

## Appendix 4D

### Half-year Report to the Australian Stock Exchange

Name of Entity	ASG Group Ltd
ABN	57 070 045 117
Half-year Ended	31 December 2015
Previous Corresponding Reporting Period	31 December 2014

#### Results for Announcement to the Market

		Increase/(decrease) over previous corresponding period	
	\$'000	\$'000	%
Revenue from continuing activities	88,182	10,031	12.84
Profit/(loss) from ordinary activities after tax attributable to members	5,556	(162)	(2.83)
Net profit/(loss) for the period attributable to members	5,556	(162)	(2.83)
<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>	
Final Dividend	Nil	N/A	
Interim Dividend (paid)	Nil	N/A	
Record date for determining entitlements to the dividends (if any)	N/A		
Total issued and paid up ordinary shares	204,636,076		
<b>Brief explanation of any of the figures reported above necessary to enable the figures to be understood:</b>			
For explanation see Announcement text and Commentary on results			

#### Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

**NTA Backing**

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	5.85 cents	2.59 cents

**Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position**

See Commentary on results

**Commentary on the Results for the Period**


Refer attached Company Announcement H1 FY2016 Results

**Audit/Review Status**

<b>This report is based on accounts to which one of the following applies: (Tick one)</b>			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
<b>If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:</b>			

**Attachments Forming Part of Appendix 4D**

1	Half-year Financial Report
2	Review Report

<b>Signed By Director</b>	
<b>Print Name</b>	Mr Geoff Lewis
<b>Date</b>	16 February 2016



Aspire. Enable. Achieve.

# HALF-YEAR REPORT

31 DECEMBER 2015

**ASG GROUP LTD**

ABN 57 070 045 117

AND CONTROLLED ENTITIES

[ASGGROUP.COM.AU](http://ASGGROUP.COM.AU)

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*This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by ASG Group Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.*

## Company Directory

31 December 2015

### COMPANY DIRECTORY

#### Directors

Ian Campbell	Independent Non-Executive Chairman
Geoffrey Lewis	Managing Director/CEO
Grant Pestell	Independent Non-Executive Director
Stephen Johnston	Independent Non-Executive Director

#### Key Management

Geoffrey Lewis	Managing Director/CEO
Dean Langenbach	Chief Operating Officer/ Chief Financial Officer
Gerald Strautins	Executive – Strategy
Peter Torre	Company Secretary

#### Registered Office

Level 9, 167 St Georges Tce  
PERTH WA 6000  
Telephone: +61 (0) 8 9420 5420  
Facsimile: +61 (0) 8 9420 5422

#### Web Site

[www.asggroup.com.au](http://www.asggroup.com.au)

#### Auditors

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

#### Solicitors

Murcia Pestell Hillard  
Level 3, 23 Barrack St  
PERTH WA 6000

#### Share Registry

Link Market Services Limited  
Central Park, Level 4, 152 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 554 474  
Email: [info@linkmarketservices.com.au](mailto:info@linkmarketservices.com.au)

#### Stock Exchange Listings

Australian Stock Exchange

#### ASX: ASZ

## Directors' Report

For the half-year ended 31 December 2015

### **DIRECTORS' REPORT**

The Directors present their financial report of the consolidated entity, "the Company", being the Company and its controlled entities, for the half-year ended 31 December 2015 and the auditors' report thereon.

#### ***DIRECTORS***

The Directors of the Company at any time up to the date of the report are:

Geoffrey Lewis  
Grant Pestell  
Ian Campbell  
Stephen Johnston

#### ***COMPANY SECRETARY***

Peter Torre

#### ***PRINCIPAL ACTIVITIES***

The principal activities of the consolidated entity during the year were the provision of information technology services.

#### ***REVIEW OF OPERATIONS***

A review of the operations of the consolidated group during the financial period is set out in the presentation and announcement attached to the Appending 4D (half-year report to the Australian stock exchange).

#### ***AUDITOR'S INDEPENDENCE DECLARATION***

The Auditor's Independence Declaration on page 7 forms part of the Director's Report for the half-year ended 31 December 2015.

