CALIBRE GROUP LIMITED

Half Year Report

For the half-year ended 31 December 2014

Name of entity

Calibre Group Limited

ABN

44 100 255 623

Current reporting period	31 December 2014
Previous corresponding period	31 December 2013

Half Year Report for the half-year ended 31 December 2014
Results for announcement to the market **A$000**

				Current Period
Revenues from ordinary activities	Down	(22.0%)	To	295,054
Profit from ordinary activities after tax attributable to members	Down	(1063.2%)	To	(155,116)
Profit for the period attributable to members	Down	(1063.2%)	To	(155,116)
Profit for the period	Down	(1054.8%)	To	(155,008)

Dividends	Amount per Ordinary Security	Franked amount per security
FY14 final dividend	2.5 cents	100%
FY15 interim dividend[1]	N/A	N/A
FY15 interim dividend dates		
Ex-dividend date	-	
Record date	-	
Payment date	-	

Net Tangible Asset Backing	Dec 2014	Dec 2013
Net tangible asset backing per ordinary security[2]	$(0.05)	$0.07

[1]Company has not declared an interim dividend in respect of financial period ending 30 June 2015.
[2]As at 31 December 2014 net tangible assets are calculated as net assets of $76.9m (2013: $227.2m) less intangibles assets of $92.9m (2013: $206.2m)

NOTES:
Additional Appendix 4D disclosure requirements can be found in the notes to the attached Half Year Report.

The accounts have been reviewed and are not subject to dispute or qualification.

Information should be read in conjunction with Calibre Group Limited's 2014 Annual Report and the attached Half Year Report. Refer to the media release for a brief explanation of the figures reported above.

Half Year Report

For the half-year ended 31 December 2014

Calibre Group Limited
ABN 44 100 255 623

CONTENTS

CORPORATE INFORMATION

Calibre Group Limited
ABN 44 100 255 623

Directors
Ray Horsburgh A.M. (Chairman)
Alex Krueger
Alex Williams
Geoff Tomlinson
Professor Paul Dougas
Peter Housden
Peter Reichler
Ray Munro

Company Secretary
Michael Silbert

Registered Office
Calibre Group Limited
Level 2, 50 St Georges Terrace
Perth Western Australia 6000

Principal place of business
Calibre Group Limited
Level 2, 50 St Georges Terrace
Perth Western Australia 6000

Share register
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Auditors
Deloitte Touche Tohmatsu
Woodside Plaza
Level 14, 240 St Georges Terrace
Perth Western Australia 6000

Solicitors
Herbert Smith Freehills
GPO Box U1942
Perth Western Australia 6845

Bankers
Australia and New Zealand Banking Group Limited
18/100 Queen Street
Melbourne Victoria 3000

DIRECTORS' REPORT

The Directors of Calibre Group Limited present their report and consolidated financial report for the half year ended 31 December 2014 as follows:

The names of Directors in office at any time during or since the end of the half-year are:

Ray Horsburgh A.M. (Chairman)
Alex Krueger (appointed 27 November 2014)
Alex Williams
Brian MacDonald (resigned on 21 November 2014)
Geoff Tomlinson
Professor Paul Dougas (appointed 27 November 2014)
Peter Housden
Peter Reichler
Ray Munro

Directors were in office for this entire period unless otherwise stated.

Review of Operations

A summary of consolidated revenues and results for the financial period is set out below:

	December 2014	December 2013	Movement from Prior Period
	$m	**$m**	
Revenue	**295.1**	**378.3**	**(22.0%)**
Underlying EBITDA	**19.2**	**29.7**	**(35.4%)**
Depreciation	(5.5)	(6.0)	
Amortisation	(5.7)	(7.3)	
Net Finance Costs[1]	(1.9)	(3.2)	
Underlying Profit before tax	**6.1**	**13.2**	**(53.8%)**
Underlying Tax Benefit	0.6	3.0	
Underlying NPAT	**6.7**	**16.2**	**(58.6%)**
Restructuring and Impairment Expenses (net of tax)	(161.7)	-	
NPAT	**(155.0)**	**16.2**	
Amortisation (net of tax)	4.0	5.1	
NPATA	**(151.0)**	**21.3**	
Underlying NPATA	**10.7**	**21.3**	**(49.8%)**

[1]Net finance costs includes interest income

Note on terminology:
AASB and IFRS compliant terminology is used throughout this Report. Note that in addition, in this Directors' Report, non-IFRS financial indicators are included to assist with understanding the Group's performance. Management uses the term "underlying" to exclude restructuring and impairment expense from statutory results.

