RESULTS, APPENDIX 4D & FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

GALE PACIFIC LIMITED | ACN 082 263 778
145 Woodlands Drive, Braeside, Victoria 3195, Australia | PO Box 892 Braeside, Victoria 3195, Australia
Phone +613 9518 3333 | Fax +613 9518 3398 | Toll Free 1 800 331 521 | www.galepacific.com

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RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015

GROUP MANAGING DIRECTOR'S REPORT ON RESULTS

FINANCIAL RESULTS

GALE Pacific Limited today announced a profit before tax of $3.5 million for the six months to 31 December 2015, up on the $0.7 million underlying pre-tax profit in the previous corresponding period. This exceeds the higher end of company's guidance range of $2.75-$3.25 million provided in October 2015. After-tax profit was $3.2 million, compared to underlying after-tax profit of $1.1 million in H1 FY2015.

Directors have declared an interim dividend of 0.75 cents per share unfranked (H1 FY2015: nil), payable on 4 April 2016 to shareholders on the register at 21 March 2016.

Results summary for the 6 months ended	31 December 2015 (A$ million)	31 December 2014 (A$ million)*	Change (%)
Sales revenue	82.4	67.4	22
Underlying EBITDA	8.2	4.5	82
Underlying EBIT	4.5	1.6	179
Underlying profit before tax	3.5	0.7	383
Underlying profit after tax	**3.2**	**1.1**	**194**
Statutory profit/(loss) before tax	3.5	(1.8)	Loss to profit
Statutory profit/(loss) after tax	**3.2**	**(0.6)**	**Loss to profit**
Underlying earnings per share (cents)	1.07	0.4	194
Statutory earnings per share (cents)	1.07	(0.2)	Loss to profit
Interim dividend – unfranked (cents)	0.75	-	-
Net debt	(20.0)	(26.2)	24
Operating cash flow	1.5	(9.0)	negative to positive
* Please refer to page 5 of the Group Managing Directors report for reconciliation between underlying and statutory numbers for comparative year.			

GALE Pacific Group Managing Director Nick Pritchard, said: "We are pleased with the improved profit performance which is the result of continued execution of our growth strategy. The strong sales growth reflects new business wins, increased innovation in our product categories and improvements in our service.

"Importantly, the strong sales growth has been achieved whilst simultaneously exiting non-core product categories and non-strategic and unprofitable business, and we now have a platform that will support further profitable growth.

"All regions delivered strong sales growth with the exception of Eurasia which, as announced previously, is undergoing a major transformation. Australasia was a particular highlight, driving a large part of the profit improvement, primarily as a result of higher sales and ongoing improvements in the supply chain.

"We have continued to focus on improving inventory management, reducing the number of suppliers and improving supplier terms. These initiatives contributed to positive operating cash flow compared to a significant cash outflow in the prior corresponding period.

"The much improved operating performance and robust balance sheet has provided the directors with the confidence to reinstate the interim dividend."

AUSTRALASIA

For the 6 months ended	31 December 2015 (A$ million)	31 December 2014 (A$ million)	Change (%)
Sales	57.4	48.6	18
EBITDA	4.1	(0.9)	Loss to profit

The transformation of the Australia/New Zealand region is largely complete and has resulted in strong sales growth across both retail and commercial sectors, driven primarily by new product range wins and improving service. The company continues to work collaboratively with key customers to ensure that it delivers the innovation needed in its product categories. At this time of change within the Australian home improvement sector, innovation will be crucial to GALE Pacific's future success.

In line with the company's strategy to simplify logistics and procedures, warehouses across Australia were consolidated and a new Victorian warehouse was established that will enable further cost reductions and improve service.

Importantly, there was also significant investment in the Coolaroo brand, with an integrated national marketing campaign that included television. This is the first significant brand investment by the business in many years and is in line with the strategy of investing more heavily in a smaller number of brands.

AMERICAS

For the 6 months ended	31 December 2015 (A$ million)	31 December 2014 (A$ million)	Change (%)
Sales	14.1	10.1	40
EBITDA	(0.9)	(0.5)	(71)

Sales in the Americas region continued to grow strongly across both retail and commercial sectors and, in local currency, grew 14%; however, profit was impacted by higher end-of-season returns by major retailers.

