Aspermont

Information for Industry

ASPERMONT LIMITED

ABN 66 000 375 048

ASX Half-year report: 31 December 2016

Lodged with the ASX under Listing Rule 4.2A.3

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CORPORATE DIRECTORY

Directors
Andrew Leslie Kent
John Stark
Colm O'Brien
Alex Kent
Rhoderic Whyte
Geoffrey Donohue (appointed October 2016)

Company Secretary
David Straface

Key Management Personnel
Alex Kent – Managing Director, Group
Nishil Khimasia – Chief Financial Officer, Group
Robin Booth – General Manager Publishing
Ajit Patel – Chief Operating Officer, Group

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Leederville WA 6902

Solicitors
Stephen Roy Webster
11/37 Bligh Street
Sydney NSW 2000

Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Share Registry
Advanced Share Registry Services
110 Stirling Hwy
Nedlands WA 6009

Bankers
ANZ Banking Group Limited

7/77 St Georges Terrace
Perth WA 6000

Australian Stock Exchange Limited
ASX Code : ASP

Website
www.aspermont.com

Strong H1 results - Improved margins and a return to positive earnings - Encouraging outlook for 2017

Aspermont, the leading media services provider to the global resources industry, today announces its results for the six months ended 31 December 2016 ('H1').

H1 Overview
Highlights

- Strong H1 results both in Revenue and EBITDA from continuing operations
- Revenues up 8% (+$1m YOY) on continuing businesses to $13.4m
- 279% EBITDA improvement (+$2.3m YOY) with $1.5m profit delivered in H1 compared to $0.85m loss in the previous year. Excluding one-off exceptional charges EBITDA of $1.7m was delivered
- Gross margins pre-overheads and Group adjustments improved to 20% from 6% on continuing operations in the previous year ('PY') reflecting benefits from the digital platform, productivity improvements and Q4 FY16's back office restructuring programme
- Digital advertising reported revenue is flat over PY but up 27% on continuing operations at constant currency* with gathering momentum for higher growth in H2
- Steady growth in subscriptions (reported revenue is down YOY, flat on continuing business and up 4% at constant currency*) with cash collections reported up 12% on PY. Gathering momentum in subscriptions cash bodes well for further growth over the remainder of the year
- $10m oversubscribed cash capital raising and debt to equity conversion completed
- 82% reduction in long-term balance sheet debt

**The UK business was impacted due to the devaluation in sterling as a result of Brexit*

Operational Highlights

- Overall audiences in publishing and attendances in the Mines and Money events were all significantly up in H1 compared with PY.
    - MiningJournal.com + 106%
    - MiningMagazine.com + 23%
    - IMARC + 23%
    - MiningNews.net + 14%
    - FarmingAhead.com + 11%
    - Mines and Money London + 6%
- All publishing products migrated onto the Project Horizon platform improving digital advertising and subscription revenues

- Inaugural Mines and Money Americas event in Toronto was the largest launch by attendance and revenue in the company's history with all its exhibition space sold out 3 months in advance

Commenting, Alex Kent, Managing Director of Aspermont said:

"In the first half of this financial year we advanced our successful turnaround strategy and shift from print to digital media. We strengthened our balance sheet, made strategic hires to our management team and continued to implement a best in-class technological infrastructure. Our focus is to deliver strong revenue growth, bring new products to market and on scale our solution to new territories and sectors. We enter H2 in a much stronger position and expect to further benefit from the upturn in the mining sector in 2017."

Overview

The Company is pleased to report that the financial turnaround and business restructuring are building momentum in a highly positive H1. The Company has delivered strong growth in digital advertising, subscriptions and events revenues, whilst earnings have continued to improve as they have in each of the last three halves.

Aspermont's technological transformation passed a key milestone in the first half whereby all of the Company's publishing products have now successfully been migrated to the Project Horizon platform. This was the first checkpoint in the Group's long-term technological roadmap as it continues to build market leading infrastructure that enables the business to forge its path in new digital media whilst remaining grounded in the proven commercial principles of the past. We are building high spend premium rate subscriber audiences through our provision of highest value content.

Both paid member audiences in publishing and overall attendances in the Group's key events were significantly up in H1. The business is successfully expanding both the breadth and depth of spend of its communities. Delivering both volume and yield gains, simultaneously, is a challenging strategy to thread and so the progress here is most pleasing.

The Group successfully completed its three part $10m capital raising process in October 2016 with long term debt reducing by 82%. As Aspermont moves back into positive earnings, the unwinding of long-term balance sheet debt translates earnings into positive cash flow. The Group looks forward to further progress in 2017.