#### ***ROUNDING OF AMOUNTS***

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

#### ***SUBSEQUENT EVENTS***

No subsequent events have occurred.

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



Geoff Lewis  
Managing Director/Chief Executive Officer  
Perth  
Dated: 16 February 2016

## DECLARATION OF INDEPENDENCE BY IAN SKELTON TO THE DIRECTORS OF ASG GROUP LIMITED

As lead auditor for the review of ASG Group Limited for the half-year ended 31 December 2015, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Ian Skelton  
Director

BDO Audit (WA) Pty Ltd  
Perth, 16 February 2016

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2015

### FINANCIAL STATEMENTS

#### Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Half-year 2015	Half-year 2014
		A\$'000	A\$'000
Revenue from continuing operations	3	88,182	78,151
Interest revenue		2	80
Other income	3	(33)	1,923
<b>Total Revenue</b>		<b>88,151</b>	<b>80,154</b>
<b>Less Expenses</b>			
Change in inventories of finished goods and work in progress		1,869	152
Raw materials and consumables used		(9,477)	(6,139)
Employee benefits expense		(58,772)	(54,045)
Share based payments	6	(341)	(130)
Depreciation and amortisation		(4,341)	(3,361)
Finance costs		(720)	(1,483)
Operating lease payments		(474)	(649)
Operating expenses		(8,295)	(8,213)
<b>Total Expenses</b>		<b>(80,551)</b>	<b>(73,868)</b>
<b>Profit/(Loss) before income tax</b>		<b>7,600</b>	<b>6,286</b>
Income tax (expense)/benefit	3	(2,044)	(568)
<b>Profit/(Loss) for the half-year attributable to members of ASG Group Ltd</b>		<b>5,556</b>	<b>5,718</b>
<b>Total Comprehensive Income/(Loss) for the half-year, net of tax attributable to members of ASG Group Limited</b>		<b>5,556</b>	<b>5,718</b>
Basic earnings/(loss) per share (cents)		2.70	2.77
Diluted earnings per share (cents)		2.65	2.75

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



## Consolidated Statement of Financial Position

As at 31 December 2015

### Consolidated Statement of Financial Position

	Notes	31 December 2015 A\$'000	30 June 2015 A\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		7,071	13,846
Trade and other receivables		34,172	31,014
Work in progress		2,687	817
Prepayments		1,624	1,126
<b>Total current assets</b>		<b>45,554</b>	<b>46,803</b>
<b>Non-current assets</b>			
Trade and other receivables		2,369	2,190
Property, plant and equipment	4	21,787	20,417
Deferred tax assets		11,997	13,278
Intangible assets	5	95,066	94,440
<b>Total non-current assets</b>		<b>131,219</b>	<b>130,325</b>
<b>Total assets</b>		<b>176,773</b>	<b>177,128</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		29,699	30,319
Borrowings		5,744	5,902
Provisions		6,194	6,446
Current tax liability		-	2,219
Unearned revenue		-	245
<b>Total current liabilities</b>		<b>41,637</b>	<b>45,131</b>
<b>Non-current liabilities</b>			
Trade and other payables		1,245	1,309
Borrowings		17,864	19,296
Provisions		460	402
Deferred Tax Liabilities		8,398	7,670
<b>Total non-current liabilities</b>		<b>27,967</b>	<b>28,677</b>
<b>Total liabilities</b>		<b>69,604</b>	<b>73,808</b>
<b>Net assets</b>		<b>107,169</b>	<b>103,320</b>
<b>EQUITY</b>			
Contributed equity	7	117,986	120,034
Reserves		2,067	1,726
Accumulated losses		(12,884)	(18,440)
<b>Total equity</b>		<b>107,169</b>	<b>103,320</b>