The primary non-IFRS metrics used in this report are "underlying EBITDA"; "underlying profit before tax"; "underlying net profit after tax" (underlying 'NPAT'); "underlying tax benefit" and "underlying net profit after tax, pre-amortisation" ('NPATA').

Financial Highlights

- Revenue of $295.1m, a 22% decrease on prior period of $378.3m.
- Decline in revenue is driven by deterioration in the resources sector in WA and further moderation in the coal sector in Queensland.
- Underlying EBITDA of $19.2m, a 35.4% decrease on prior period of $29.7m.
- Underlying EBITDA margin decrease to 6.5% from prior period of 7.9%.
- Underlying Net Profit after Tax (Underlying NPAT) of $6.7m, a 58.6% decrease on prior period of $16.2 m.
- Underlying Net Profit after Tax and before amortisation (net of tax) (underlying NPATA) of $10.7m, a 49.8% decrease on prior period of $21.3m.
- EPS (NPAT) (46.1)cps (December 2013: 5.2cps), EPS (underlying NPAT) 2.0 cps (December 2013: 5.2cps).
- Operating Cash flow of $19.2m achieved (December 2013: $49.3m).
- The Company has initiated a share buy-back of up to 7 million shares in lieu of a fully franked interim dividend.
- Balance sheet maintains flexibility with Cash at bank of $37.5 m (June 2014: $46.4m). Net cash position as at 31 December 2014 of $11.4m (June 2014 Net cash of $2.8m).
- Net tax benefit position of $25.9m ($3.0m tax benefit in December 2013), primarily due to R&D tax incentives and timing differences from restructuring and impairment expenses.
- Impairment & restructuring expense of $186.9m (pre tax), $161.7m(net of tax) has been included in the results.

Revenue

Revenue decreased by 22% ($83.2m) from $378.3m in the prior period to $295.1m. This was driven by a reduction in revenue in the Company's Resources and Infrastructure segments. This reduction was partly offset by an increase in revenue in the Company's Consulting segment.

Infrastructure

Revenue in Calibre's Infrastructure segment decreased by 16.3% to $144.3m during the period (December 2013: 172.3m). Revenue reduction was driven predominantly by the near completion of the Hay Point Coal terminal onshore upgrade project and the Caval Ridge project for BHP Mitsubishi Alliance (BMA) which were both at their peak during H1 FY2014. Revenue reductions in Infrastructure's Major Projects group were partially offset by a half year contribution from the ARK acquisition in WA and increased activity levels in the Maintenance, Electrical and Shutdown businesses.

Consulting

Revenue in Calibre's Consulting segment business grew by 46.5% to $43.5m compared to prior period (December 2013: $29.7m), driven by both strong organic growth throughout the east coast of Australia and through the successful integration of Spiire New Zealand, acquired in February 2014.

Flagship projects undertaken during the period included civil services for both the Googong township development in New South Wales and the Harrington Grove master planned residential community in New South Wales. Construction engineering and supervisory services were also provided for the 30km Thomson underground rail line for the Singapore Land Transport Authority.

Australian residential building approvals reached record levels during the period, underpinned by growth in Victoria, NSW and ACT resulting in increased volumes for the segment. In New Zealand, both earthquake reconstruction work and the general strength of the economy contributed to increasing demand for Consulting engineering services.

Resources

The Company's Resources segment reported revenue of $107.2m down by 39.5% compared to the same period last year (December 2013: $177.2m).

Resources was affected by a combination of the completion and ramp down of a number of large-scale projects during the year and continued tight market conditions across the general resources sector of the economy. Restructuring activities undertaken during the year to optimise the business for the current environment will achieve a reduced cost base going forward.

Resources continued its long term relationships with Rio Tinto and BHP Billiton, delivering multiple projects for these clients including, Yandi Sustaining and West Angelas Deposit B in Western Australia. New client relationships were developed during the period, including providing support to Aurizon on the West Pilbara Iron Project.

Restructuring and impairment expenses

Given the reduction in activity in the Resources and infrastructure segments, the Company carried out a Group-wide business review. As a result, Calibre identified restructuring and impairment charges of $186.9m (pre-tax), made up of goodwill write downs, onerous lease impacts and restructuring costs. These are predominantly non-cash in nature and have been taken in the period ended 31 December 2014. As the Company highlighted at its' AGM, the review of operations and assets was a result of a further decline in expected trading conditions.