People and skills transformation across the Company continues to build value in our knowledge capital base. A number of key new hires have come on board in H1, all of who are significantly adding to the overall improvement and innovation curve of the business.

Arbitration

Aspermont's arbitration process with Gainwealth, its joint venture partner, in Beacon Events concluded in H1. In accordance with the terms of the full award, there were no resulting change to either management structure or Board of Beacon Events, nor is there any impact upon the assets of Beacon.

Comparative year on year results for the business for the year ended 31 December 2016:

	2016 $000	2015 $000
Revenue		
Advertising - Digital	1,480	1,486
Advertising - Print	2,183	3,902
Subscriptions	2,053	2,510
Conferencing & other revenue	7,710	6,360
Total segment revenue	**13,426**	**14,258**
Result		
Segment result	2,802	797

The reconciliation of statutory earnings to EBITDA is as follows:

	Consolidated 31 December 2016 $000	Consolidated 31 December 2015 $000
Profit from continuing operations before income tax expense	475	(3,795)
Add back:		
Interest	1,108	349
Depreciation and amortisation	422	296
Impairment and gain/ loss on investments	-	6,206
Subtract:		
Re-estimation of Beacon put option liability	(274)	(3,769)
Foreign exchange	(183)	-
Other income	(37)	(133)
EBITDA	**1,511**	**(846)**

Outlook for the upcoming 2016/2017 year:

While Aspermont's long-term business model is not tied to the mining sector, our current revenue composition has significant exposure to it. This makes Aspermont a highly leveraged play on an upturn in the mining market – the likes of which we are starting to see. With digital cost advantages and efficiencies implemented in 2016, market driven revenue gains will convert well to EBITDA and with long-term balance sheet debt reductions that EBITDA also converts well to cash.

With Aspermont's technological foundations now uniformly in place and the Company's human resources enhanced, the business looks to an exciting H2 in terms of new product launches, that will shape long-term revenue growth for the business. In particular, the Company is eyeing deeper penetration in its key growth market, North America, coupled with the release and continual expansion, of new subscription-based data services. As phase 1 of our Project Horizon roadmap is now complete the Group looks forward to beginning the next phase of its technological development where its cross-medium delivery capabilities are already right at the front of the market. We look forward to making further and more detailed announcements on each of these new development and launches over the next few months.

Beyond organic growth and new product development, the business will continue to focus time and investment into building the knowledge capital and the organisational skill sets of the Group. Investment in some backend infrastructure will bring further cost savings/optimisations over the year as our margins continue to improve.

The outlook for trading conditions has different characteristics for the two prime business units:

Publishing

- Subscriptions revenues will see further growth through process optimisation, enhancements to our new systems, run rate gains from new personnel hired and a ramping up of marketing spend on our new business initiatives
- Digital sponsorship will see further growth from product investments already undertaken and also from the development of new content marketing solutions for our client base. We expect them to make much larger overall percentage gains in revenue growth for the full year compared to the good progress we have already seen thus far in H1
- Print advertising will continue to see further revenue decline as we manage the ongoing transition of revenue to digital. Print now represents less than 20% of the business revenues and the overall impacts of its decline lessen in each period
- Our Mining sector brands will continue to grow across the board whilst we still have some improvements to build into Agriculture and Energy Brands. Both these sectors have higher print dependencies and are with current headwinds which may drag overall growth in H2
- Overall we expect Publishing to deliver single digit revenue growth in 2016/17 reversing the last three years of revenue contraction
- This coupled, with continued cost management should see further improvement in our profit margin

Conferencing

- The Company's Beacon Events subsidiary has performed well in H1 across all its primary products and we expect continued improvement against PY in H2
- Attendance and revenue growth with tighter cost margins have characterised a significant new step forward in the business
- New products to be launched in H2 will augment the development of our existing media base in North America
- Events will see further expansion in revenues and EBITDA from launching the inaugural Mines and Money event in New York and an improved growth outlook for Mines and Money Hong Kong. Coupled with the launch of new smaller events in our annual business and the next iteration of the Helsinki based Mines & Technology series we expect some good foundations to have been laid for next year

Overall we anticipate positive Group EBITDA excluding group adjustments within a range of $0.8m to $1.2 million for the 2016/17 fiscal year. This shows a significant improvement over 2015/16 EBITDA losses and returns the business to profitability for the first time in three years.

Summary

The first half has been extremely pleasing. After many years of revenue contraction the business has now moved from that state, through recovery and back into top line growth. The re-evaluation of our cost base continues to deliver improved margins and a return to strong and positive earnings. Aspermont's balance sheet has been strengthened and with a significant reduction in debt the Group is cash flow positive. This has enabled us to invest in human capital, upgrade our technological infrastructure and execute our growth strategy and business transformation. With new people joining at every level of the business our investment in knowledge capital is starting to pay dividends in terms of the innovation cycle and execution level.