The company secured additional ranging at major hardware retailers which will commence early in calendar year 2016, providing an impetus to retail sales in the second half.

Several investments were made to strengthen the regional supply chain management team and improve operations, including the establishment of new 3rd party logistics facilities to service customers better in eastern USA and in Canada.

Most sales and profit in the Americas are recorded in the northern hemisphere summer, and the region is expected to report a strong profit for the second half.

MIDDLE EAST NORTH AFRICA

For the 6 months ended	31 December 2015 (A$ million)	31 December 2014 (A$ million)	Change (%)
Sales	8.6	6.4	34
EBITDA	1.7	1.5	18

Despite more challenging market conditions, the MENA business once again performed strongly with sales in local currency up 9% on the previous corresponding period. Considerable potential exists for the company's commercial products in this region and a number of strategies have been implemented to accelerate taking advantage of this opportunity. Further growth is expected via the addition of new, higher performing architectural shade fabrics and increased investments in people to capitalise on the opportunity.

EURASIA

For the 6 months ended	31 December 2015 (A$ million)	31 December 2014 (A$ million)	Change (%)
Sales	2.4	2.4	-

Progress with transforming the Eurasian business has been pleasing, with the appointment of an entirely new, multi-lingual team, now based in the region. The company has refocused on a smaller number of more strategic geographic areas and customers, and this is expected to deliver sales growth in the years ahead.

The Eurasia EBITDA contribution is included in the China Manufacturing Operations' result.

CHINA MANUFACTURING OPERATIONS

For the 6 months ended	31 December 2015 (A$ million)	31 December 2014 (A$ million)	Change (%)
EBITDA	4.3	4.5	(3)

The transformation of the China manufacturing operations continues to progress on schedule as activities to improve cost-effectiveness, flexibility and service start to take effect. Non-core manufacturing processes are being exited in order to focus on manufacturing processes where the company has a core competency and a globally competitive manufacturing cost position.

EBITDA for China includes contributions from Eurasia and inter-company trading.

CASH GENERATION AND WORKING CAPITAL

Group working capital increased year-on-year as a result of unfavourable exchange translation and higher receivables due to considerably increased sales. Pleasingly, inventories reduced in all major markets despite the effect of foreign currency translation. The positive operating cash flow reflected improved trading terms with suppliers and better inventory management, along with the stronger profitability.

NEW GLOBAL BANKING ARRANGEMENT

The company has reached agreement with the Australia and New Zealand Banking Group (ANZ) for a new long-term, multi-currency banking facility on improved commercial terms, and with reduced overall funding costs compared to previous facilities and a three year funding term.

The new banking arrangement is in line with the company's strategy to simplify the business and make arrangements that will support international growth.

RECONCILIATION OF UNDERLYING RESULT TO STATUTORY RESULT (DECEMBER 2014)

During the half year prior period, the company incurred non-recurring costs related to restructuring and the re-launch of the company's pool fencing and balustrade ranges. The following table reconciles the underlying results to the statutory results.

A$ million	EBITDA	EBIT	Profit before tax	Profit after tax
Statutory	2.0	(0.9)	(1.8)	(0.6)
Restructuring costs	0.3	0.3	0.3	0.2
Product re-launch costs	2.2	2.2	2.2	1.5
Underlying	4.5	1.6	0.7	1.1

Underlying profit, EBITDA and EBIT are the Statutory profit, EBITDA and EBIT adjusted for non-recurring costs related to restructuring and the re-launch of the company's pool fencing and balustrade ranges. The Company believes that underlying profit, EBITDA and EBIT provide a better understanding of its financial performance and allows for a more relevant comparison of financial performance between financial periods.

OUTLOOK

The board is confident that the company's current momentum will be maintained and that its strategy is appropriate to deliver continued earnings growth.

Based on current indications, it is anticipated that the second half results will be above the same period last year and that FY2016 profit before tax (PBT) will be in the range $12 – $14 million, considerably ahead of PBT for the prior corresponding period of $6.2 million ($8.7 million underlying).

ABOUT GALE PACIFIC

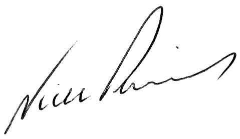
GALE Pacific is a manufacturer and marketer of commercial and DIY products that protect and enhance environments around the world. Based in Australia, the Company operates globally with approximately half of its revenue coming from other markets. GALE's products are marketed across commercial and retail sectors, with distribution into architectural, horticultural, agricultural, mining, construction, and home improvement channels; they are stocked by many of the world's largest retailers and also have strong online distribution.

