

RESULTS FOR ANNOUNCEMENT TO THE MARKET

28 February 2017, Melbourne: EVZ Limited (ASX: EVZ) is pleased to release its financial results for the half year ending 31 December 2016.

In summary, the Groups half year ending 31 December 2016 results were as follows:

RESULTS SUMMARY	FY2017 H1	FY2016 H1	Change
	\$	\$	\$
Revenue from continuing activities	28,080,755	36,941,060	(8,860,305)
EBITDA	773,846	1,907,888	(1,134,042)
EBIT	371,319	1,449,053	((1,077,734)
Profit (loss) from continuing activities before tax	(427,718)	345,494	(773,212)
Net profit (loss) for the period	(505,287)	54,165	(559,452)
Earnings per share	(0.2) cents	0.03 cents	

The Group continues to improve its debt position. Subsequent to the 31 December 2016 reporting period, the Group's financier, the Commonwealth Bank of Australia has written down existing interest bearing debt by \$4,285,000 to \$9,000,000. The revised debt level is effective from February 2017. In addition, the Commonwealth Bank of Australia has also extended the existing banking facilities to 30 June 2018.

As part of the amended banking facility the Group's ongoing Contingent Liability Facility will be reduced by \$457,500 to \$2,790,000. The covenants associated with this facility remain unchanged being an interest cover covenant (of 3 times EBIT) and a current ratio covenant (of 1.25 times). The existing financing costs and security over the facility also remain unchanged.

EVZ Ltd continues to determine and pursue alternative strategies to further improve its remaining debt and capital position.

It is pleasing to advise that the EVZ Group continues its positive trading performance reflected in the EBIT and EBITDA results summarized in the above table. These results however reflect the continuing constrained and highly competitive markets in which the EVZ Group operates.

EVZ's tank construction and piping operation, Brockman Engineering, continues to be a lead player in that market and maintains a strong reputation over an extended client base. Whilst the awarding of contracts has been slow Brockman has recently won a number of projects which should underpin its performance in the remainder of the current financial year. The Brockman project pipeline remains robust.

The EVZ Group's Siphonic drainage operation, Syfon Systems continues to perform strongly in both the Australian and Asian markets. Both operations continue to deliver projects profitably and to win contracts resulting in sustained levels of forward work in hand.

TSF Engineering has successfully achieved Practical Completion on the 8MW Trigeneration Plant at Melbourne Airport. Practical Completion was achieved in accordance with the terms of the Design & Construct Contract. The plant has now moved into defects liability period.

TSF Maintenance, EVZ Group's power generation maintenance business, continued to perform profitably in the reporting period but was hindered by slower than expected commencement of work under two of its larger contracts.

Additional financial information is provided in the enclosed Appendix 4D: Half-Year Report

EVZ Limited is an industrial group with a portfolio of specialist businesses in the engineering services sector. EVZ operates in the areas of power generation, bulk storage tank design, engineering and construction and stormwater management through subsidiaries TSF Engineering, Brockman Engineering and Syfon Systems. For further information please visit our website www.evz.com.au

For further information contact Scott Farthing, CEO +613 9545 5288

EVZ LIMITED

(ABN 87 010 550 357)

& CONTROLLED ENTITIES

Consolidated Financial Report for the

Half-Year ended 31 December 2016

EVZ LIMITED
(ABN 87 010 550 357)
& Controlled Entities

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EVZ LIMITED

(ABN 87 010 550 357)

& Controlled Entities

DIRECTORS' REPORT

Your Directors submit the financial report of EVZ Limited and its controlled entities (the economic entity) for the half-year ended 31 December 2016.

Directors

The names of Directors who held office during or since the end of the half-year are as follows:

Graham Burns (Chairman)

Robert Edgley

Max Findlay

Review of Operations

The operating loss before tax from continuing operations of the economic entity for the six months to 31 December 2016 was \$427,718 (31 December 2015 profit: \$345,494). The net loss after tax for the six months to 31 December 2016 was \$505,287 (31 December 2015 profit: \$54,165).

Changes in State of Affairs

There were no changes in the state of affairs during the period.

Dividends

During the half-year to 31 December 2016 there were no dividends declared or paid.

Events Subsequent to Reporting Date

Subsequent to balance date the Group's financier, the Commonwealth Bank of Australia has agreed to write down existing interest bearing debt by \$4,285,000 to \$9,000,000. The revised debt level is effective from February 2017. In addition, the Commonwealth Bank of Australia has also extended the existing banking facilities to 30 June 2018.