The non-cash impairment relates primarily to the Resources and Infrastructure segments' carrying value of goodwill of $103.6m, with onerous leases and other asset write downs of $79.3m. The cash impact of the restructuring costs is $4m.

There is no impact on compliance with Calibre's banking facilities.

Margins and Cost Management

Underlying EBITDA of $19.2m was 35.4% lower than the result achieved in the pcp resulting from the continuing softness in market conditions. Calibre's underlying EBITDA margin of 6.5% (1HFY14: 7.9%) reflects tight market conditions and business mix with a continued strong focus on costs by clients.

To maintain cost competitiveness Calibre continued to focus on cost management, ensuring both business support costs and the corporate structure align to the current operating environment. This led to a 12.3% reduction in overhead expenses compared to the pcp.

Financial Position

Taxation

The $25.9m tax benefit position achieved in the period is primarily due to R&D tax incentives and timing differences from restructuring and impairment expenses.

Liquidity and Indebtedness

Calibre had cash and cash equivalents of $37.5m at 31 December 2014 (June 2014: $46.4m). The operating cash flow generated resulted in the Group being in a net cash position of $11.4m as at 31 December 2014 (June 2014 Net cash of $2.8m).

The Company's banking facilities were successfully renegotiated in the period to be in line with the current business expectations and requirements, increasing its borrowing capacity to $200m, extending the duration of its borrowings to 3 years and reducing its costs of funds. At 31 December 2014, debt consisted of bank borrowings of $26.1m (June 2014: $43.6m) and deferred acquisition consideration of $2.8m (June 2014: $2.8m).

The Company has a balance sheet with the ability to continue to explore growth opportunities which expand revenue streams and end markets.

The deferred acquisition consideration liabilities represent deferred payments for the acquisitions of the acquired businesses. The deferred acquisition consideration payments consist of a fixed and contingent component, which are based on the achievement of financial hurdles and, as such, these payments have been accounted for as liabilities.

Significant changes in the state of affairs

On 7 July 2014, G&S Engineering ("G&S"), Calibre's principal infrastructure services business, acquired the business and assets of Perth-based Ark Maintenance ("Ark"), resources focused maintenance services engineering firm, providing mine maintenance and optimisation services of structural, mechanical and piping areas.

The Ark acquisition is consistent with Calibre's ongoing strategy of expanding and strengthening its capabilities across the broader Resources, Energy and Infrastructure markets nationally. It provides further opportunities for Mackay, Queensland-based G&S to achieve growth by building its capability in the WA market, leveraging the combined capability, reputation and client relationships of Calibre.

As noted above, Calibre Group successfully negotiated a new multipurpose syndicated bank facility increasing its borrowing capacity to $200m, extending the duration of its borrowings to 3 years and reducing its costs of funds.

Other than the above, there was no significant change in the state of affairs during the half year.

Auditor's independence declaration

The auditor's independence declaration is included on page 7 of the half-year report.

Dividends

On 1 October 2014, the Company declared and paid fully franked final dividend of $8.3m (2.5 cents per shares) to its members. The Company's dividend reinvestment plan was in operation for this dividend. No dividend has been declared in respect of 2015 half year.

Capital Management

The Company has announced an on-market share buy-back 19 February 2015 of up to 7 million shares as part of its capital management plan. The prices paid for shares purchased under the buy-back will be no more than 5% above the volume weighted average price of Calibre shares over the 5 prior trading days prior to purchase. The buy-back will be open from 9 March 2015.

Rounding off of amounts

The Company is a company of the kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order amounts in this Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

Ray Horsburgh A.M.
Chairman
19 February 2015

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the Directors

Ray Horsburgh

Ray Horsburgh A.M.
Chairman
19 February 2015

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The Board of Directors
Calibre Group Limited
Level 2, 50 St Georges Terrace
Perth WA 6000

19 February 2015

Dear Board Members

Calibre Group 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 Calibre Group Limited.