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

## Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2015

### Consolidated Statement of Changes in Equity

	Contributed Equity	Retained Earnings	Share Based Payment Reserve	Other Reserves	Total Equity
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
<b>Balance at 1 July 2014</b>	<b>120,087</b>	<b>(27,979)</b>	<b>1,182</b>	<b>167</b>	<b>93,457</b>
Profit for the half-year	-	5,718	-	-	5,718
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>5,718</b>	<b>-</b>	<b>-</b>	<b>5,718</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs	(37)	-	-	-	(37)
Share based payments	-	-	130	-	130
<b>Balance at 31 December 2014</b>	<b>120,050</b>	<b>(22,261)</b>	<b>1,312</b>	<b>167</b>	<b>99,268</b>
<b>Balance at 1 July 2015</b>	<b>120,034</b>	<b>(18,440)</b>	<b>1,559</b>	<b>167</b>	<b>103,320</b>
Profit for the half-year	-	5,556	-	-	5,556
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>5,556</b>	<b>-</b>	<b>-</b>	<b>5,556</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs	(17)	-	-	-	(17)
Share buy-back	(2,031)	-	-	-	(2,031)
Share based payments	-	-	341	-	341
<b>Balance at 31 December 2015</b>	<b>117,986</b>	<b>(12,884)</b>	<b>1,900</b>	<b>167</b>	<b>107,169</b>

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

## Consolidated Statement of Cash Flows

For the half-year ended 31 December 2015

### Consolidated Statement of Cash Flows

	Notes	Half-year 2015	Half-year 2014
		A\$'000	A\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		93,326	71,654
Cash payments in the course of operations		(87,212)	(74,842)
Interest received		2	80
Finance expenses		(720)	(930)
Income taxes (paid)/refunded		(2,219)	(1,859)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>3,177</b>	<b>(5,897)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment	4	(2,303)	(376)
Proceeds from disposal of property, plant and equipment		-	10,710
Payments for software	5	(2,097)	(2,543)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(4,400)</b>	<b>7,791</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	3,000
Repayment of borrowings		(2,000)	(12,750)
Finance lease payments		(1,526)	(1,206)
Proceeds from issues of shares		5	-
Share Buy Back		(2,031)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(5,552)</b>	<b>(10,956)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(6,775)</b>	<b>(9,062)</b>
Cash and cash equivalents at beginning of reporting period		13,846	16,123
Cash and cash equivalents at end of reporting period		7,071	7,061

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

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2015

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1 Summary of significant accounting policies

This consolidated interim financial report for the half-year reporting period ended 31 December 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcement made by ASG Group Ltd "the Group" or "the Company" during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

There were no new standards issued since 30 June 2015 that have been applied by ASG Group Limited. The 30 June 2015 annual report disclosed that ASG Group Limited anticipated no new material impacts arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as a 31 December 2015.

#### 2 Segment Information

Management has determined the Group has one operating segment based on the reports reviewed by the executive group and used to make strategic decisions.

Strategic decisions at the executive level are made on human resources and resourcing, strategic business development opportunities, customer and project management, treasury and finance and capital expenditure. These strategic decisions are made by the executive group and the interests of the Group are taken into consideration. It is the view of management that ASG only operates within one operating segment, that being information technology solutions. ASG operates in Australia with an immaterial amount of revenue being attributable outside of Australia providing information technology services. ASG offers solutions to its customers' needs and works with key partners such as Oracle, SAP, and Microsoft to offer a range of software solutions.

#### 3 Profit and loss information

	Half-year	
	2015	2014
	A\$'000	A\$'000
<b>Revenue from continuing operations</b>		
Sale of goods	8,292	6,372
Rendering of service	79,890	71,779
<b>Total</b>	<b>88,182</b>	<b>78,151</b>
<b>Other Income</b>		
Gain/(Loss) on sale of Data Centre	(92)	1,006
Research and development claim	59	917
<b>Total</b>	<b>(33)</b>	<b>1,923</b>

#### Sale of Data Centre

During the period, the Group received a deferred vendor payment of \$537,748 in relation to the sale of its data centre which was sold in August 2014. As this amount was \$92,238 less than the amount expected to be received at 30<sup>th</sup> June 2015 (\$629,987), a loss has been recognised in the profit and loss during the period.