As part of the amended banking facility the Group's ongoing Contingent Liability Facility will be reduced by \$457,500 to \$2,790,000. The covenants associated with this facility remain unchanged being an interest cover covenant (of 3 times EBIT) and a current ratio covenant (of 1.25 times). The existing financing costs and security over the facility also remain unchanged.

Other than the matters noted above, there have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial periods.

EVZ LIMITED

(ABN 87 010 550 357)

& Controlled Entities

DIRECTORS' REPORT

Auditor's Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors.



Director

Graham Burns

Dated this 28th day of February 2017


Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of EVZ Limited

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2016 there have been no contraventions of:

- a) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b) Any applicable code of professional conduct in relation to the review.



CROWE HORWATH MELBOURNE



DAVID MUNDAY
Partner

Melbourne, Australia
28 February 2017

EVZ LIMITED

(ABN 87 010 550 357)

& Controlled Entities**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Note	Consolidated	
		31 December 2016	31 December 2015
		\$	\$
Continuing Operations			
Revenue		28,080,755	36,941,060
Cost of Sales		(22,712,636)	(29,963,065)
Gross Profit		5,368,119	6,977,995
Other Income		50,079	17,211
Administration and corporate costs		(5,463,022)	(5,916,764)
Results from operating activities		(44,824)	1,078,442
Net finance costs	2	(382,894)	(732,948)
Profit/(Loss) before income tax from continuing operations		(427,718)	345,494
Income tax (expense)/benefit		(77,569)	(291,329)
Profit/(Loss) for the period from continuing operations		(505,287)	54,165
Earnings Per Share			
		Cents	Cents
Continuing Operations:	4		
Basic earnings per share		(0.2)	0.03
Diluted earnings per share		(0.2)	0.03
Overall Operations:	4		
Basic earnings per share		(0.2)	0.03
Diluted earnings per share		(0.2)	0.03

The accompanying notes form part of these financial statements.

EVZ LIMITED
(ABN 87 010 550 357)
& Controlled Entities

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Consolidated	
	31 December 2016	31 December 2015
	\$	\$
Profit/(Loss) for the period	(505,287)	54,165
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	(140,175)	(123,814)
Total comprehensive income/(loss) for the period attributable to owners of the company	(645,462)	(69,649)

The accompanying notes form part of these financial statements.

EVZ LIMITED
(ABN 87 010 550 357)
& Controlled Entities

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	Consolidated 31 December 2016	30 June 2016
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,743,085	1,561,574
Trade and other receivables		10,419,496	11,249,768
Inventories		1,749,470	1,764,881
Financial assets		29,871	31,417
TOTAL CURRENT ASSETS		13,941,922	14,607,640
NON-CURRENT ASSETS			
Trade and other receivables		1,158,511	1,449,202
Plant and equipment		4,023,888	4,688,822
Deferred tax assets		4,313,415	4,313,415
Intangibles	5	12,072,010	12,072,010
TOTAL NON-CURRENT ASSETS		21,567,824	22,523,449
TOTAL ASSETS		35,509,746	37,131,089
CURRENT LIABILITIES			
Trade and other payables		12,681,165	14,478,636
Tax liabilities		76,083	94,554
Short-term borrowings	3	14,387,411	13,317,789
Provisions		2,856,628	3,081,940
TOTAL CURRENT LIABILITIES		30,001,287	30,972,919
NON-CURRENT LIABILITIES			
Long-term borrowings	3	73,252	122,958
Deferred tax liabilities		46,119	43,237
Provisions		249,572	206,997
TOTAL NON-CURRENT LIABILITIES		368,943	373,192
TOTAL LIABILITIES		30,370,230	31,346,111
NET ASSETS		5,139,516	5,784,978
EQUITY			
Issued capital		46,088,909	46,088,909
Reserves		(229,983)	(89,808)
Accumulated losses		(40,719,410)	(40,214,123)
TOTAL EQUITY		5,139,516	5,784,978

The accompanying notes form part of these financial statements.