Our focus in H2 is on driving the business into enhanced profitability through the continued roll out of Project Horizon, further investment in people and skills, new product launches and further balance sheet debt reduction.

The Group is now in a much stronger position and is well poised to maximise on its positive start in the second half of the financial year. Aspermont is also well positioned to benefit from the recovery in the mining sector. The outlook for the full year is encouraging.

Yours sincerely,

Alex Kent
Managing Director
Aspermont Limited

About Aspermont Limited

Aspermont is the leading media services provider to the global resources industry and delivers subscription-based content through digital, print, conferencing and events channels. Aspermont's portfolio includes brands such as Mining Journal, Mining Magazine, Australia's Mining Monthly and MiningNews.net. Aspermont also runs a number of key industry conferences including Mines and Money, one of the premier international mining industry events. Aspermont is listed on the Australian Stock Exchange (ASX: ASP) with offices in London, Perth, Melbourne, Hong Kong, Manila and Belo Horizonte. Following a restructuring of the business and transition from print to digital media, Aspermont is now looking to scale its solution and penetrate new territories and sectors.

The Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Aspermont Limited and the entities it controlled at the end of, or during, the year ended 31 December 2016.

Directors

The following persons were directors of Aspermont Limited during the financial year and up to the date of this report:

Andrew L. Kent
John Stark
Colm O'Brien
Alex Kent
Rod Whyte
Geoffrey Donohue (appointed October 2016)

Principal activities

The Group's principal activities during the year were to provide market specific content across the Resources sectors through a combination of print, digital media channels and face to face networking channels.

Operating results

The consolidated operating loss after tax was \$0.4 million (2015: loss \$3.7 million).

Dividends

No dividend has been declared for the year (2015: no dividend).

Review of operations

A review of the operations of the Group during the financial year has been set out in pages 5 to 8 of this report.

Going Concern Disclosure and Modification to Audit Report

The group auditor has also included a qualification in the Review Report and an emphasis of matter. The details of these matters are as follows:

Emphasis of Matter
The Directors believe it is appropriate to prepare the financial statements on a going concern basis as there are no matters existing to indicate that the group will be unable to manage the matters referred to above in the next 12 months.

The group's auditor has included an emphasis of matter paragraph within the Review Report in respect of the going concern. The directors' disclosure on going concern is located in Note 3.

Recoverability of intangible assets

The group's auditor has issued a qualification on the recoverability of \$14.3m of Publishing intangible assets. Details of this assessment are included in Note 5 and the qualification in the Review Report.

The Directors believe it is appropriate to prepare the financial statements on a going concern basis as there are no matters existing to indicate that the consolidated entity will be unable to manage the matters referred to in Note 3 and above in the next 12 months.

Significant changes in the state of affairs

The significant changes in the state of affairs of the Group during the financial period are outlined in the preceding review of operations.

Events subsequent to the end of the half year

No events subsequent to 31 December 2016 require disclosure.

Likely developments and expected results of operations

The upcoming year is expected to be one of further development in our Technology base and business models, alongside a return to profitability for the Group.

Environmental regulations

Environmental regulations do not have any impact on the Group, and the Group is not required to report under the National Greenhouse and Energy Reporting Act 2007.

AUDITORS DECLARATION

The lead auditor's independence declaration is set out on page 11 and forms part of the director's report for the half-year ended 31 December 2016.

ROUNDING OF AMOUNTS

The parent entity has applied the relief available to it under Legislative Instrument 2016/191 and accordingly, amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Perth this 28th February 2017

Signed in accordance with a resolution of Directors:

Alex Kent
Managing Director

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF ASPERMONT LIMITED

As lead auditor of Aspermont Limited for the half year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 28 February 2017

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 $000	31 December 2015 $000
Revenue from continuing operations		13,426	14,258
Cost of sales		(6,880)	(7,659)
Gross profit		**6,546**	**6,599**
Distribution expenses		(285)	(571)
Marketing expenses		(994)	(1,649)
Occupancy expenses		(788)	(958)
Corporate and administration		(2,616)	(3,140)
Finance costs	10	(1,108)	(349)
Other expenses		(728)	(1,423)
Total expenses		**(6,519)**	**(8,090)**
		27	**(1,491)**
Re-estimation of Beacon put option		274	3,769
Other income		220	133
Impairment of loan receivable		(46)	(41)
Impairment of intangible assets	5	-	(6,165)
Profit/(loss) before income tax expense		**475**	**(3,795)**
Income tax (expense)/benefit		(937)	75
Profit/(loss) for the half-year from continuing operations		**(462)**	**(3,720)**
Profit/(loss) attributable to:			
Net profit/(loss) attributable to non-controlling interest		782	447
Net profit/(loss) attributable to equity holders of the parent entity		(1,244)	(4,167)
Basic and diluted earnings/(loss) (cents per share)		(0.11)	(0.57)