As lead audit partner for the review of the financial statements of Calibre Group Limited for the half-year ended 31 December 2014, 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

Darren Hall
Partner
Chartered Accountants

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 Dec 2014	31 Dec 2013
Continuing operations		**$000**	**$000**
Revenue		295,054	378,311
Cost of providing services		(226,541)	(293,252)
Gross profit		**68,513**	**85,059**
Other gains		1,048	766
Marketing expenses		(859)	(321)
Occupancy expenses		(4,866)	(9,175)
Administration expenses		(55,487)	(59,672)
Restructuring and impairment expenses	3	(186,948)	-
Finance costs		(2,346)	(3,455)
(Loss)/Profit before tax	3	**(180,945)**	**13,202**
Income tax benefit	4	25,937	3,033
(Loss)/Profit for the period		**(155,008)**	**16,235**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Movement in fair value in available for sale investments		82	-
Exchange differences on translation of foreign operations		201	106
Total other comprehensive income		**283**	**106**
Total comprehensive (loss)/income for the period		**(154,725)**	**16,341**
(Loss)/Profit for the period attributable to:			
Owners of the parent		(155,116)	16,105
Non-controlling interests		108	130
		(155,008)	**16,235**
Total comprehensive (loss)/ income attributable to:			
Owners of the parent		(154,833)	16,211
Non-controlling interests		108	130
		(154,725)	**16,341**
Earnings per share from continuing operations		**Cents**	**Cents**
Basic (Loss)/earnings per share (cents per share)		(46.07)	5.17
Diluted (Loss)/earnings per share (cents per share)		(46.07)	5.17

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 Dec 2014 $000	30 June 2014 $000
ASSETS			
Current Assets			
Cash and cash equivalents		37,483	46,403
Trade and other receivables		64,872	81,778
Work in progress		18,010	16,932
Other assets		3,049	2,836
Current tax assets		262	506
Total Current Assets		**123,676**	**148,455**
Non-Current Assets			
Other receivables		212	180
Property, plant and equipment	6	22,736	29,207
Goodwill	7	77,709	179,624
Other intangible assets	7	15,173	19,344
Investments		2,051	300
Deferred tax assets		33,812	13,848
Total Non-Current Assets		**151,693**	**242,503**
TOTAL ASSETS		**275,369**	**390,958**
LIABILITIES			
Current Liabilities			
Trade and other payables		64,426	72,754
Bank borrowings	8	528	17,431
Deferred acquisition consideration	8	2,768	1,848
Derivative financial instruments		491	683
Provisions		42,362	20,716
Total Current Liabilities		**110,575**	**113,432**
Non-Current Liabilities			
Bank borrowings	8	25,530	26,177
Deferred acquisition consideration	8	-	929
Deferred tax liabilities		7,620	10,128
Provisions		54,734	8,136
Total Non-Current Liabilities		**87,884**	**45,370**
TOTAL LIABILITIES		**198,459**	**158,802**
NET ASSETS		**76,910**	**232,156**
EQUITY			
Issued capital	9	151,162	143,388
Reserves		3,776	3,278
Retained earnings		(78,209)	85,310
Equity attributable to owners of the Parent		76,729	231,976
Non-controlling interests		181	180
TOTAL EQUITY		**76,910**	**232,156**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the parent							
	Ordinary Shares $000	**Retained earnings $000**	**Foreign Currency Translation Reserve $000**	**Contribution by equity participants reserve $000**	**Share based payments reserve $000**	**Revaluation reserve $000**	**Non-controlling interests $000**	**Total $000**
Balance at 1 July 2013	**130,234**	**77,901**	**250**	**948**	**1,773**	**-**	**945**	**212,051**
Profit for the period	-	16,105	-	-	-	-	130	16,235
Other comprehensive income	-	-	106	-	-		-	106
Total comprehensive income for the period	-	16,105	106	-	-	-	130	16,341
Issue of share capital	4,369	-	-	-	-	-	-	4,369
Dividend paid	-	(5,533)	-	-	-	-	(217)	(5,750)
Share based payment transactions	-	-	-	-	206	-	-	206
Subtotal	4,369	(5,533)	-	-	206	-	(217)	(1,175)
Balance at 31 December 2013	**134,603**	**88,473**	**356**	**948**	**1,979**	**-**	**858**	**227,217**
Balance at 1 July 2014	**143,388**	**85,310**	**319**	**948**	**2,011**	**-**	**180**	**232,156**
(Loss)/Profit for the period	-	(155,116)	-	-	-	-	108	(155,008)
Other comprehensive income	-	-	201	-	-	82	-	283
Total comprehensive income for the period	-	(155,116)	201	-	-	82	108	(154,725)
Issue of share capital	7,774	-	-	-	-	-	-	7,774
Dividend paid	-	(8,403)	-	-	-	-	(107)	(8,510)
Share based payment transactions	-	-	-	-	215	-	-	215
Subtotal	7,774	(8,403)	-	-	215	-	(107)	(521)
Balance at 31 December 2014	**151,162**	**(78,209)**	**520**	**948**	**2,226**	**82**	**181**	**76,910**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 Dec 2014 $000	31 Dec 2013 $000
Cash flows from operating activities			
Receipts from customers		336,921	456,507
Payments to suppliers and employees		(330,262)	(406,115)
Interest paid		(2,459)	(2,497)
Income tax refund		14,988	1,406
Net cash provided by operating activities		19,188	49,301
Cash flows from investing activities			
Payment for business combinations, net of cash received	10	(1,425)	(1,923)
Payment of deferred acquisition consideration		(170)	(20,250)
Payment for Investments		(1,667)	-
Repayment of loans from related parties		-	529
Interest received		312	338
Purchase of property, plant, equipment and software		(5,613)	(3,276)
Proceeds from sale of property, plant, equipment and software		213	301
Net cash used in investing activities		(8,350)	(24,281)
Cash flows from financing activities			
Repayment of borrowings		(18,014)	(23,582)
Dividend paid		(1,744)	(1,381)
Net cash used in financing activities		(19,758)	(24,963)
Net (decrease)/increase in cash and cash equivalents		(8,920)	57
Cash and cash equivalents at beginning of period		46,403	50,215
Cash and cash equivalents at the end of the period		**37,483**	**50,272**