EVZ LIMITED

(ABN 87 010 550 357)

& Controlled Entities**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016****Consolidated**

<u>FOR THE HALF-YEAR ENDED 31 DECEMBER 2016</u>	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2016	46,088,909	(40,214,123)	(89,808)	5,784,978
Total comprehensive loss for period				
Profit/(loss) for period	-	(505,287)	-	(505,287)
Foreign currency translation reserve	-	-	(140,175)	(140,175)
Total comprehensive income for period	-	(505,287)	(140,175)	(645,462)
Shares issued	-	-	-	-
Dividends	-	-	-	-
Balance at 31 December 2016	46,088,909	(40,719,410)	(229,983)	5,139,516

<u>FOR THE HALF-YEAR ENDED 31 DECEMBER 2015</u>	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2015	46,088,909	(37,775,928)	(49,322)	8,263,659
Total comprehensive loss for period				
Profit/(loss) for period	-	54,165	-	54,165
Foreign currency translation reserve	-	-	(123,814)	(123,814)
Total comprehensive income for period	-	54,165	(123,814)	(69,649)
Shares issued	-	-	-	-
Dividends	-	-	-	-
Balance at 31 December 2015	46,088,909	(37,721,763)	(173,136)	8,194,010

The accompanying notes form part of these financial statements.

EVZ LIMITED
(ABN 87 010 550 357)
& Controlled Entities

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Consolidated	
	31 December 2016	31 December 2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	31,778,449	43,078,539
Payments to suppliers and employees	(32,182,938)	(38,954,804)
Interest received	2,527	5,309
Finance costs	(385,421)	(738,257)
Income tax (paid)/refund	(29,304)	(24,423)
	<hr/>	<hr/>
Net cash provided by / (used in) operating activities	(816,687)	3,366,364
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	100,090	24,592
Purchase of plant and equipment	(121,808)	(265,390)
	<hr/>	<hr/>
Net cash provided by / (used in) investing activities	(21,718)	(240,798)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank loans	-	(250,000)
Proceeds from Loans	1,085,000	-
Proceeds from finance leases	-	-
Repayment of finance leases	(65,084)	(77,133)
	<hr/>	<hr/>
Net cash provided/(used) by financing activities	1,019,916	(327,133)
	<hr/>	<hr/>
Net increase/(decrease) in cash held	181,511	2,798,433
Cash at beginning of the period	1,561,574	(4,063,930)
	<hr/>	<hr/>
Cash at end of the period	1,743,085	(1,265,497)
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

EVZ LIMITED

(ABN 87 010 550 357)

& Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

1. Basis of preparation of half-year financial statements

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB134 ensures compliance with International Financial Reporting Standards IAS34 "Interim Financial Reporting". The half-year report does not include full disclosures of the type normally included in an annual financial report.

Accordingly, it is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by EVZ Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1057 Application of Australian Accounting Standards.
- AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012- 2014 Cycle.
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs.

The adoption of these amending standards do not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

This financial report has been prepared on an accruals basis and is based on historical costs. The accounting policies applied in this financial report are consistent with those applied in the 30 June 2016 Annual Report.

All amounts are presented in Australian dollars, unless otherwise noted.

Going concern

The financial report for the half-year ended 31 December 2016 has been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business.

Subsequent to balance date the Group's financier, the Commonwealth Bank of Australia has agreed to write down existing interest bearing debt by \$4,285,000 to \$9,000,000. The revised debt level is effective from February 2017. In addition, the Commonwealth Bank of Australia has also extended the existing banking facilities to 30 June 2018.

As part of the amended banking facility the Group's ongoing Contingent Liability Facility will be reduced by \$457,500 to \$2,790,000. The covenants associated with this facility remain unchanged being an interest cover covenant (of 3 times EBIT) and a current ratio covenant (of 1.25 times). The existing financing costs and security over the facility also remain unchanged.

The Group's ability to continue as a going concern continues to be dependent on; the Commonwealth Bank supporting the Group as it continues to develop and execute a further structured debt reduction program and the Group's ability to continually meet its profit forecasts.

EVZ LIMITED
(ABN 87 010 550 357)
& Controlled Entities

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

Should either of these matters not occur, the Group may not be able to realise its assets and settle its liabilities in the ordinary course of business.

The directors have concluded that these circumstances represent a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern. Nevertheless, after making enquiries and considering uncertainties described above the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial report of EVZ and its controlled entities at 31 December 2016.