The accompanying notes form part of these consolidated financial statements

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December 2016 $000	31 December 2015 $000
Profit/(loss) after tax for the year	**(462)**	**(3,720)**
Other comprehensive income/(loss)		
(Items that will be reclassified to profit or loss)		
Foreign currency translation differences for foreign operations	(415)	(78)
(Items that will not be reclassified to profit or loss)		
Other comprehensive income/ (loss) for the period net of tax	**(415)**	**(78)**
Total comprehensive income/(loss) for the year (net of tax)	**(877)**	**(3,798)**
Total comprehensive income/(loss) for the period attributable to:		
Non-controlling interest	619	279
Owners of Aspermont Limited	(1,496)	(4,077)

The accompanying notes form part of these consolidated financial statements

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 $000	30 June 2016 $000
Current Assets			
Cash and cash equivalents		2,899	1,795
Trade and other receivables		3,463	3,734
Financial assets		-	-
Total Current Assets		**6,362**	**5,529**
Non-Current Assets			
Financial assets		68	68
Property, plant and equipment		134	155
Deferred tax assets		2,212	3,137
Intangible assets and goodwill	5	16,931	17,729
Total Non-Current Assets		**19,345**	**21,089**
Total Assets		**25,707**	**26,618**
Current Liabilities			
Trade and other payables		6,063	7,235
Revenue in advance		4,300	5,788
Borrowings	6	1,481	5,141
Income tax payable		180	373
Provisions		65	-
Other liabilities	7	300	-
Total Current Liabilities		**12,389**	**18,537**
Non-Current Liabilities			
Borrowings	6	-	3,120
Deferred tax liabilities		3,308	3,129
Provisions		90	95
Other liabilities	7	-	562
Total Non-Current Liabilities		**3,398**	**6,906**
Total Liabilities		**15,787**	**25,443**
NET ASSETS		**9,920**	**1,175**
Equity			
Issued capital	8	65,534	56,433
Reserves		(9,881)	(10,150)
Accumulated losses		(45,149)	(43,905)
Parent entity interest		**10,504**	**2,378**
Non-controlling interest		(584)	(1,203)
TOTAL EQUITY		**9,920**	**1,175**

The accompanying notes form part of these consolidated financial statements

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued Capital $000	Accumulated Losses $000	Other Reserves $000	Share Based Reserve $000	Currency Translation Reserve $000	Financial Assets Reserve $000	Sub-Total $000	Non-Controlling Interest $000	Total $000
Balance at 1 July 2015	**54,158**	**(38,649)**	**(8,053)**	**1,458**	**9**	**(276)**	**8,647**	**(685)**	**7,962**
Profit/(loss) for the year	-	(4,167)	-	-	-	-	(4,167)	447	**(3,720)**
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	90	-	90	(168)	**(78)**
Total comprehensive income	**-**	**(4,167)**	**-**	**-**	**90**	**-**	**(4,077)**	**279**	**(3,798)**
Transactions with owners in their capacity as owners:									
Transfer of option reserve on vested options	-	1,214	-	(1,214)	-	-	**-**	-	**-**
Balance at 31 December2015	**54,158**	**(41,602)**	**(8,053)**	**244**	**99**	**(276)**	**4,570**	**(406)**	**4,164**
Balance at 1 July 2016	**56,433**	**(43,905)**	**(8,053)**	**295**	**(2,116)**	**(276)**	**2,378**	**(1,203)**	**1,175**
Profit/(loss) for the year	-	(1,244)	-	-	-	-	(1,244)	782	**(462)**
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	(252)	-	(252)	(163)	**(415)**
Total comprehensive income	**-**	**(1,244)**	**-**	**-**	**(252)**	**-**	**(1,496)**	**619**	**(877)**
Transactions with owners in their capacity as owners:									
Shares issued (net of issue cost)	9,101	-	-	-	-	-	**9,101**	-	**9,101**
Issue of share options on convertible note conversion	-	-	-	521	-	-	**521**	-	**521**
Balance at 31 December 2016	**65,534**	**(45,149)**	**(8,053)**	**816**	**(2,368)**	**(276)**	**10,504**	**(584)**	**9,920**

