares issued under the Dividend Reinvestment Plan	**-**	6,338	**-**	8,911
Balance at the end of the financial period	**749,752**	749,752	**796,857**	796,857

B. Treasury shares held in trust

Reconciliation of movements				
Balance at the beginning of the financial period	**2,942**	2,036	**4,396**	3,018
Shares allocated to employees	**(213)**	(100)	**(461)**	(165)
Shares acquired	**1,307**	907	**2,827**	1,388
Shares allotted through the dividend reinvestment plan	**63**	99	**145**	155
Balance at the end of the financial period	**4,099**	2,942	**6,907**	4,396

Treasury shares are ordinary shares of the Company bought on market by the trustee (a wholly owned subsidiary of the Group) of an employee share plan to meet future obligations under that plan when conditional rights vest and shares are allocated to participants.

C. Capital Risk Management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue its listing on the ASX, provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to minimise the cost of capital, within the risk appetite approved by the Directors.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, take on borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of gearing ratio, which is calculated as borrowings divided by total equity and borrowings. The Company's current maximum corporate gearing ratio determined by the Board is 25%. In recognition that subsidiaries may require debt to fund bolt-on acquisitions, the Group has limited the extent of subsidiary borrowings to an additional 5% leverage, taking the total gearing ratio to 30%. The gearing ratios at reporting date are as follows:

	Note	31 Dec 2016 $'000	30 June 2016 $'000	Maximum approved
Corporate borrowings	8	**174,000**	170,500	
Total borrowings	8	**206,038**	202,845	
Total Group equity		**905,909**	898,141	
Total Group equity and corporate borrowings		**1,079,909**	1,068,641	
Total Group equity and total borrowings		**1,111,947**	1,100,986	
Corporate gearing ratio		**16.1%**	16.0%	25.0%
Total gearing ratio		**18.5%**	18.4%	30.0%

D. Nature and purpose of reserves

i. Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency differences from the translation of the financial information of foreign operations that have a functional currency other than Australian dollars.

ii. Share based payments reserve

The share-based payments reserve is used to recognise the fair value at grant date of equity settled share-based remuneration provided to employees; a member of the key management personnel of a subsidiary; as well as the discount on Executive Shares.

iii. Other reserves

The other reserves are used to recognise other movements in equity including: cumulative net change in fair value of hedging instruments; the fair value of put options issued to a shareholder of a subsidiary over that subsidiary's shares; and the net effect on disposal of partial equity ownership in subsidiaries without loss of control.

iv. Undistributed profits reserve

The undistributed profits reserve consists of any retained amount from prior periods transferred from retained earnings. This reserve will be utilised should the Board declare a dividend from this reserve.

Note 10. Business combinations

Acquisitions for the half year ended 31 December 2016

During the half year ended 31 December 2016, the Group completed a number of acquisitions in accordance with its strategy.

Acquisition of subsidiaries

The following disclosures provide information for five acquired insurance broking businesses. As no acquisition is individually material, the information is shown in aggregate. Note 10.f. contains a list of subsidiaries acquired and the respective ownership interests.

a. Consideration paid/payable

Half year to 31 December 2016	Acquisitions $'000
Cash	**22,115**
Deferred consideration(a)	**6,321**
Subsidiaries' scrip for scrip(b)	**6,230**
Total	**34,666**

(a) Pursuant to the Share Purchase Agreements, some of the consideration will be settled based on future years' actual financial performance and thus was recognised as deferred consideration by the Group. The deferred consideration is estimated based on a multiple of forecast revenue and/or earnings. Any variations at the time of settlement will be recognised as an expense or income in the statement of profit or loss and other comprehensive income. The $6.321 million deferred consideration shown above represents:
- $5.088 million of deferred consideration for which the maximum amount of payment is not capped; and
- $1.233 million of deferred consideration which is fixed.

