



MYOB GROUP LIMITED ABN 61 153 094 958

APPENDIX 4D – HALF-YEAR REPORT GIVEN TO ASX UNDER LISTING RULE 4.2A.3 FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2017

Item	Contents
1	Details of the reporting period
2	Results for announcement to the market
3	Net tangible assets per security
4	Other information

1. DETAILS OF THE REPORTING PERIOD

Reporting period: 6-month period ended 30 June 2017

Previous corresponding period: 6-month period ended 30 June 2016

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Up/down	% change	2017 \$'000	2016 \$'000
Revenue from ordinary activities	Up	14.43	203,982	178,262
Profit from ordinary activities after tax for the period attributable to members	Up	13.02	28,289	25,030*
Profit for the period attributable to members	Up	13.02	28,289	25,030*

Dividends per security	Cents per security	Franked amount per security (cents)
Interim 2016 dividend per security (paid 20 October 2016)	5.50	Nil
Final 2016 dividend per security (paid 5 April 2017)	5.75	Nil
Interim 2017 dividend per security declared	5.75	Nil

Interim 2017 dividend dates	
Ex-dividend date	24 August 2017
Record date	4 October 2017
Payment date	19 October 2017

3. NET TANGIBLE ASSETS PER SECURITY

	% change	30 June 2017 cents per security	30 June 2016 cents per security
Net tangible assets per security	(12.5%)	(0.72)	(0.64) *

Net tangible assets are defined as the net assets of MYOB Group Limited less intangible assets. A large proportion of the Group's assets are intangible in nature, predominantly goodwill. These assets are excluded from the calculation of net tangible assets per security calculation which results in the negative outcome shown above.

* Amended for first time adoption of equity accounting. Refer attached interim financial report on page 8 (Note 1).

4. OTHER INFORMATION

On 23 February 2017, MYOB Acquisition Pty Limited (subsidiary of MYOB Group Limited) entered into an agreement to purchase 100% of the issued shares in Paycorp Payment Solutions Pty Ltd ("PCPS") and specific assets owned by Paycorp International Private Limited for a total consideration of \$49.01 million. The purchase was completed on 1 April 2017. Refer to the attached half-year interim financial report on page 12 (Note 4).

Details of any dividend or distribution reinvestment plans in operation: N/A

Details of associates and joint venture entities: During the half-year period ended 30 June 2017, MYOB Group determined that its investment in Kounta Holdings Pty Limited (Kounta) and OnDeck Capital Australia Pty Ltd (OnDeck), classified as associates, have now become material in nature and should be equity accounted.

The Group holds a 39.5% interest in Kounta and a 30% interest in OnDeck. Refer attached half-year interim financial report on page 13 (Note 5).

Any other information required pursuant to ASX Listing Rule 4.2A.3 not contained in this Appendix 4D is found in the attached half-year interim financial report.



MYOB Group Limited

ACN 153 094 958

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Interim Financial Report

FOR THE HALF-YEAR ENDED 30 JUNE 2017

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The directors present their report on the consolidated entity (referred to as “the Group”) consisting of MYOB Group Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2017.

DIRECTORS

The following persons were directors of the Group during the half-year and up to the date of this report:

Justin Milne	Independent Non-Executive Director, Chairman
Tim Reed	Executive Director, Chief Executive Officer
Andrew Stevens	Independent Non-Executive Director
Anne Ward	Independent Non-Executive Director
Fiona Pak-Poy	Independent Non-Executive Director
Craig Boyce	Non-Executive Director
Paul Edgerley	Non-Executive Director (resigned 27 April 2017)
Edward Han	Non-Executive Director (appointed 27 April 2017)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the half-year were the development and publishing of software and provision of services for small and medium enterprises, including accountants in public practice.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The Group has reported a net profit after tax of \$28.3 million for the half-year ended 30 June 2017, an increase of 13.0 per cent on the prior corresponding period. Statutory earnings before income tax, net finance expenses, depreciation and amortisation increased 10.3 per cent to \$87.1 million for the half-year ended 30 June 2017.