The accompanying notes form part of these consolidated financial statements

	31 December 2016 $000	31 December 2015 $000
Cash flows from operating activities		
Cash receipts from customers	12,788	13,691
Cash payments to suppliers and employees	(13,412)	(13,635)
Interest and other costs of finance paid	(26)	(361)
Interest received	1	-
Income tax paid	(271)	(170)
Net cash (used in)/ from operating activities	**(920)**	**(475)**
Cash flows from investing activities		
Payments for investments	-	(72)
Payments for plant and equipment	(9)	(76)
Payment for intangible assets	(15)	(65)
Net cash used in investing activities	**(24)**	**(213)**
Cash flows from financing activities		
Proceeds from issue of shares	2,985	-
Share issue transaction costs	(296)	-
Proceeds of borrowings	-	499
Repayment of borrowings	(575)	(477)
Net cash from/ (used in) financing activities	**2,114**	**22**
Net increase/ (decrease) in cash held	1,170	(666)
Cash at the beginning of the year	1,795	1,645
Effects of exchange rate changes on the balance of cash held in foreign currencies	(66)	(104)
Cash at the end of the year	**2,899**	**875**

The accompanying notes form part of these consolidated financial statements

1. Reporting entity

Aspermont Limited (the "Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The consolidated financial statements of Aspermont Limited and it's controlled entities (together referred to as the "Group") for the half-year ended 31 December 2016 comprises the Company and its subsidiaries and the consolidated entity's interests in associates and jointly controlled entities.

The consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2016 are available on request from the Company's registered office at 613-619 Wellington Street, Perth WA 6000 or at www.aspermont.com.

Comparatives
Where applicable, certain comparatives have been adjusted to conform to current year presentations.

2. Statement of compliance

The consolidated half-year financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards AASB 134 Interim Financial Reports and the *Corporations Act 2001*.

The consolidated half-year financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2015.

The consolidated half-year financial statements were approved by the directors on 28th February 2017.

The Company is of a kind referred to in Legislative Instrument 2016/191 and in accordance with the Legislative Instrument, amounts in the consolidated interim financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Going concern

As at 31 December 2016, the Group had a net current liability position of $6.0 million (which includes deferred revenue of $4.3mil) and for the half-year then ended had a loss of $0.4 million and cash operating outflows of $0.9 million. The Group had cash on hand of $2.9 million. Included in the current liabilities of Group is bank debt owing of $1.1mil and amount due to related parties of $0.3mil. The Company's bank debt as disclosed in Note 6 amounts to $1.1 million with the Australian and New Zealand Banking Corporation ("ANZ") is secured by registered company charges and fixed and floating charges over the assets of the Group. The Company successfully restructured the facility in May 2016 with the next review date is in March 2017 when the debt is due to be repaid by 31 March 2017.

The ability of the Group to continue as a going concern is dependent upon successful restructuring of the ANZ debt or sourcing of new debt partner, continued support of its related parties and the achievement of positive operating cash flow from cost reduction initiatives in order to continue its operations and meet its liabilities obligations in the next 12 months.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

3. Going concern (continued)

The Directors believe there are sufficient funds to meet the entity's working capital requirements as at the date of the review report.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realization of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Company is in discussions with the ANZ bank on extending the term of the debt. There are no matters existing to indicate that the Company will be unable to successfully restructure the facility. The Company is no longer in breach of its covenants with the bank and there is a significant improvement on the covenants position over the last few years. The company is in regular communications with ANZ to restructure the facility. There are no matters existing to indicate that the company will be unable to successfully restructure the facility.
- The Company is in the process of sourcing a new debt partner to replace ANZ and support any future working capital and acquisition activity.

Should the entity not be able to continue as a going concern, it may be required to realize its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

4. Significant accounting policies

Certain new accounting standards and interpretations have been published that are mandatory for 31 December 2016 interim reporting period and these did not result in any changes to the accounting policies or disclosures for the half year.

5. Intangible assets

Consolidated	Goodwill $000	Software $000	Purchased mastheads $000	Other acquired assets $000	Total $000
Gross carrying amount					
Balance at 1 July 2015	21,399	3,216	11,565	2,388	38,568
Additions	-	125	-	-	125
Currency movements	(1,443)	(107)	(1,005)	-	(2,555)
Disposals	-	-	-	(1,113)	(1,113)
Balance at 30 June 2016	**19,956**	**3,234**	**10,560**	**1,275**	**35,025**
Additions	-	15	-	-	15
Currency movements	(570)	(49)	(472)	-	(1,091)
Balance at 31 December 2016	**19,386**	**3,200**	**10,088**	**1,275**	**33,949**
Accumulated Amortisation					
Balance at 1 July 2015	(6,132)	(2,535)	(1,992)	(2,101)	(12,760)
Amortisation expense	-	(250)	-	(201)	(451)
Impairment	(8,047)	-	-	-	(8,047)
Reversal of impairment	-	-	1,882	-	1,882
Currency movements	761	106	110	(5)	972
Disposals	-	-	-	1,113	1,113
Balance at 30 June 2016	**(13,418)**	**(2,679)**	**-**	**(1,194)**	**(17,291)**
Amortisation expense	-	(105)	-	(85)	(190)
Impairment	-	-	-	-	-
Currency movements	415	43	-	5	463
Balance at 31 December 2016	**(13,003)**	**(2,741)**	**-**	**(1,274)**	**(17,018)**
Net book value					
As at 30 June 2016	6,538	555	10,560	81	17,734
As at 31 December 2016	6,383	459	10,088	1	16,931