2. Profit and Loss

Net finance costs

	31 December 2016	31 December 2015
	\$	\$
Finance costs	(385,421)	(738,257)
Interest income	2,527	5,309
	<hr/>	<hr/>
Net finance costs from continuing operations	(382,894)	(732,948)
	<hr/>	<hr/>

3. Borrowings

	31 December 2016	30 June 2016
	\$	\$
(a) Borrowings		
Current Liabilities		
Short term borrowings:		
Bank loans	13,285,000	13,200,000
Loans from Related Corporation	1,000,000	-
Leases	102,411	117,789
	<hr/>	<hr/>
	14,387,411	13,317,789
	<hr/>	<hr/>
Non-Current Liabilities		
Long term borrowings:		
Leases	73,252	122,958
	<hr/>	<hr/>
	73,252	122,958
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EVZ LIMITED

(ABN 87 010 550 357)

& Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Subsequent to balance date the Group's financier, the Commonwealth Bank of Australia has agreed to write down existing interest bearing debt by \$4,285,000 to \$9,000,000. The revised debt level is effective from February 2017. In addition, the Commonwealth Bank of Australia has also extended the existing banking facilities to 30 June 2018.

As part of the amended banking facility the Group's ongoing Contingent Liability Facility will be reduced by \$457,500 to \$2,790,000. The covenants associated with this facility remain unchanged being an interest cover covenant (of 3 times EBIT) and a current ratio covenant (of 1.25 times). The existing financing costs and security over the facility also remain unchanged.

4. Earnings per share

	Consolidated	
	31 December 2016 No.	31 December 2015 No.
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share	210,548,789	210,548,789
Weighted average number of ordinary shares outstanding during the period used in calculation of diluted earnings per share	210,548,789	210,548,789

5. Intangible assets

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
Goodwill at cost	3,282,532	3,282,532
Accumulated impaired losses	-	-
Net Carrying Value	3,282,532	3,282,532
Goodwill on acquisition at cost	24,606,758	24,606,758
Impairment – TSF Engineering	(15,817,280)	(15,817,280)
Net Carrying Value	8,789,478	8,789,478
	12,072,010	12,072,010

EVZ LIMITED

(ABN 87 010 550 357)

& Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016
6. Segment information***Identification of reportable segments***

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision-makers) in assessing performance and determining the allocation of resources. Operating segments are managed primarily on the basis of product category and service offerings. Executive management monitors segment performance based on EBIT.

Basis of accounting for purposes of reporting by operating segments***Accounting policies adopted***

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision-makers with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Inter-segment transactions

All such transactions are eliminated on consolidation for the Group's financial statements.

Six months ended 31 December 2016

	Engineering	Energy	Water	Corporate	Total
	\$	\$	\$	\$	\$
Revenue					
External sales	13,965,494	3,478,221	10,637,040	-	28,080,755
Inter-segment sales	-	-	-	-	-
Total segment revenue	13,965,494	3,478,221	10,637,040	-	28,080,755

Reconciliation of segment revenue to group revenue

Inter-segment elimination	-	-	-	-	-
Total group revenue	13,965,494	3,478,221	10,637,040	-	28,080,755
Segment net profit /(loss) before interest and tax	(3,618)	(390,613)	964,954	(615,547)	(44,824)

Reconciliation of net profit before interest and tax to group net profit/(loss) before tax
Unallocated items

Other non-operating					-
Net finance costs from continuing operations					(382,894)
Net profit/(loss) before tax from continuing operations					(427,718)

Included in segment net profit before interest and tax

Depreciation	205,294	55,256	141,047	930	402,527
Impairment of Receivables	-	-	72,801	-	72,801

EVZ LIMITED

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& Controlled Entities

Segment Assets

Segment Assets	20,240,747	(3,161,317)	16,291,038	28,829,700	62,200,168
Inter-segment elimination					(26,690,422)
Total Group Assets					35,509,746
<i>Segment asset increases for the period</i>					
Capital Expenditure	-	25,263	96,545	-	121,808

Segment Liabilities

Segment liabilities	24,339,928	18,159,916	4,837,741	13,963,748	61,301,333
Inter-segment elimination					(30,931,103)
Total Group Liabilities					30,370,230

Six months ended 31 December 2015

	Engineering	Energy	Water	Corporate	Total
	\$	\$	\$	\$	\$
Revenue					
External sales	22,330,130	3,533,923	11,077,007	-	36,941,060
Inter-segment sales	-	-	-	-	-
Total segment revenue	22,330,130	3,533,923	11,077,007	-	36,941,060