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2015

### 3 Profit and loss information (continued)

#### Research and development claim

In the prior period, the Group recognised the benefit from a Research and Development claim of \$916,582. The Group's underlying research and development activity is the "Development of ASG's fully automated Service Management as a Service (SMaaS) solution for a multi-tenanted, multi-vendor environment". This government grant was recognised as an increase in deferred tax asset.

The benefit from the Research and Development claim amount recognised in the period to 31 December 2014 relates to expenditure incurred in the 2014 financial year, the Research and Development claim recognised in the period to 31 December 2015 relates to expenditure incurred in the 2015 financial year, however the majority of the Research and Development claim benefit in relation to the expenditure incurred in the 2015 financial year was recognised in the full year to 30 June 2015.

#### Income tax expense

The effective tax rate for the period to 31 December 2015 is 26.89%, this is higher than the effective tax rate for the comparative period of 9.04%. The effective tax rate in the year to 31 December 2014 was lower due to the recognition of a deferred tax asset on the portion of the franking deficit that the Commissioner confirmed will not attract the 30% reduction penalty.

### 4 Non-Current Assets – Property, plant and equipment

	Leasehold Improvement A\$'000	Plant and Equipment A\$'000	Leased Plant and Equipment A\$'000	Motor Vehicles A\$'000	Total A\$'000
<b>As at 30 June 2015</b>					
Cost	4,791	20,404	13,190	1,383	<b>39,768</b>
Accumulated depreciation	(1,973)	(9,433)	(7,380)	(565)	<b>(19,351)</b>
<b>Closing net book amount</b>	<b>2,818</b>	<b>10,971</b>	<b>5,810</b>	<b>818</b>	<b>20,417</b>
<b>Half-year ended 31 December 2015</b>					
Opening book amount	2,818	10,971	5,810	818	<b>20,417</b>
Additions	622	1,681	1,936	-	<b>4,239</b>
Depreciation charge	(377)	(1,381)	(1,021)	(90)	<b>(2,869)</b>
<b>Closing net book amount</b>	<b>3,063</b>	<b>11,271</b>	<b>6,725</b>	<b>728</b>	<b>21,787</b>
<b>As at 31 December 2015</b>					
Cost	5,413	22,085	15,126	1,383	<b>44,007</b>
Accumulated depreciation	(2,350)	(10,814)	(8,401)	(655)	<b>(22,220)</b>
<b>Net book amount</b>	<b>3,063</b>	<b>11,271</b>	<b>6,725</b>	<b>728</b>	<b>21,787</b>

Property, plant and equipment include additions acquired through use of cash of \$2,302,745 and through finance leases of \$1,936,477, together totalling \$4,239,222.

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2015

### 5 Non-Current Assets – Intangibles

	Development Costs A\$'000	Goodwill A\$'000	Software A\$'000	Customer List A\$'000	Total A\$'000
<b>As at 30 June 2015</b>					
Cost	10,944	102,156	21,506	2,671	137,277
Accumulated amortisation	(14)	(30,965)	(9,704)	(2,154)	(42,837)
<b>Net book amount</b>	<b>10,930</b>	<b>71,191</b>	<b>11,802</b>	<b>517</b>	<b>94,440</b>
<b>Half-year ended 31 December 2015</b>					
Opening net book amount	10,930	71,191	11,802	517	94,440
Net additions	-	-	2,097	-	2,097
Amortisation	-	-	(1,412)	(59)	(1,471)
<b>Closing net book amount</b>	<b>10,930</b>	<b>71,191</b>	<b>12,487</b>	<b>458</b>	<b>95,066</b>
<b>At 31 December 2015</b>					
Cost	10,944	102,156	23,603	2,671	138,357
Accumulated amortisation	(14)	(30,965)	(11,116)	(2,213)	(43,291)
<b>Net book amount</b>	<b>10,930</b>	<b>71,191</b>	<b>12,487</b>	<b>458</b>	<b>95,066</b>

### 6 Share based payments

During the period ended 31 December 2015, 3,000,000 options were issued to senior employees. At grant date, the assessed fair value of the options granted was 8.98c, 19.46c and 21.61c per option.