Impairment tests for intangible assets

Intangible assets are allocated to the Group’s cash generating units (CGUs) identified according to business segment and country of operation. The recoverable amount of each CGU is based on value-in-use calculations using business plans and estimated terminal values for each CGU.

5. Intangible assets (continued)

	31 December 2016 Total $000	30 June 2016 Total $000
Goodwill		
Conferencing	5,661	5,661
Conferencing impairment	(4,165)	(4,049)
Publishing (print & online)	16,118	16,118
Publishing impairment (print)	(8,843)	(9,374)
Foreign exchange reserve	(2,388)	(1,818)
	6,383	6,538
Software		
Cost	3,197	3,233
Accumulated amortisation	(2,738)	(2,678)
	459	555
Purchased mastheads		
Mastheads (print & online)	12,279	12,279
Mastheads impairment (print)	-	-
Foreign exchange reserve	(2,191)	(1,724)
	10,088	10,555
Other Intangible Assets		
Acquired intangible assets	1,275	1,275
Acquired intangible assets impairment	(100)	(100)
Accumulated amortisation	(1,174)	(1,094)
Segment transfer	-	-
	1	81
Total Intangible Assets	16,931	17,729

In the light of current global economic circumstances and as a result of the continuing decline in print revenue for the Publishing segment of the business, the Company has reviewed the Intangible assets for impairment.

Intangible assets are allocated to the Group's cash generating units (CGUs) identified according to business segment. The recoverable amount of each CGU is based on value-in-use calculations using business plans and estimated terminal values for each CGU.

The Print and Online CGUs previously identified for the allocation of Intangible Assets have in the current reporting period combined into the Publishing CGU. This is in line with the ongoing development and strategy of the Group's business following the restructure during the year.

	31 December 2016 Discount rate	30 June 2016 Discount rate
Conferencing	8.7%	8.7%
Publishing	13.9%	13.9%

Cash flow forecasts were used based on the EBITDA for each Cash Generating Unit as per the Group's latest five-year business plan consistent with its use at 30 June. The discount rates used reflect specific risks relating to the relevant segments and the countries in which they operate.

5. Intangible assets (continued)

	31 December 2016 Total $000	30 June 2016 Total $000
Publishing	27,196	28,450
Cumulative impairment	(12,845)	(13,233)
	14,351	15,217
Conferencing	6,745	6,561
Cumulative impairment	(4,165)	(4,049)
	2,580	2,512
Total Intangible Assets	16,931	17,729

These assumptions have been used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations for the future. If any of these assumptions were to change this could affect the carrying amounts of the intangible assets.

Cash flow forecasts were used based on the EBITDA for each Cash Generating Unit as per the Group's latest five-year business plan approved by the board on the following basis:

- Year 1 cash flows - Based on current management forecast in line with current trending.
- Year 2-5 cash flows:
    - ❖ A revenue decline has been assumed for printed products businesses as management expect structural change to continue. Assumptions have been made in line with past performance and management's expectation of market development,
    - ❖ Revenue growth of 10% is assumed in the digital businesses based on market maturity of established products, continued roll-out and introduction of new products and services through product extensions and continued channel development,
    - ❖ Continued growths in subscriptions – these assumptions are in line with current performance, industry trends and management's expectation of market development.
    - ❖ A lower expense growth as a result of the digital platform relative to the growth in revenues as the business continues to scale,
    - ❖ Expansion in Conferencing revenues from launch of Mines & Money events in new geographies as well as seeding smaller new events
    - ❖ Expenses expected to decrease based on restructuring initiatives which have already produced a cost saving trend. Future savings are expected to continue in line with the current trend.

5. Intangible assets (continued)

Long Term Growth Rate – a terminal value of growth into perpetuity of year 5 cash flows equivalent to 7 times multiple for Publishing and 4 times for Conferencing using the discount rate.