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. Summary of Significant Accounting Policies

Statement of compliance
The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include all of the notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation
The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Calibre Group Limited (The Company) is a company of the kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

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

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:
- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting '
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
    - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
    - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'
    - Part C: 'Materiality'
- Interpretation 21 'Levies'

Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
The Group has applied the amendments to AASB 10, AASB 12 and AASB 127 for the first time in the current year. The amendments to AASB 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to AASB 12 and AASB 127 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in AASB 10 as at 1 January 2014), the application of the amendments does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Group has applied the amendments to AASB 136 for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.

The application of these amendments does not have any material impact on the disclosures in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'

The Annual Improvements 2010-2012 Cycle include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The 'Annual Improvements 2011-2013 Cycle' include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:
(a) the property meets the definition of investment property in terms of AASB 140; and
(b) the transaction meets the definition of a business combination under AASB 3.

Part B – 'Materiality'
This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard.

The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements

2. Segment Information

The Group's operating segments are based on the information that is available to the chief operating decision maker and the Board of Directors. Segment results are reviewed regularly by the chief operating decision maker and the Board of Directors.

The segment results and segment assets include all items directly attributable to each of the segments and any transaction, asset or liability that can be allocated on a reasonable basis. Unallocated items comprise predominantly of expenses that are not specific to the performance of an individual operating segment.

All intercompany and related transactions are made at arm's length at what is considered by management to be commercial rates.

The following are the reportable segments:

Infrastructure

This segment provides construction, operations maintenance and asset management services to the resources, energy and infrastructure sectors.

Resources

This segment provides an engineering, project delivery and asset management services to the minerals & metals, coal and energy, rail transportation and infrastructure sectors.

Consulting

This segment consists of services to specialist urban development, civil, structural and environmental engineering consultancy to the public and private infrastructure sectors.

The following items and associated assets and liabilities are not allocated to the operating segments as they are not considered part of the core operations:

- Restructuring and impairment expenses;
- Interest income and expenses;
- Amortisation of intangible assets;

Following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

Reportable Segment Revenues and Results	Segment Revenue		Segment Profit (Loss)	
	31 Dec 2014 $000	31 Dec 2013 $000	31 Dec 2014 $000	31 Dec 2013 $000
Resources	107,174	177,178	8,331	13,127
Consulting	43,508	29,686	2,344	1,990
Infrastructure	144,314	172,262	2,977	8,944
Other	58	(815)	(1,074)	(1,334)
Segment revenue and results for the period	295,054	378,311	12,578	22,727
Restructuring and impairment expenses			(186,948)	-
Other gains			1,048	766
Amortisation of intangible assets			(5,723)	(7,276)
Interest income			312	270
Interest expense			(2,212)	(3,285)
Profit before tax for the year			(180,945)	13,202