The increase in operating revenue reported for the half-year period of 14.4 per cent to \$204.0 million was attributable to subscriber and ARPU (Average Revenue per Paying User) growth in the underlying business together with the contribution from the Greentree acquisition made in August 2016. The acquisition of Paycorp Payment Solutions Pty Ltd in April 2017 has also contributed to the financial result and has enabled the Group to play a larger role in the provision of automated payment and integrated accounting software solutions.

DIVIDENDS

Subsequent to the half-year ended 30 June 2017, the Directors declared an unfranked dividend of 5.75 cents per share on 24 August 2017, to be paid on 19 October 2017. The record date for entitlement to this dividend is 4 October 2017.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There was no other significant change in the state of affairs of the Group during the half-year ended 30 June 2017.

EVENTS OCCURRING AFTER REPORTING DATE

In the opinion of the Directors, there are no matters or circumstances which have arisen between 30 June 2017 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

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



Justin Milne
Chairman



Tim Reed
Executive Director and Chief Executive Officer

Sydney, 24 August 2017



Auditor's Independence Declaration

As lead auditor for the review of MYOB Group Limited for the half-year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink that reads 'Nadia Carlin'.

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
24 August 2017

Consolidated Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 30 JUNE 2017

		Half-year ended 30 June	
	Notes	2017 \$'000	2016 \$'000
Revenue	3	203,982	178,262
Expenses			
Staff related		(69,474)	(61,998)
General office and administration		(16,976)	(15,170)
Direct materials		(9,023)	(6,948)
Royalties		(1,748)	(1,375)
Reseller commissions		(6,730)	(4,802)
Marketing		(10,384)	(5,987)
Other expenses		(2,515)	(3,015)
Depreciation and amortisation		(38,928)	(36,779)
Net finance costs		(6,875)	(7,843)
Total expenses		(162,653)	(143,917)
Share of losses from equity accounted investments	5	(1,266)	(1,414)
Profit before income tax		40,063	32,931
Income tax expense		(11,774)	(7,901)
Profit after income tax attributable to owners of MYOB Group Limited		28,289	25,030
Other comprehensive income			
<i>Items that may be classified to income or loss:</i>			
Foreign currency translation		(260)	1,042
Other comprehensive income/(loss) for the period, net of tax		(260)	1,042
Total comprehensive income for the period attributable to owners of MYOB Group Limited		28,029	26,072
		Cents	Cents
Earnings per share for profit attributable to ordinary equity holders of MYOB Group Limited			
Basic earnings per share	8	4.72	4.28
Diluted earnings per share	8	4.72	4.13

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

AS AT 30 JUNE 2017

	Notes	30 June 2017 \$'000	31 December 2016 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		38,950	61,434
Receivables		17,379	15,766
Inventories		110	194
Other current assets		65,414	18,874
Total current assets		121,853	96,268
Non-current assets			
Receivables		2,260	-
Investment in equity accounted investments	5	8,632	6,898
Other investments		8,210	8,210
Property, plant and equipment		19,787	19,454
Intangible assets and goodwill		1,278,690	1,245,386
Deferred tax assets		-	10,595
Total non-current assets		1,317,579	1,290,543
TOTAL ASSETS		1,439,432	1,386,811
LIABILITIES			
Current liabilities			
Trade and other payables		74,897	29,816
Deferred tax liabilities		4,873	-
Interest bearing liabilities	6	435	437
Unearned revenue		55,544	49,743
Provisions		12,885	11,475
Total current liabilities		148,634	91,471
Non-current liabilities			
Interest bearing liabilities	6	434,256	434,783
Unearned revenue		1,961	-
Provisions		6,021	6,018
Total non-current liabilities		442,238	440,801
TOTAL LIABILITIES		590,872	532,272
NET ASSETS		848,560	854,539
EQUITY			
Contributed equity	7	1,141,423	1,141,423
Retained earnings		(362,581)	(356,212)
Reserves		69,718	69,328
TOTAL EQUITY		848,560	854,539