Key products include architectural shade fabrics, exterior window shades, shade sails and an array of specialised commercial fabrics used for crop protection, irrigation, water storage and screening. Retail shade and screening products are marketed under the Coolaroo brand. Commercial products are marketed under the GALE Pacific brand.

In Australia and New Zealand, the Company also markets a range of interior window furnishings under the ZONE Interiors brand and a range of glass DIY pool fencing and balustrading, shower screens and other glass products under the EVERTON brand.

GALE Pacific is a world leader in specialised textiles and associated products and is recognised in its markets as an innovator and long-term producer of premium quality products.

The Company is focused on strengthening its global market position through product innovation and brand strength.



Mr Nick Pritchard
Group Managing Director
17 February 2016

For further information please contact:
Matt Parker, Chief Financial Officer, Gale Pacific Limited, telephone (03) 9518 3333.

For media enquiries please contact:
James Strong, Financial & Corporate Relations, telephone (02) 8264 1005 / 0423 338 005.

APPENDIX 4D

HALF YEARLY REPORT FOR THE SIX MONTHS TO 31 DECEMBER 2014

Name of Entity:	Gale Pacific Limited
ABN or Equivalent Company Reference:	80 082 263 778
Report for the Half Year Ended:	31 December 2015
Previous Full Year Period is the Financial Year Ended:	30 June 2015
Previous Corresponding Period is the Half Year Ended:	31 December 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		%	Half Year to 31 December 2014 $'000		Half Year to 31 December 2015 $'000
Revenues from continuing operations:	Up	22.0	67,434	To	82,377
Profit from continuing operations after tax attributable to members:	Up	591.5	(647)	To	3,180
Net profit for the period attributable to members:	Up	591.5	(647)	To	3,180

Please refer to the accompanying Directors' announcement to the Australian Securities Exchange for further commentary.

DIVIDENDS

	Amount per security	Percentage franked
Interim dividend for the year ending 30 June 2016	0.75 cents	0%
Final dividend for the year ending 30 June 2015	1.00 cents	0%

Date dividend is payable	4 April 2016
Record date for determining entitlements to the dividend	21 March 2016
Trading ex dividend	17 March 2016

The Company's Dividend Reinvestment Plan was suspended in September 2006 and the Directors have determined that the plan is to remain suspended.

Amount per security

	Amount per security	Percentage franked
Interim dividend for the year ending 30 June 2016		
- In respect of 2016 financial year as at 31 December 2015	0.75 cents	0%
- In respect of 2015 financial year as at 31 December 2014	Nil	N/A
Final dividend for the year ending 30 June 2015		
- In respect of 2015 financial year as at 30 June 2015	1.00 cents	0%
- In respect of 2014 financial year as at 30 June 2014	1.35 cents	80%

NET TANGIBLE ASSET PER SECURITY

	As at 31 December 2015	As at 30 June 2015	As at 31 December 2014
Net tangible asset per ordinary security	24.6 cents	24.6 cents	20.7 cents

THE FINANCIAL INFORMATION PROVIDED IN APPENDIX 4D IS BASED ON THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL REPORT ATTACHED.

THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL REPORT HAS BEEN INDEPENDENTLY REVIEWED. THE FINANCIAL REPORT IS NOT SUBJECT TO A QUALIFIED INDEPENDENT REVIEW REPORT.

Signed: Nick Pritchard

Name: Nick Pritchard

Title: Group Managing Director

Date: 17 February 2016

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Directors' Report

The Directors present their report together with the condensed financial report of the consolidated entity consisting of Gale Pacific Limited and the entities it controlled, for the half-year ended 31 December 2015 and independent auditors review report thereon.

DIRECTORS

The following persons were Directors of Gale Pacific Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Name	Period of Directorship
Mr David Allman	Director since 17 November 2009
Mr Nick Pritchard	Director since 22 August 2014
Mr John Murphy	Director since 24 August 2007
Mr Peter Landos	Director since 01 May 2014
Mr George Richards	Resigned 30 October 2015

REVIEW OF OPERATIONS

The profit for the Group after providing for income tax amounted to $3,180,000 (31 December 2014: loss of $647,000).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial half-year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

AUDITOR'S DECLARATION

A copy of the Auditors' Independence Declaration in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the Board of Directors.