Segment Assets	31 Dec 2014 $000	30June 2014 $000
Resources	106,187	176,070
Consulting	37,653	40,404
Infrastructure	74,460	72,432
Other	57,069	102,052
Consolidated total assets	275,369	390,958

3. Expenses

Profit(Loss) before tax includes the following specific expenses:	**31 Dec 2014 $000**	**31 Dec 2013 $000**
Depreciation and amortisation		
Depreciation and software amortisation	5,511	5,972
Amortisation of customer relationship intangible assets	5,723	7,276
	11,234	**13,248**
Restructuring and impairment expenses		
Impairment of goodwill and intangible assets	103,554	-
Onerous lease provision	59,606	-
Impairment of other assets	19,740	-
Restructuring expense	4,048	
	186,948	**-**

Impairment of goodwill and intangible assets
During the period, Calibre undertook a review of its resources business in response to further deterioration in outlook in the resources sector in Western Australia and its Infrastructure business due to further moderation in the coal sector in Queensland. As part of this review, Calibre identified indicators of impairment in the Resources and infrastructure segments. As such, the Company assessed the recoverable value of the cash generating units (CGUs) within these businesses based on the value in use model. This review led to the recognition of an impairment loss of $103.6m, which has been recognised in profit or loss. The pre-tax discount rate used in measuring value in use was 15.9% per annum.

Onerous lease provision
Group also recognised an onerous lease provision of $59.6m in response to excess capacity in its premises created due to downturn in mining and coal sector. This provision was recognised in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

4. Income Tax

The income tax benefit for the period can be reconciled to the accounting profit as follows:

	31 Dec 2014 $000	**31 Dec 2013 $000**
(Loss)/Profit before income tax for the period	(180,945)	13,202
Income tax expense calculated at rate of 30% (2013: 30%)	54,284	(3,961)
Effect of research and development expenditure in relation to prior years	2,581	7,028
Impairment of goodwill	(30,816)	-
Other	(112)	(34)
Income tax benefit recognised in profit or loss	**25,937**	**3,033**

5. Dividends

On 1 October 2014, the Company declared and paid fully franked final dividend of $8.3m (2.5 cents per shares) to its members. The Company's dividend reinvestment plan was in operation for this dividend. No dividend has been declared in respect of 2015 half year. On 19 February 2014, the company announced on market share buyback ("buy back") of up to 7 million shares as part of its capital management strategy.

6. Property, Plant & Equipment

	Plant & Equipment $000	Computer Hardware $000	Motor vehicles $000	Leasehold improvements $000	Assets under construction $000	Total $000
Balance at 1 July 2013	**15,857**	**3,002**	**7,872**	**6,364**	**2,079**	**35,174**
Additions	1,463	2,013	591	703	(802)	3,968
Disposals	(217)	(240)	(353)	(55)	-	(865)
Acquisitions through business combinations	449	129	283	267	-	1,128
Depreciation expense	(3,981)	(2,019)	(1,937)	(2,300)	-	(10,237)
Effect of foreign exchange differences	17	4	10	8	-	39
Balance at 30 June 2014	**13,588**	**2,889**	**6,466**	**4,987**	**1,277**	**29,207**
Cost	34,129	17,296	11,519	11,392	1,277	75,613
Accumulated depreciation	(20,541)	(14,407)	(5,053)	(6,405)	-	(46,406)
Net carrying amount	**13,588**	**2,889**	**6,466**	**4,987**	**1,277**	**29,207**
Balance at 1 July 2014	**13,588**	**2,889**	**6,466**	**4,987**	**1,277**	**29,207**
Additions	611	1,157	77	217	1,428	3,490
Disposals	(130)	-	(72)	-	-	(202)
Acquisitions through business combinations	166	37	137	100	-	440
Impairment expense	(922)	(63)	(596)	(1,996)	(2,147)	(5,724)
Depreciation expense	(1,913)	(1,026)	(1,034)	(571)	-	(4,544)
Effect of foreign exchange differences	37	23	12	(2)	(1)	69
Balance at 31 December 2014	**11,437**	**3,017**	**4,990**	**2,735**	**557**	**22,736**
Cost	32,597	14,285	9,843	7,501	557	64,783
Accumulated depreciation	(21,160)	(11,268)	(4,853)	(4,766)	-	(42,047)
Net carrying amount	**11,437**	**3,017**	**4,990**	**2,735**	**557**	**22,736**