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Issued capital \$'000	Foreign currency translation reserve \$'000	Share based payments reserve ⁽¹⁾ \$'000	Undistributed profit reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2017	1,141,423	7,871	1,457	60,000	(353,820)	856,931
Adoption of equity accounting	-	-	-	-	(2,392)	(2,392)
Restated total equity balance at 1 January 2017	1,141,423	7,871	1,457	60,000	(356,212)	854,539
Profit after income tax	-	-	-	-	28,289	28,289
Other comprehensive loss, net of tax	-	(260)	-	-	-	(260)
Total comprehensive income/(loss) for the period	-	(260)	-	-	28,289	28,029
<i>Transactions with owners in their capacity as owners:</i>						
Long Term Incentive Plan (LTIP)	-	-	650	-	-	650
Dividends	-	-	-	-	(34,658)	(34,658)
Balance at 30 June 2017	1,141,423	7,611	2,107	60,000	(362,581)	848,560
Balance at 1 January 2016	1,138,097	6,216	4,584	130,000	(416,423)	862,474
Profit after income tax	-	-	-	-	25,030	25,030
Other comprehensive income, net of tax	-	1,042	-	-	-	1,042
Total comprehensive income for the period	-	1,042	-	-	25,030	26,072
<i>Transactions with owners in their capacity as owners:</i>						
Management share scheme	-	-	410	-	-	410
Profit reserve	-	-	-	(50,000)	50,000	-
Dividends	-	-	-	-	(29,223)	(29,223)
Initial Public Offering listing costs	(136)	-	-	-	-	(136)
Balance at 30 June 2016	1,137,961	7,258	4,994	80,000	(370,616)	859,597

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

⁽¹⁾ During the period, the "Management shares reserve" was renamed to "Share based payments reserve". This reserve records the cost to the business of providing shares to participants of the Long Term Incentive Plan (LTIP) which commenced on 1 February 2017.

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Notes	Half-year ended 30 June	
		2017 \$'000	2016 \$'000
Cash flows from operating activities			
Receipts from customers		230,971	200,817
Payments to suppliers and employees		(136,100)	(123,189)
Interest paid		(6,835)	(8,059)
Income tax paid		(3,678)	(8)
Interest received		442	420
Net cash flows from operating activities		84,800	69,981
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,582)	(5,282)
Acquired software costs		(2,406)	(1,200)
Capitalised new product development		(16,092)	(13,310)
Investment in equity accounted investments	5	(3,000)	-
Purchase of business acquisition, net of cash acquired	4	(47,013)	-
Net cash flows used in investing activities		(72,093)	(19,792)
Cash flows from financing activities			
Repayment of finance leases		(212)	-
Dividends paid	9	(34,658)	(29,223)
Net cash flows used in financing activities		(34,870)	(29,223)
Net (decrease)/increase in cash and cash equivalents		(22,163)	20,966
Net foreign exchange differences		(321)	431
Cash and cash equivalents at beginning of period		61,434	36,384
Cash and cash equivalents at end of period		38,950	57,781

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 30 JUNE 2017

1 BASIS OF PREPARATION

MYOB Group Limited is a for-profit entity for the purpose of preparing the interim financial statements.

This consolidated interim financial report for the half-year reporting period:

- * is for the consolidated entity consisting of MYOB Group Limited and its controlled entities;
- * is presented in Australian dollars, with all values rounded to the nearest hundred thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investment Commission Corporations Instrument 2016/191;
- * has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*;
- * does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2016 and any public announcements made by MYOB Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Where applicable, comparative periods have been adjusted to disclose them on the same basis as the current period figures.

First time adoption of equity accounting

During the period, investments held by the Group were measured against the applicable accounting standard criteria around control, materiality and influence so as to determine the appropriate accounting treatment per our accounting policy. On completion of the assessment, it was determined that the Kounta Holdings Pty Limited and OnDeck Capital Australia Pty Ltd investments, classified as associates under AASB 128 *Investments in Associates & Joint Ventures*, have now become material in nature and should be equity accounted. The impact of this change on the Consolidated Financial Statements is summarised below:

Financial Statement Disclosure	Financial statement period	Amount originally disclosed (\$'000)	Increase / (decrease) (\$'000)	Restated amount (\$'000)
Consolidated Statement of Comprehensive Income				
Share of losses from equity accounted investments	Half-year ended 30 June 2016	-	(1,414)	(1,414)
Profit before income tax	Half-year ended 30 June 2016	34,345	(1,414)	32,931
Income tax expense	Half-year ended 30 June 2016	(8,325)	424	(7,901)
Profit after income tax attributable to owners of MYOB Group Limited	Half-year ended 30 June 2016	26,020	(990)	25,030
Total comprehensive income for the period attributable to owners of MYOB Group Limited	Half-year ended 30 June 2016	27,062	(990)	26,072
Consolidated Balance Sheet				
Deferred tax assets	As at 31 December 2016	44,716	1,025	45,741 *
Investments in equity accounted investments	As at 31 December 2016	-	6,898	6,898
Other investments	As at 31 December 2016	18,525	(10,315)	8,210
Retained earnings	As at 31 December 2016	(353,820)	(2,392)	(356,212)
Earnings per share		Amount originally disclosed (cents)	Decrease (cents)	Restated amount (cents)
Basic earnings per share	Half-year ended 30 June 2016	4.45	(0.17)	4.28
Diluted earnings per share	Half-year ended 30 June 2016	4.30	(0.17)	4.13

* The restated deferred tax asset balance in the above table excludes the change in accounting policy impact shown in Note 2.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 30 JUNE 2017

2 SIGNIFICANT ACCOUNTING POLICIES

Change in accounting policy

In November 2016, the IFRS Interpretations Committee (IFRIC) responded to requests to clarify how an entity determines the expected manner of recovery of an intangible asset with an indefinite useful life for the purposes of measuring deferred tax in accordance with AASB 112 *Income Taxes*.

AASB 112 states that measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of the assets and liabilities. The carrying value is recovered in the form of economic benefits that flow to the entity in future periods, thereby the assets are recovered either through sale or recovered through use.

In applying the new interpretation, the Group has now determined the carrying amount of the MYOB Brand intangible asset is expected to be recovered through use, rather than through a specific plan to sell the asset. This has resulted in the recognition of a deferred tax liability based on the difference between the carrying amount and the tax base at the Australian company tax rate of 30 per cent.

Consequently the Group has retrospectively changed its accounting policy with respect to the MYOB Brand intangible asset in determining its deferred tax position. The impact of this change on the Consolidated Financial Statements is summarised below:

Financial Statement Disclosure	Financial statement period	Amount originally disclosed (\$'000)	Increase / (decrease) (\$'000)	Restated amount (\$'000)
Consolidated Balance Sheet				
Intangible assets & goodwill	As at 31 December 2016	1,210,240	35,146	1,245,386
Deferred tax assets	As at 31 December 2016	45,741 *	(35,146)	10,595

* The amount shown as the disclosed deferred tax asset balance in the table above includes the adjustment from adoption of equity accounting shown in Note 1.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 30 JUNE 2017

3 SEGMENT INFORMATION

Management has determined the Group's operating segments based on the reports reviewed by the Board (the chief operating decision maker). During the reporting period, management reviewed and updated its internal reporting structure and consequently reportable segments are now presented differently from previously published financial results. The Board analyses the Group's activities by operating segments which are organised and managed separately according to the nature of the customers they service with each segment offering different products and serving different markets. The Board reviews each of the operating segments down to contribution level for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss (segment result), which in certain respects, is presented differently from operating profit or loss in the Consolidated Financial Statements. There are no significant transactions between segments.

The operating segments and their respective types of products and services are disclosed as below:

Reportable segment	Principal activities
Clients & Partners	Provides business management software to small and medium enterprises (SME) and accounting professionals in practice
Enterprise Solutions	Provides enterprise resource planning and human resource management software and services to medium and large enterprises
Operations & Service	Provides support, training and services to small and medium enterprises and accounting professionals in practice
Corporate (incl. R&D)	Provides internal support and shared services to MYOB's client facing teams, including product research and development functions, in addition to holding the equity accounted investments.