Mr David Allman
Chairman
17 February 2016

Mr Nick Pritchard
Group Managing Director
17 February 2016

Auditor's Independence Declaration

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001
Australia

Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

The Board of Directors
Gale Pacific Limited
145 Woodlands Drive
BRAESIDE VIC 3195

17 February 2016

Dear Board Members

Gale Pacific Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gale Pacific Limited.

As lead audit partner for the review of the financial statements of Gale Pacific Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Roche
Partner
Chartered Accountants

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and

- 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 in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Mr David Allman
Chairman
17 February 2016

Mr Nick Pritchard
Group Managing Director
17 February 2016

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Half Year Ended 31 December 2015

	Note	Consolidated 31 Dec 2015 $'000	Consolidated 31 Dec 2014 $'000
Revenue			
Sale of goods		82,377	67,434
Other income		3,536	195
Expenses			
Raw materials and consumables used		(45,555)	(35,440)
Employee benefits expense		(13,367)	(11,377)
Depreciation and amortisation expense		(3,741)	(3,216)
Marketing and advertising		(1,716)	(3,652)
Occupancy costs		(2,472)	(1,808)
Warehouse and related costs		(5,982)	(5,268)
Other expenses		(8,619)	(7,790)
Finance costs		(914)	(839)
Profit/(loss) before income tax (expense)/benefit		3,547	(1,761)
Income tax (expense)/benefit		(367)	1,114
Profit/(loss) after income tax expense for the half-year attributable to the owners of Gale Pacific Limited		3,180	(647)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		(679)	1,337
Foreign currency translation		1,039	8,733
Other comprehensive income for the half-year, net of tax		(360)	10,070
Total comprehensive income for the half-year attributable to the owners of Gale Pacific Limited		3,540	9,423
		Cents	Cents
Basic earnings per share	6	1.07	(0.22)
Diluted earnings per share	6	1.06	(0.22)

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

Condensed Consolidated Statement of Financial Position
As At 31 December 2015

	Consolidated	
	31 Dec 2015	30 Jun 2015
	$'000	$'000
Assets		
Current assets		
Cash and cash equivalents	15,841	17,769
Trade and other receivables	31,507	27,081
Inventories	46,334	39,229
Derivative financial instruments	392	1,363
Current tax assets	1,331	3,147
Other current assets	1,086	819
Total current assets	96,491	89,408
Non-current assets		
Property, plant and equipment	32,573	34,872
Intangibles	25,288	25,311
Total non-current assets	57,861	60,183
Total assets	154,352	149,591
Liabilities		
Current liabilities		
Trade and other payables	17,554	12,887
Borrowings	35,450	33,641
Current tax liabilities	-	2,179
Provisions	2,287	1,820
Total current liabilities	55,291	50,527
Non-current liabilities		
Borrowings	425	783
Deferred tax	97	397
Provisions	96	96
Total non-current liabilities	618	1,276
Total liabilities	55,909	51,803
Net assets	98,443	97,788
Equity		
Issued capital	71,485	71,485
Reserves	2,048	1,598
Retained profits	24,910	24,705
Total equity	98,443	97,788

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

Condensed Consolidated Statement of Changes in Equity
For The Half Year Ended 31 December 2015

Consolidated	Issued capital $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2014	71,485	(11,415)	23,566	83,636
Loss after income tax (expense)/benefit for the half-year	-	-	(647)	(647)
Other comprehensive income for the half-year, net of tax	-	10,070	-	10,070
Total comprehensive income for the half-year	-	10,070	(647)	9,423
Transactions with owners in their capacity as owners:				
Share-based payments	-	11	-	11
Dividends paid (note 4)	-	-	(4,016)	(4,016)
Balance at 31 December 2014	71,485	(1,334)	18,903	89,054