7. Intangible Assets and Goodwill

	Software $000	Licenses $000	Customer Relationship $000	Goodwill $000	Total $000
Balance at 1 July 2013	**7,093**	**81**	**23,682**	**177,559**	**208,415**
Additions	4,416	-	-	-	4,416
Disposals	-	-	-	-	-
Acquisitions through business combinations	-	-	1,665	2,065	3,730
Amortisation expense	(3,061)	-	(14,532)	-	(17,593)
Balance at 30 June 2014	**8,448**	**81**	**10,815**	**179,624**	**198,968**
Cost	18,400	81	81,616	179,624	279,721
Accumulated amortisation	(9,952)	-	(70,801)	-	(80,753)
Net carrying amount	**8,448**	**81**	**10,815**	**179,624**	**198,968**
Balance at 1 July 2014	**8,448**	**81**	**10,815**	**179,624**	**198,968**
Additions	1,122	99	-	-	1,221
Disposals	-	-	-	-	-
Acquisitions through business combinations	-	-	2,610	807	3,417
Impairment	(481)	-	(833)	(102,722)	(104,036)
Amortisation expense	(965)	-	(5,723)	-	(6,688)
Balance at 31 December 2014	**8,124**	**180**	**6,869**	**77,709**	**92,882**
Cost	17,326	180	84,226	77,709	179,441
Accumulated amortisation	(9,202)	-	(77,357)	-	(86,559)
Net carrying amount	**8,124**	**180**	**6,869**	**77,709**	**92,882**

8. Borrowings

	31 Dec 2014 $000	30 June 2014 $000
Unsecured - at amortised cost		
Deferred acquisition consideration (i)	2,768	2,777
Secured - at amortised cost		
Bank loans	25,000	42,315
Finance leases and hire purchase liabilities	1,058	1,293
	26,058	43,608
Total borrowings	**28,826**	**46,385**
Current		
Deferred acquisition consideration	2,768	1,848
Bank borrowings	-	16,926
Finance leases and hire purchase liabilities	528	505
Total bank borrowings	528	17,431
Non-current		
Deferred acquisition consideration	-	929
Bank borrowings	25,000	25,389
Finance leases and hire purchase liabilities	530	788
Total bank borrowings	25,530	26,177

(i) Deferred acquisition consideration movements:	31 Dec 2014 $000	30 June 2013 $000
Balance at 01 July 2014	2,777	20,192
Additional deferred consideration from acquisitions	984	3,170
Finance costs	33	211
Payments	(170)	(20,250)
Change in fair value of deferred consideration	(856)	(546)
Balances at 31 December 2014	2,768	2,777

Financing facilities available

At the reporting date, the following financing facilities had been negotiated and were available:

	31 Dec 2014 $000	30 June 2013 $000
Acquisition facility	125,000	42,314
Working capital facility	20,000	30,000
Bank guarantee facility	55,000	65,000
Assets finance facility	-	15,000
Total facilities	**200,000**	**152,314**
Acquisition facility	(25,000)	(42,315)
Bank Guarantee facility	(38,690)	(42,476)
Facilities used at reporting date	**(63,690)**	**(84,791)**
Facilities unused at reporting date	**136,310**	**67,523**

9. Issued capital

	31 Dec 2014 $000	30 June 2014 $000
349,047,749 fully paid ordinary shares (June 2014: 331,463,407)	151,162	143,388

	Number of Shares	Share capital $000
Fully paid ordinary shares		
Balance at 1 July 2013	**307,378,401**	**130,234**
Issue of shares	25,619,546	13,254
Treasury shares	(1,534,540)	(100)
Balance at 30 June 2014	**331,463,407**	**143,388**
Issue of shares[1]	17,584,342	7,774
Balance at 31 December 2014	**349,047,749**	**151,162**

[1] These shares were issued as part of Dividend Reinvestment Plan and as part of acquisition of Ark Maintenance.

10. Business combinations

Businesses acquired **31 December 2014**	**Principal activity**	**Date of acquisition**	**Proportion of shares acquired**	**Consideration transferred**
				$000
Ark Maintenance (Ark)*	Engineering and Mining Services	July 14	N/A	3,509
				3,509

These companies were acquired as part of the Group's growth strategy.

*Acquisition was made by purchasing the assets and liabilities of the business.