(b) Some acquisitions made through existing subsidiaries of the Group have been partially completed on a scrip for scrip basis (using the subsidiaries' scrip).

b. Identifiable assets and liabilities acquired

Half year to 31 December 2016	Acquisitions $'000
Cash, and cash equivalents[1]	4,827
Trade and other receivables[2]	2,745
Property, plant and equipment	404
Deferred tax assets	121
Identifiable intangibles	8,750
Other assets	273
Trade and other payables	(6,653)
Income tax payable	(282)
Provisions	(363)
Deferred tax liabilities	(3,080)
Other liabilities	(431)
Total net identifiable assets/(liabilities)	6,311

(1) Includes cash held on trust

(2) The trade receivables comprise contractual amounts and are expected to be fully recoverable.

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, then the acquisition accounting will be revised.

c. Goodwill on acquisition

Half year to 31 December 2016	Acquisitions $'000
Total consideration paid/payable	34,666
Total net identifiable (assets)/liabilities acquired	(6,311)
Non-controlling interests acquired	1,609
Goodwill on acquisition*	29,964

* The majority of goodwill relates to benefits from the combination of synergies as well as the acquired subsidiaries' ability to generate future profits. None of the goodwill recognised is expected to be deductible for tax purposes.

d. Financial performance of acquired subsidiaries

The contribution for the period since acquisition by the acquired subsidiaries to the financial performance of the Group is outlined in the table below.

Half year to 31 December 2016	Total $'000
Revenue	5,769
EBITA	2,162
Profit after income tax	1,823

If the acquisitions of subsidiaries occurred on 1 July 2016, the Group's total revenue, and profit after income tax for the half year ended 31 December 2016 would have been $209.385 million and $42.909 million respectively.

e. Acquisition-related costs

The Group incurred acquisition-related costs, including stamp duty and legal fees, for business interests acquired during the half year ended 31 December 2016.

f. Subsidiaries acquired

The table below outlines all the subsidiaries acquired during the half year ended 31 December 2016. It includes some entities in which the Group had a prior equity interest and that became subsidiaries following internal restructuring.

Name of subsidiary acquired	Table note	Ownership interest as at 31 December 2016 %
Ballyglisheen Pty Ltd (Steel Pacific)	(i)	50.00
AIS Holdings WA Pty Ltd	(ii)	56.55
Steadfast QIS Pty Ltd (formerly NCA Insurance Services Pty Ltd)	(iii)	61.91
Trident Insurance Group Pty Ltd		60.00
Steadfast IFS Pty Ltd		50.98

Table notes

(i) Although the Group only has 50.00% equity interest in Ballyglisheen Pty Ltd (Steel Pacific), the Group has control over the entity due to the terms of the sale and purchase agreement that give the Group the ability to direct the key financial and operating activities.

(ii) The Group acquired AIS Holdings WA Pty Ltd (AIS) through Centrewest Holdings Pty Ltd, an existing subsidiary of the Group. The 56.55% equity interest in AIS represents the Group's effective interest in the entity.

(iii) The Group acquired additional shares in Steadfast QIS Pty Ltd (formerly NCA Insurance Services Pty Ltd). As a result, Steadfast QIS Pty Ltd became a subsidiary of the Group.

g. Deferred consideration reconciliation

The following table shows a reconciliation of movements in deferred consideration.

	Half year to 31 Dec 2016 $'000	Year to 30 June 2016 $'000
Balance at the beginning of the financial period	**13,669**	55,327
Settlement of deferred consideration	**(8,888)**	(23,138)
Non-cash settlement of deferred consideration	**-**	(3,745)
Additions from new acquisitions in business combinations	**6,321**	7,901
Additions from new acquisitions of associates	**2,814**	1,003
Additions from new acquisitions in step-up acquisitions and hubbing arrangements	**-**	195
Net gain in profit or loss on settlement or reassessment	**(3,635)**	(23,874)
Net deferred consideration payable	**10,281**	13,669
Disclosed as / included in :		
Deferred consideration current	**10,612**	11,821
Deferred consideration non-current	**10**	1,848
Trade and other receivables current	**(341)**	-
Net deferred consideration payable	**10,281**	13,669