Each of the above factors is subject to significant judgement about future economic conditions and the ongoing structure of the publishing and digital industries. Specifically, the Directors note that the extent and duration of the structural change in print advertising is difficult to predict. The Directors have applied their best estimates to each of these variables but cannot warrant their outcome.

The discount rates used reflect specific risks relating to the relevant segments and the countries in which they operate. The increase in the rate for Publishing in this financial year reflects the change in capital mix in that segment.

These assumptions have been used for the analysis of each CGU within the business segment. Management determined budgeted EBITDA margin based on past performance and its expectations for the future. If any of these assumptions were to change this could affect the carrying amounts of the intangible assets.

6. Borrowings

	31 December 2016 $000	**30 June 2016 $000**
Current		
Unsecured loans from external parties	-	245
Secured loans from external parties	1,167	1,565
Loans from related parties	77	3,331
Loans advanced for convertible debt	237	-
	1,481	5,141
Non - Current		
Secured Liabilities		
Loans advanced for convertible debt	-	3,120
	-	3,120

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

7. Other liabilities – current (2015: non-current)

The liability for the purchase of the minority interest in Beacon is calculated based on a US dollar gross profit formula for the estimated fiscal 2017 gross margin of the Beacon business at each reporting period. This amount is then discounted to the current balance sheet date using the original discount rate (as per above) and adjusted for any foreign exchange movements between the underlying US dollar liability and the Australian dollar. The change in estimated value disclosed below mainly relates to the revision of the estimated future cash flow as per the present value calculation of the financial instrument. The liability is classified as level 3 in the fair value hierarchy due to the use of unobservable inputs.

As the liability can contractually be effected within 12 months the liability has been reclassified to current at 31 December 2016.

	31 2016 $000	30 June 2016 $000
Liability in respect of Beacons put and call option		
Opening balance	562	3,937
Imputed interest expense	12	13
Foreign exchange movements	(8)	354
Change in estimated value	(266)	(3,742)
Estimated fair value of the liability	**300**	**562**
Total current liabilities	**300**	**-**
Total non-current liabilities	**-**	**562**

8. Issued capital

	31 December 2016 #	30 June 2016 #	31 December 2016 $000	30 June 2016 $000
Fully paid ordinary shares	1,848,363,913	958,700,907	65,534	56,433
Ordinary shares				
At the beginning of the reporting period	958,700,907	724,918,019	56,433	54,158
Shares issued during the year:				
Rights issue	68,217,100	233,782,888	682	2,368
Shares issued as part of debt/equity conversion (see note 9(b))	581,429,406	-	5,814	-
Private placement of fully paid ordinary shares	229,516,500	-	2,900	-
Share issue costs	10,500,000	-	(296)	(93)
At reporting date	**1,848,363,913**	**958,700,907**	**65,534**	**56,433**

9. Related Party Transactions

a) Liabilities and loans from director related entities

During the period the Company sought and was granted approval from shareholders to convert loans from related parties into equity.

	31 December 2016 $000	30 June 2016 $000
Unsecured loans		
Beginning of period	3,331,000	2,834,807
Loan advances	681,540	1,928,800
Loan repayments	(1,053,710)	(1,586,664)
Loan conversion to ordinary shares	(2,799,599)	(150,000)
Interest charged at 9.5% (2014: 9.5%)	77,401	304,057
End of period	236,632	3,331,000

b) Convertible debt with key management personnel and director related entities

During the period the Company sought and was granted approval from shareholders to convert the convertible debt from related parties into equity.

	31 December 2016 $000	30 June 2016 $000
Unsecured loans		
Beginning of period	2,616,531	1,389,997
Loan advances	-	222,409
Loan repayments	-	(179,501)
Loan conversion to ordinary shares	(2,660,375)	-
Interest charged at 9.5% (2014: 9.5%)	43,844	157,079
Finance charge arising from ratchet feature	-	1,026,547
End of period	-	2,616,531

The settlement of the convertible debt during the period ended 31 December 2016 gave rise to a finance charge. The year ended 30 June 2016 finance charge amounted to $1.9m. Subsequent to 30 June 2016 an additional finance charge totalling $1.1m was incurred. The finance charge arose through accelerated interest arising from the convertible debt which granted additional shares and options to the relevant holders.

10. Segment reporting

The economic entity primarily operates in the media publishing industry as well as in conferencing and investments, within Australia and the United Kingdom.