Consolidated	Issued capital $'000	Reserves $'000	Retained profits $'000	Total Equity $'000
Balance at 1 July 2015	71,485	1,598	24,705	97,788
Profit after income tax (expense)/benefit for the half-year	-	-	3,180	3,180
Other comprehensive income for the half-year, net of tax	-	360	-	360
Total comprehensive income for the half-year	-	360	3,180	3,540
Transactions with owners in their capacity as owners:				
Share-based payments	-	90	-	90
Dividends paid (note 4)	-	-	(2,975)	(2,975)
Balance at 31 December 2015	71,485	2,048	24,910	98,443

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

Condensed Consolidated Statement of Cash Flows
For The Half Year Ended 31 December 2015

	Note	Consolidated 31 Dec 2015 $'000	Consolidated 31 Dec 2014 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		81,487	73,754
Payments to suppliers and employees (inclusive of GST)		(78,338)	(79,654)
		3,149	(5,900)
Other revenue		-	2
Interest and other finance costs paid		(914)	(823)
Income taxes paid		(738)	(2,327)
Net cash from/(used in) operating activities	5	1,497	(9,048)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,093)	(2,484)
Payments for intangibles		(284)	(307)
Proceeds from disposal of property, plant and equipment		(42)	4
Net cash used in investing activities		(1,419)	(2,787)
Cash flows from financing activities			
Proceeds from borrowings		2,455	17,524
Dividends paid	4	(2,975)	(4,016)
Repayment of borrowings		(1,004)	-
Net cash from/(used in) financing activities		(1,524)	13,508
Net increase/(decrease) in cash and cash equivalents		(1,446)	1,673
Cash and cash equivalents at the beginning of the financial half-year		17,769	13,058
Effects of exchange rate changes on cash and cash equivalents		308	1,267
Cash and cash equivalents at the end of the financial half-year		16,631	15,998

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

Notes To The Condensed Consolidated Financial Statements For The Half Year Ended 31 December 2015

NOTE 1. GENERAL INFORMATION

The financial statements cover Gale Pacific Limited ('Company' or 'parent entity') and controlled entities (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Gale Pacific Limited's functional and presentation currency.

Gale Pacific Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

145 Woodlands Drive
Braeside, Vic, 3195

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 February 2016. The Directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

(a). New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2015 and are not expected to have any significant impact for the full financial year ending 30 June 2016.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b). Comparatives

Where necessary, the comparative statement of profit or loss and other comprehensive income has been reclassified and repositioned for consistency with the current period disclosures.

Notes To The Condensed Consolidated Financial Statements For The Half Year Ended 31 December 2015

NOTE 3. OPERATING SEGMENTS

Identification of reportable operating segments

The Group is organised into four operating segments identified by geographic location and identity of the service line manager. These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer (who is identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Group operates predominantly in one business segment, being branded shading, screening and home improvement products.

The CODM reviews revenue and segment results. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Discrete financial information about each of these segments is reported on a monthly basis.

The operating segments are as follows:

Australasia	Manufacturing and distribution facilities are located in Australia, and distribution facilities are located in New Zealand. Sales offices are located in all states in Australia and in New Zealand.
China Operations and Eurasia	Manufacturing facilities are located in Beilun, China which supply to the Group's sales and marketing operations throughout the world in particular Europe and Asia.
Americas	Sales offices are located in Florida and custom blind assembly and distribution facilities are located in California which service the North American region.
MENA - Middle East / North Africa	A sales office and distribution facility is located in the United Arab Emirates to service this market.

Notes To The Condensed Consolidated Financial Statements For The Half Year Ended 31 December 2015

NOTE 3. OPERATING SEGMENTS (CONTINUED)

	Australasia	China Operations & Eurasia	Americas	MENA	Corporate	Intersegment /Eliminations	Total
31 December 2015	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue							
Sales to external customers	57,353	2,357	14,089	8,578	-	-	82,377
Intersegment sales	1,597	25,105	-	0	-	(26,702)	-
Total sales revenue	58,949	27,462	14,089	8,579	-	(26,702)	82,377
Total revenue	58,949	27,462	14,089	8,579	-	(26,702)	82,377
Segment EBITDA	4,020	4,381	(922)	1,727	(2,084)	1,081	8,202
Depreciation and amortisation	(418)	(2,484)	(600)	(1)	(239)	-	(3,741)
Finance costs	(106)	(546)	(224)	(38)	-	-	(914)
Profit/(loss) before income tax expense	3,496	1,351	(1,746)	1,688	(2,323)	1,081	3,547
Income tax expense							(367)
Profit after income tax expense							3,180
Assets							
Segment assets	63,334	42,268	25,525	10,482	13,791	(1,046)	154,353
Total assets							154,353
Liabilities							
Segment liabilities	11,890	16,801	1,637	660	24,921	-	55,909
Total liabilities							55,909