The closing balance of net deferred consideration at the end of the financial period represents:

	31 Dec 2016 $'000	30 June 2016 $'000
Amount payable is limited	**10**	247
Amount payable is not capped	**10,029**	8,250
Amount payable is fixed	**242**	5,172
	10,281	13,669

Note 11. Investments in associates

	Half year to 31 Dec 2016 $'000	Year to 30 June 2016 $'000
Reconciliation of movements		
Balance at the beginning of the financial period	**121,783**	122,351
Acquisition of associates	**20,312**	18,635
Reclassification of investment in associates to investment in subsidiaries	**(3,176)**	(16,257)
Disposal of associates through hubbing arrangements	**-**	(1,842)
Share of EBITA from associates	**10,194**	17,004
Less share of:		
Finance costs	**(267)**	(574)
Amortisation expense	**(1,457)**	(2,795)
Income tax expense	**(2,639)**	(4,564)
Share of associates' profit after income tax	**5,831**	9,071
Dividends received/receivable	**(5,663)**	(9,580)
Net foreign exchange movements	**67**	(595)
Balance at the end of the financial period	**139,154**	121,783

Note 12. Interest in joint venture

	Half year to 31 Dec 2016 $'000	Year to 30 June 2016 $'000
Reconciliation of movements		
Balance at the beginning of the financial period	**2,211**	3,446
Share of EBITA from joint venture	**1,886**	3,679
Less share of:		
Finance costs	**(68)**	(181)
Amortisation expense	**(241)**	(481)
Income tax expense	**(473)**	(922)
Share of joint venture's profit after income tax	**1,104**	2,095
Dividends received/receivable	**(904)**	(3,330)
Balance at the end of the financial period	**2,411**	2,211

Note 13. Reconciliation of profit after income tax to net cash from operating activities

	Half year to 31 Dec 2016 $'000	Half year to 31 Dec 2015 $'000
Profit after income tax expense for the half year	**42,606**	42,324
Adjustments for		
Depreciation, amortisation and loss on disposal of property, plant and equipment	**12,428**	12,123
Share of profits of associates and joint venture	**(6,935)**	(5,219)
Income tax paid	**(20,268)**	(6,637)
Dividends received from associates/joint venture	**6,567**	6,621
Net gain from adjustments to deferred consideration estimates	**(3,635)**	(16,015)
Capitalised interest on loans	**(948)**	(533)
Net gain on disposal of investment in subsidiaries	**(5,495)**	-
Share-based payments and incentives accruals	**(122)**	1,162
Impairment expense	**400**	5,317
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**37,147**	81,239
(Increase)/decrease in deferred tax assets	**(8,670)**	(5,905)
(Increase)/decrease in other assets	**(1,553)**	(1,408)
Increase/(decrease) in trade and other payables	**(29,031)**	(37,646)
Increase/(decrease) in income tax payable	**17,026**	11,494
Increase/(decrease) in deferred tax liabilities	**4,247**	4,079
Increase/(decrease) in other liabilities	**(207)**	(429)
Increase/(decrease) in provisions	**(225)**	(1,687)
Net cash from operating activities	**43,332**	88,880

Note 14. Related party transactions

A. Transactions with subsidiaries
All transactions that have occurred among the subsidiaries within the Group have been eliminated for consolidation purposes.

B. Transactions with other related parties
The following transactions occurred with related parties:

	Half year to 31 Dec 2016 $	Half year to 31 Dec 2015 $
i. Sale of goods and services		
Marketing and administration fees received from associates on normal commercial terms	**57,221**	73,695
Marketing and administration fees received from joint venture on normal commercial terms	**1,289,025**	1,456,497
Commission income received/receivable from associates on normal commercial terms	**231,060**	52,909
ii. Interest income		
Interest income received/receivable from joint venture	**71,403**	74,959
iii. Payment for goods and services		
Estimated Steadfast Network Broker rebate expense paid or payable to associates on the basis as determined by the Board	**228,892**	613,118
Commission expense paid/payable to associates on normal commercial terms	**1,762,853**	1,985,290
Service fees paid to associates	**47,415**	5,740