2016	**Publishing $'000**	**Conferencing $'000**	**Total $'000**
Revenue			
Advertising - Digital	1,480	-	1,480
Advertising - Print	2,183	-	2,183
Subscriptions	2,053	-	2,053
Conferencing & other revenue	223	7,487	7,710
Total segment revenue	5,939	7,487	**13,426**
Revenue by Geography			
Australia/ Asia	3,596	4,382	7,978
Europe	2,343	3,105	5,448
Other	-	-	-
Total revenue	5,939	7,487	**13,426**
Result			
Segment result	758	2,044	**2,802**
Unallocated items:			
Corporate Overhead			(876)
Depreciation			(221)
Amortisation			(86)
Other expense			(34)
Interest			(1,108)
Loss for year			**477**
Segment assets	15,548	4,129	**19,677**
Total assets			**25,707**
Liabilities	6,911	3,907	**10,818**
Total liabilities			**15,787**

10. Segment reporting (continued)

2015	**Publishing $'000**	**Conferencing $'000**	**Total $'000**
Revenue			
Advertising - Digital	1,486	-	1,486
Advertising - Print	3,902	-	3,902
Subscriptions	2,510	-	2,510
Conferencing & other revenue	1	6,360	6,360
Total segment revenue	7,898	6,360	**14,258**
Revenue by Geography			
Australia/ Asia	4,845	2,735	7,580
Europe	2,169	3,625	5,794
Other	884	-	884
Total revenue	7,898	6,360	**14,258**
Result			
Segment result	432	405	797
Impairment of intangible assets	(3,603)	(2,562)	(6,165)
Unallocated items:			
Other income			3,364
Overheads			(1,442)
Interest			(349)
Loss for year			**(3,795)**
30 June 2016			
Segment assets	15,217	2,512	**17,729**
Unallocated assets:			
Total assets			**26,618**
Liabilities	11,796	5,004	**16,800**
Total liabilities			**25,443**

10. Segment reporting (continued)

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Managing Director who makes strategic decisions.

In line with the ongoing development and strategy of the Group's trading business, the reporting segments have in the current reporting period has been reduced into two broad global categories, being Publishing (a combination of the Print and Digital segments used previously) and Conferencing.

The segments derive revenue from the following products and services:

The Publishing segment derives subscription, advertising and sponsorship revenues from traditional print publications across a number of trade sectors including the mining, contracting, energy and resources sector as well as from internet based media which includes the development and maintenance of websites and daily news services covering various sectors including mining, energy, construction and mining longwalls.

The Conferencing segment derives revenues from running events and holding conferences in various locations and across a number of sectors.

Segment revenue and expenses:
Segment revenue and expenses are accounted for separately and are directly attributable to the segments.

Inter-segment transfers:
There are no significant inter-segment transactions at this time.

11.Fair value of financial instruments

The amount due in respect of convertible debentures per note 9 is classified as a liability at fair value through profit or loss. As at the reporting date, the fair value of the convertible debentures approximates the carrying value. The liability is classified as level 3 in the fair value hierarchy due to the use of unobservable inputs.

12.Commitments and contingent liabilities

The Group is not aware of any other contingent liabilities and unrecorded commitments at the date of this report that would significantly affect the operations or state of affairs of the Group.

13. After reporting date events

No matters or circumstance have arisen since the end of the half-year, which has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial half-years.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

In the opinion of the directors of Aspermont Limited:

1. The financial statements and notes set out on pages 12 to 27 are in accordance with the *Corporations Act 2001* including:
   (a) Giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
   (b) Complying with Australian Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional requirements.

2. There are reasonable grounds to believe that Aspermont Limited will be able to pay its debts as and when they become due and payable.

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

Dated this 28th February 2017

Alex Kent
Managing Director

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aspermont Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aspermont Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 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 Aspermont 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Aspermont Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Basis for Qualified Conclusion

Recoverability of intangible assets

Included in Aspermont Limited's consolidated statement of financial position as at 31 December 2016 are intangible assets of $16,931,000. Of this amount $14,351,000 is attributable to the publishing cash generating unit upon which an impairment assessment has been undertaken in accordance with AASB 136 *Impairment of Assets*. The details of this assessment are included in Note 5. This assessment relies on the forecast of future cash flows of which we have been unable to assess the reasonableness of.

Due to the change in Aspermont Limited's business model and the significance of a number of key assumptions on the assessment, we were unable to satisfy ourselves as to the appropriateness and reliability of the forecast of future cash flows that was included in the consolidated entity's impairment model as at 31 December 2016. Therefore we were unable to obtain sufficient appropriate audit evidence about the carrying value of the intangible assets attributable to the publishing cash generating unit.

Consequently, we were unable to determine whether any adjustments, if any, to the carrying value of intangible assets in the consolidated statement of financial position and associated impairment loss in the consolidated income statement are necessary.

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the matter described in the preceding paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Aspermont 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 Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 3 in the financial report which describes the conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 28 February 2017