Notes To The Condensed Consolidated Financial Statements For The Half Year Ended 31 December 2015

NOTE 3. OPERATING SEGMENTS (CONTINUED)

31 December 2014	Australasia $'000	China Operations & Eurasia $'000	Americas $'000	MENA $'000	Corporate $'000	Intersegment /Eliminations $'000	Total $'000
Revenue							
Sales to external customers	48,577	2,358	10,072	6,427	-	-	67,434
Intersegment sales	1,355	19,653	42	(57)	-	(20,993)	-
Total sales revenue	49,932	22,011	10,114	6,370	-	(20,993)	67,434
Total revenue	49,932	22,011	10,114	6,370	-	(20,993)	67,434
Segment EBITDA	(893)	4,536	(538)	1,466	(2,182)	(365)	2,024
Depreciation and amortisation	(407)	(2,094)	(283)	(1)	(193)	-	(2,978)
Finance costs	-	-	-	-	-	-	(807)
Profit/(loss) before income tax expense	(1,300)	2,442	(821)	1,465	(2,375)	(365)	(1,761)
Income tax expense							1,114
Profit after income tax expense							(647)

30 June 2015	Australasia $'000	China Operations & Eurasia $'000	Americas $'000	MENA $'000	Corporate $'000	Intersegment /Eliminations $'000	Total $'000
Assets							
Segment assets	50,698	41,165	31,721	10,588	17,165	(1,747)	149,591
Total assets							149,591
Liabilities							
Segment liabilities	7,154	13,278	4,522	736	26,114	-	51,803
Total liabilities							51,803

NOTE 4. EQUITY - DIVIDENDS

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Final dividend for the year ended 30 June 2015 (2014: 30 June 2014) of 1.0 cents (2014: 1.35 cents) per ordinary share	2,975	4,016

Notes To The Condensed Consolidated Financial Statements For The Half Year Ended 31 December 2015

NOTE 5. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH FROM/(USED IN) OPERATING ACTIVITIES

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Profit/(loss) after income tax expense for the half-year	3,180	(647)
Adjustments for:		
Depreciation and amortisation	3,741	2,982
Share-based payments	90	11
Net loss on disposal of non-current assets	-	2
Other revenue - non-cash	(3,536)	-
Finance costs - non-cash	(292)	-
Foreign currency differences	1,521	1,350
Change in operating assets and liabilities:		
Increase in trade and other receivables	(890)	(803)
Increase in inventories	(7,105)	(12,140)
Decrease in income tax refund due	1,816	-
Decrease in deferred tax assets	292	-
Decrease in derivative assets	292	-
Increase in prepayments	(267)	-
Decrease in other operating assets	-	1,681
Increase in trade and other payables	4,667	1,760
Decrease in provision for income tax	(2,179)	(3,210)
Decrease in deferred tax liabilities	(300)	-
Increase in employee benefits	321	-
Increase in other provisions	146	-
Decrease in other operating liabilities	-	(34)
Net cash from/(used in) operating activities	1,497	(9,048)

NOTE 6. EARNINGS PER SHARE

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Profit/(loss) after income tax attributable to the owners of Gale Pacific Limited	3,180	(647)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	297,474,396	297,474,396
Adjustments for calculation of diluted earnings per share:		
Performance rights	3,401,617	2,343,583
Weighted average number of ordinary shares used in calculating diluted earnings per share	300,876,013	299,817,979
	Cents	Cents
Basic earnings per share	1.07	(0.22)
Diluted earnings per share	1.06	(0.22)

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001
Australia

Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Members of Gale Pacific Limited

We have reviewed the accompanying half-year financial report of Gale Pacific Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2015, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising Gale Pacific Limited and entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 12 to 21.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Gale Pacific Limited's financial position as at 31 December 2015 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 Gale Pacific 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gale Pacific Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Gale Pacific Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Roche
Partner
Chartered Accountants
Melbourne, 17 February 2016