Consideration transferred
31 December 2014

	$000
Cash	1,425
Issue of shares	1,100
Contingent consideration arrangement (i)	984
Total	3,509

(i) These payments are payable if certain acquisition metrics are met. Based on the past history the Directors consider it probable that these payments will be paid.

Assets acquired and liabilities assumed at the date of acquisition
31 December 2014

	$000
Other current assets	524
Property, plant and equipment	440
Fair value of identifiable intangible assets acquired (customer relationship)	2,610
Other non current assets	37
Trade and other payables	(126)
Deferred tax liability	(783)
	2,702

The initial accounting for the acquisitions has only been provisionally determined at the end of the reporting period. For tax purposes, the tax values of the assets of the businesses acquired are required to be reset based on the market values of the assets. At the date of finalisation of these consolidated half year financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate of the likely tax values.

Goodwill arising on acquisition

31 December 2014	**$000**
Consideration transferred	3,509
Less: Fair value of identifiable net assets acquired	(2,702)
Goodwill arising on acquisition	807

Goodwill arising on acquisition in the period comprises the value of expected in-sourced specialist capabilities and new market opportunities.

Net cash outflow on acquisition of subsidiaries	**$000**
Consideration paid in cash	1,425
Less: cash and cash equivalent balances acquired	-
	1,425

11. Key Management Personnel

Remuneration arrangements of key management personnel (KMP) are disclosed in the annual financial report for the year ended 30 June 2014.

During the period, the Company adopted an employee share plan known as the Calibre Group Limited Employee Equity Investment plan (EEIP). Awards under the EEIP are an economic equivalent to an award of options.

Under the EEIP, participants are invited by the Board to purchase a specified number of loan-funded shares at market value, which are held in trust for a period of between three and seven years. At the end of three years, to the extent that the Company has achieved financial performance and /or share price hurdles determined by the Board of Directors, shares will vest and participants will be permitted to "exercise" and receive shares by repaying the loan amount covering vested shares. To the extent that performance is not achieved, loan-funded shares are forfeited and the loan value reduced. A participant may exercise at any time from vesting (end of Year 3) until the end of Year 7, at which time the loan-funded shares will lapse.

Whilst the market value of loan funded shares at purchase date is disclosed as long term incentive remuneration, the actual value received by a participant will be any gain on the shares from date of purchase to the date of repayment of the loan. Any gain will ultimately be funded by the market, not the Company. Details of loan-funded share purchases made by key management personnel on 27 November 2014 are:

Name	No of share granted	Value of loan $	Vesting conditions
Peter Reichler	2,500,000	880,000	These shares vest if the Company satisfies financial performance and / or share price hurdles, and KMP are continuously employed by the Company for the performance period of 3 years.
Peter Massey	1,634,573	575,370	
Gary Spence	1,634,573	575,370	
Michael Crowe	1,634,573	575,370	
Derek Brown	1,634,573	575,370	

The loans will be repaid after the conclusion of the performance period to the extent that performance conditions are achieved, so consideration will be received by the company on exercise. Therefore loan-funded shares are treated as in-substance options for accounting purposes. Accordingly, the loans to participants are treated as off balance sheet transactions. The AASB 2 fair value of the option was calculated using Monte Carlo and Black-Scholes modelling. For expensing purposes, a fair value of 9.14 cents per share was calculated, assuming 50% vesting of awards. The following inputs were used in the calculation:

Valuation date (equal to grant date under AASB 2)	27 November 2014
Vesting date	27 November 2017
Expire date	27 November 2021
Share price at valuation date	$0.345
Expected dividend yield	11.6% p.a.
Risk free rate of interest	2.80% p.a.
Company share price volatility	50% p.a.
Rate of leaving service	n/a*

*participants of the plan must remain actively employed by the Company throughout the measurement period in order to be eligible for their shares at the vesting date.

12. Events after balance sheet date

No matters or events have arisen since the end of the financial period which have 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 periods.

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Independent Auditor's Review Report to the members of Calibre Group Limited

We have reviewed the accompanying half-year financial report of Calibre Group Limited which comprises the condensed consolidated statement of financial position as at 31 December 2014, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed 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 the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 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 Calibre Group Limited's financial position as at 31 December 2014 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 Calibre 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.

Deloitte.

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

(a) giving a true and fair view of the company's financial position as at 31 December 2014 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

Darren Hall
Partner
Chartered Accountants
Perth, 19 February 2015