Reconciliation of segment revenue to group revenue

Inter-segment elimination	-	-	-	-	-
Total group revenue	22,330,130	3,533,923	11,077,007	-	36,941,060
Segment net profit/(loss) before interest and tax	1,169,267	(435,023)	984,156	(639,958)	1,078,442

Reconciliation of net profit before interest and tax to group net profit/(loss) before tax

Unallocated items

Other non-operating					
Net finance costs from continuing operations					(732,948)
Net profit/(loss) before tax from continuing operations					345,494

Included in segment net profit before interest and tax

Depreciation	225,255	80,859	147,844	4,877	458,835
Impairment of Receivables	-	-	(197,994)	-	(197,994)

EVZ LIMITED

(ABN 87 010 550 357)

& Controlled Entities**Segment Assets**

Segment Assets	25,079,652	(1,973,673)	14,643,897	25,756,044	63,505,920
Inter-segment elimination					(23,245,684)
Total Group Assets					40,260,236
<i>Segment asset increases for the period</i>					
Capital Expenditure	189,030	4,700	71,660	-	265,390

Segment Liabilities

Segment liabilities	27,148,088	18,520,129	4,881,667	8,977,728	59,527,612
Inter-segment elimination					(27,461,386)
Total Group Liabilities					32,066,226

6. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

7. Events subsequent to reporting date

Subsequent to balance date the Group's financier, the Commonwealth Bank of Australia has agreed to write down existing interest bearing debt by \$4,285,000 to \$9,000,000. The revised debt level is effective from February 2017. In addition, the Commonwealth Bank of Australia has also extended the existing banking facilities to 30 June 2018.

As part of the amended banking facility the Group's ongoing Contingent Liability Facility will be reduced by \$457,500 to \$2,790,000. The covenants associated with this facility remain unchanged being an interest cover covenant (of 3 times EBIT) and a current ratio covenant (of 1.25 times). The existing financing costs and security over the facility also remain unchanged.

Other than the matters noted above, there have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial periods.

EVZ LIMITED

(ABN 87 010 550 357)

& Controlled Entities

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on 6 to 16:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company 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 Board of Directors.



Director

Graham Burns

Dated this 28th day of February 2017.

Independent Auditor's Review Report to the Members of EVZ Limited

Report on the half year financial report

We have reviewed the accompanying half-year financial report of EVZ Limited ("Company"), which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of changes in equity, the condensed 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 both the Company and the entities it controlled at half years end or from time to time during the half year.

Directors' responsibility for the half year financial report

The directors of EVZ Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) 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 EVZ Limited's financial position as at 31 December 2016 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 EVZ 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 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 EVZ Limited is not in accordance with the *Corporations Act 2001*, including:

- I. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- II. complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

Without modification to our conclusion, we draw attention to Note 1 in the financial report, which indicates that the Group's ability to continue as a going concern is dependent on the Commonwealth Bank continuing to support the Group, including the granting of any waiver relating to covenants, and the Group's ability to continue to meet its profit forecasts. At this stage there is nothing to suggest that the Company would not continue to receive such waivers from the Commonwealth Bank, or that it won't meet its profit forecasts. Should such waivers not be granted, or if the Group does not meet its profit forecasts, the Group may not be able to realise its assets and settle its liabilities in the ordinary course of business.

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



CROWE HORWATH MELBOURNE



DAVID MUNDAY
Partner

Melbourne, Victoria
28 February 2017

EVZ Limited

Appendix 4D

Six Months Ending on 31 December 2016

Additional Information:

	31 December 2016 cents	31 December 2015 cents
<u>Net tangible assets per ordinary share</u>	(3.3)	(1.8)

**Details of entities over which control has
been gained or lost during the period**

Name of entity	Nil
Control lost	
Date of gain/loss of control	
Where material,	
▪ contribution of entity to the reporting entity's profit from ordinary activities during the period	
▪ profit/(loss) of entity during the whole of the previous corresponding period	

<u>Dividends and Distributions</u>	
Date on which each dividend or distribution is payable	Not Applicable
Amount per security of foreign sourced dividend or distribution	Not Applicable
<u>Details of dividend or distribution reinvestment plans (DRP)</u>	Not Applicable

EVZ Limited

Appendix 4D

Six Months Ending on 31 December 2016

Additional Information:

Material interests in entities which are not controlled entities

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current period	Previous corresponding period	Current period \$A	Previous corresponding period - \$A
Equity accounted associates and joint venture entities				
Total				
Other material interests				
Total	Nil	Nil	Nil	Nil