	Clients & Partners	Enterprise Solutions	Operations & Service	Corporate (incl. R&D)	Total
Half-year ended 30 June 2017	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Revenue					
SME Revenue	126,363	-	-	-	126,363
Practice Revenue	43,494	-	-	-	43,494
Enterprise Revenue	-	30,594	-	-	30,594
Payments Revenue	2,262	-	-	-	2,262
Grant Revenue	-	-	-	1,269	1,269
	172,119	30,594	-	1,269	203,982
(b) Other profit and loss disclosures					
Direct materials, royalties and reseller commissions	10,378	6,935	183	5	17,501
Staff related	19,146	6,955	14,476	28,897	69,474
Marketing	4,964	390	59	4,971	10,384
General office and administration	3,876	699	1,356	11,045	16,976
Other expenses	-	-	-	2,515	2,515
Contribution	133,755	15,615	(16,074)	(46,164)	87,132
Share of losses from equity accounted investments					1,266
Depreciation and amortisation					38,928
Net finance costs					6,875
Profit before income tax					40,063

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 30 JUNE 2017

3 SEGMENT INFORMATION (CONTINUED)

Half-year ended 30 June 2016	Clients & Partners \$'000	Enterprise Solutions \$'000	Operations & Service \$'000	Corporate (incl. R&D) \$'000	Total \$'000
(a) Revenue					
SME Revenue	112,757	-	-	-	112,757
Practice Revenue	42,786	-	-	-	42,786
Enterprise Revenue	-	22,184	-	-	22,184
Grant Revenue	-	-	-	535	535
	155,543	22,184	-	535	178,262
(b) Other profit and loss disclosures					
Direct materials, royalties and reseller commissions	8,528	4,472	111	14	13,125
Staff related	18,807	6,100	11,426	25,665	61,998
Marketing	3,575	240	128	2,044	5,987
General office and administration	3,187	559	1,345	10,079	15,170
Other expenses	-	-	-	3,015	3,015
Contribution	121,446	10,813	(13,010)	(40,282)	78,966
Share of losses from equity accounted investments					1,414
Depreciation and amortisation					36,779
Net finance costs					7,843
Profit before income tax					32,931

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 30 JUNE 2017

4 BUSINESS COMBINATION

PAYCORP

On 23 February 2017, MYOB Acquisition Pty Limited (subsidiary of MYOB Group Limited) entered into an agreement to purchase 100% of the issued shares in Paycorp Payment Solutions Pty Ltd ("PCPS") and specific assets owned by Paycorp International Private Limited for a total consideration of \$49.01 million. The purchase was completed on 1 April 2017.

The acquisition is a strategic investment for the Group as it enables the business to play a larger role in the provision of automated payment solutions and complements its existing portfolio of integrated accounting solution software.

The acquired business contributed revenue of \$2.3 million to the Group for the period from 1 April 2017 to 30 June 2017. If the acquisition had occurred on 1 January 2017, the contributed revenue for the half year ended 30 June 2017 would have been \$4.5 million. Acquisition related costs of \$0.4 million were included in other expenses in the Consolidated Statement of Comprehensive Income.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	\$'000
Cash	49,009
Total purchase consideration	49,009

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	1,996
Property, plant and equipment	88
Receivables and prepayments	1,937
Payables	(1,463)
Provisions	(98)
Net identifiable assets acquired	2,460
Goodwill	26,929
Intellectual property - Brand	200
Intellectual property - Customer Relationships	17,400
Intellectual property - Commercialised Software	7,300
Deferred tax liability	(5,280)
Net assets acquired	49,009

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 30 JUNE 2017

5 INVESTMENT IN EQUITY ACCOUNTED INVESTMENTS

The Group's major shareholdings in associates, including their losses, are listed below:

	Ownership interest		Profit / (Loss) from equity accounted investments	
	30 June 2017 %	30 June 2016 %	Half-year ended 30 June 2017 \$'000	Half-year ended 30 June 2016 \$'000
Associates				
Kounta Holdings Pty Limited	39.5	39.5	159	(181)
OnDeck Capital Australia Pty Ltd ⁽¹⁾	30.0	30.0	(1,425)	(1,233)
Share of operating loss of equity accounted investments			(1,266)	(1,414)

The carrying amount of equity accounted investments, as shown in the Consolidated Balance Sheet, has changed as follows in the six months to June 2017:

	Half-year ended 30 June 2017 \$'000	Year ended 31 December 2016 \$'000
Opening balance	6,898	9,512
Increase in investment in associates ⁽¹⁾	3,000	-
Share of losses after income tax	(1,266)	(2,614)
Closing balance	8,632	6,898

No dividends were received from associates during the period.