	As at 31 Dec 2016 $	As at 30 June 2016 $
iv. Receivable from and payable to related parties		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
a. Current receivables		
Trade receivables from associates	**5,534,258**	8,190,181
Trade receivables from joint venture	**179,758**	52,903
b. Current payables		
Trade payables to associates	**131,654**	97,375
v. Loans to/from related parties		
The following balances are outstanding at the reporting date in relation to loans with related parties:		
a. Current receivables		
Loan to joint venture[(a)]	**603,125**	603,125
Executive loans	**414,000**	345,000
	1,017,125	948,125
b. Non-current receivables		
Loan to joint venture[(a)]	**1,206,250**	1,809,375
Executive loans[(b)]	**4,611,645**	4,586,392
Loans to associates	**1,015,186**	633,329
	6,833,081	7,029,096

(a) The loan to the joint venture, Macquarie Pacific Funding Group (MPF) has a face value of $1,809,375 (30 June 2016: $2,412,500).

The key terms and conditions of this loan are:

- variable interest rate based on the aggregate of Macquarie Bank Limited (MBL) Reference Rate and a margin of 2% per annum. The MBL Reference Rate refers to the interest rate determined by MBL and published by MBL at any time on its website;
- the loan is repayable seven years from the date of initial advance, which occurred in March 2013; and
- the loan is secured by all present and future assets of MPF.

(b) Executive loans are interest-free loans to certain executives provided at the time of listing (August 2013) for them to acquire Steadfast ordinary shares when the Company was listed on the ASX.

The key terms and conditions of these loans are:

- interest free, unsecured and full recourse loans;
- dividends received from the acquired shares to be applied towards part repayment of the loans; and
- to be repaid in full five years after the date on which the loans were provided.

Note 15. Contingencies

Contingent liabilities

Macquarie Bank put options

The Group has granted options to Macquarie Bank Limited (MBL) to enable MBL to put shares held by other shareholders in associates to the Group at fair value if MBL enforces its security over those shares. These have been granted in relation to shares held by other shareholders in associates over which MBL holds a security interest to secure indebtedness by those shareholders. The Group expects no material net exposure from this arrangement as the contingent liabilities have contingent assets approximating similar values.

Bank guarantee

In the normal course of business, certain controlled entities in the Group have provided bank guarantee principally in respect of their contractual obligation on commercial leases.

Note 16. Events after the reporting period

A. Interim dividend

On 22 February 2017, the Board declared an interim dividend of 2.6 cents per share, 100% franked. The dividend will be paid on 13 April 2017. The Company's DRP will be funded via the purchase of shares on market. No discount will be applied. The last election notice for participation in the DRP in relation to this interim dividend is 10 March 2017.

Steadfast Group Limited
Directors' declaration

In the opinion of the directors of Steadfast Group Limited ("the Company"):

(a) the consolidated financial statements and notes 1 to 16, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance, for the six month period ended on that date; and

(ii) complying with Australian Accounting Standards AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and

(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.

Signed at Sydney on 22 February 2017 in accordance with a resolution of the Directors.

Frank O'Halloran, AM
Chairman

Robert Kelly
Managing Director & CEO

Independent Auditor's Review Report

To the shareholders of Steadfast Group Limited

Report on the Half-year Financial 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 Steadfast Group Limited is not in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the ***Group's*** financial position as at 31st December 2016 and of its performance for the Half-year ended on that date; and

ii) complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

We have reviewed the accompanying Half-year Financial Report of Steadfast Group Limited.

The ***Half-year Financial Report*** comprises:

- the consolidated statement of financial position as at 31st December 2016
- consolidated statement of comprehensive income, 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 1 to 16 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Steadfast Group Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

Responsibilities of the Directors 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year Financial Report

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 Group's financial position as at 31st December 2016 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Steadfast Group Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review 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*.

KPMG

KPMG

Andrew Dickinson
Partner

Sydney

22 February 2017