- ⁽¹⁾ On 31 March 2017, the Group made a \$3.0 million cash contribution to OnDeck Capital Australia Pty Ltd (OnDeck). All shareholders in OnDeck contributed proportionally to the cash call and as such the Group's shareholding remained at 30 per cent.

The carrying value of the equity accounted investments held by the Group is reported in accordance with AASB 128 Investments in Associates & Joint Ventures. In the Directors' opinion the realisable value of the investments is higher than the equity accounted value, and the original cost, based on financial performance being in line with expectations. The Group is satisfied that the strategic alignment and outlook for these investments remain unchanged at 30 June 2017.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 30 JUNE 2017

6 INTEREST BEARING LIABILITIES

	Half-year ended 30 June 2017 \$'000	Year ended 31 December 2016 \$'000
CURRENT - SECURED		
Finance leases	435	437
	435	437
NON-CURRENT - SECURED		
Bank loan ⁽¹⁾	434,974	435,554
Less: debt transaction costs	(978)	(1,246)
Finance leases	260	475
	434,256	434,783

(1) The Group's \$435.0 million (31 December 2016: \$435.6 million) bank debt is provided by a syndicate of five banks each holding between 18% and 21%. This debt is not repayable until the facility termination date in 2019.

7 CONTRIBUTED EQUITY

	Number of shares (thousands)	\$'000
Opening balance at 31 December 2016	599,381	1,141,423
Issue of shares - LTIP ⁽¹⁾	7,060	-
Closing balance at 30 June 2017 (including Treasury shares)	606,441	1,141,423
Less Treasury shares ⁽²⁾	(7,060)	-
Closing balance at 30 June 2017	599,381	1,141,423

(1) On 1 February 2017, 7,060,400 ordinary shares at \$3.4587 per share were issued as new equity of MYOB Group Limited to participants of the LTIP.

(2) Ordinary shares that are still retained by the Group until such time as they become available to participants of the LTIP (following the achievement of prescribed performance metrics) are classified as treasury shares per AASB 132 *Financial Instruments: Presentation*. Under this accounting standard, treasury shares are deducted from contributed equity.

8 EARNINGS PER SHARE

	Half-year ended 30 June 2017	Half-year ended 30 June 2016
Profit after income tax attributable to owners of MYOB Group Limited (\$'000)	28,289	25,030
Weighted average number of shares used as the denominator in calculating basic EPS (number of shares)	599,381,230	584,458,705
Weighted average number of shares used as the denominator in calculating diluted EPS (number of shares) ⁽¹⁾	599,381,230	605,559,232
Basic earnings per share (cents)	4.72	4.28
Diluted earnings per share (cents) ⁽¹⁾	4.72	4.13

(1) Performance shares and Treasury shares were assessed as not being dilutive at reporting date.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 30 JUNE 2017

9 DIVIDENDS

Subsequent to the half-year ended 30 June 2017, the Directors declared an unfranked dividend of 5.75 cents per share on 24 August 2017, to be paid on 19 October 2017. The record date for entitlement to this dividend is 4 October 2017. The financial impact of the dividend of \$34,870,000 has not been recognised in these Consolidated Financial Statements.

The details in relation to dividends announced or paid since 1 January 2016 are set out below:

	Payment date	Amount per share	Total dividend \$'000
2015 Final dividend	5 April 2016	5.00 cents	29,223
2016 Interim dividend	20 October 2016	5.50 cents	32,966
2016 Final dividend	5 April 2017	5.75 cents	34,658

10 EVENTS OCCURRING AFTER REPORTING DATE

In the opinion of the Directors, there are no matters or circumstances which have arisen between 30 June 2017 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

In the directors' opinion:

- (a) The financial statements and notes of the Group and consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group and its consolidated entity's financial position as at 30 June 2017 and of its performance for the period ended on that date; and
 - (ii) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



Justin Milne
Chairman



Tim Reed
Executive Director and Chief Executive Officer

Sydney, 24 August 2017



Independent auditor's review report to the shareholders of MYOB Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of MYOB Group Limited (the Company), which comprises the consolidated balance sheet as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for MYOB Group Limited (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 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 MYOB Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written over a horizontal line.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Nadia Carlin', written over a horizontal line.

Nadia Carlin
Partner

Melbourne
24 August 2017