The exercise price and fair value of options issued in the period were determined in the manner as outlined in note 33 of our 2015 annual financial report. The vesting conditions attached to the options issued in the current period are consistent with the options issued in the 2015 and 2014 financial years. The options were granted for no consideration. Options granted under the plan carry no dividend or voting rights.

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2015

### 6 Share based payments (continued)

The model inputs for options granted during the period ended 31 December 2015 are listed below:

	Options vesting by 30 June 2019
Assessed fair value at grant date:	21.61c
Number of options:	2,000,000
Vesting date:	30 September 2018
Exercise price:	109c
Exercise period:	3 years after vesting
Grant date:	30 September 2015
Expiry date:	30 September 2021
Share price at grant date:	93c
Expected volatility of the company's shares:	35.19%
Expected dividend yield:	2.63%
Risk-free interest rate:	2.10%

Options were issued during the period which had been granted to employees in a prior period.

	Options vesting by 30 June 2017	Options vesting by 30 June 2018
Assessed fair value at grant date:	8.98c	19.46c
Number of options:	500,000	500,000
Vesting date:	14 May 2017	3 November 2017
Exercise price:	44c	91c
Exercise period:	3 years after vesting	3 years after vesting
Grant date:	14 May 2014	3 November 2014
Expiry date:	14 May 2020	3 November 2020
Share price at grant date:	41c	77c
Expected volatility of the company's shares:	36.82%	36.36%
Expected dividend yield:	4.88%	2.60%
Risk-free interest rate:	3.20%	2.85%

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2015

### 6 Share based payments (continued)

The following share based payment arrangements were in existence under the plan at period end:

Grant Date	Expiry Date	Exercise Price	Balance at start of period Number	Granted during the period Number	Exercised during the period Number	Forfeited during the period Number	Balance at end of the period Number	Vested and exercisable at end of the period Number
1/01/2005	31/12/2015	0.52	10,000	-	(10,000)	-	-	-
1/01/2006	31/12/2016	0.87	30,000	-	-	-	30,000	30,000
1/06/2006	30/06/2016	0.79	10,000	-	-	-	10,000	10,000
1/06/2007	30/06/2017	0.79	20,000	-	-	-	20,000	20,000
1/07/2007	30/07/2017	0.79	10,000	-	-	(10,000)	-	-
1/01/2008	30/12/2017	1.19	100,000	-	-	(10,000)	90,000	90,000
1/07/2008	30/06/2017	1.74	60,000	-	-	-	60,000	60,000
31/12/2008	7/10/2017	1.72	20,000	-	-	-	20,000	20,000
31/12/2009	30/12/2018	1.63	50,000	-	-	-	50,000	50,000
30/06/2008	30/06/2019	1.01	90,000	-	-	-	90,000	90,000
30/06/2008	30/06/2019	1.01	10,000	-	-	-	10,000	10,000
1/07/2009	30/06/2019	0.91	60,000	-	-	-	60,000	60,000
1/01/2010	31/12/2019	1.43	90,000	-	-	-	90,000	90,000
30/12/2008	30/12/2019	0.73	60,000	-	-	-	60,000	60,000
26/09/2013	1/08/2019	0.47	1,000,000	-	-	-	1,000,000	-
29/04/2014	29/04/2020	0.44	500,000	-	-	-	500,000	-
29/04/2014	29/04/2020	0.44	3,000,000	-	-	-	3,000,000	-
16/10/2014	29/04/2020	0.87	5,000,000	-	-	-	5,000,000	-
14/05/2014	14/05/2020	0.44	-	500,000	-	-	500,000	-
3/11/2014	3/11/2020	0.91	-	500,000	-	-	500,000	-
30/09/2015	30/09/2021	1.09	-	2,000,000	-	-	2,000,000	-
<b>Total</b>			<b>10,120,000</b>	<b>3,000,000</b>	<b>(10,000)</b>	<b>(20,000)</b>	<b>13,090,000</b>	<b>590,000</b>
<b>Weighted average exercise price</b>			<b>0.70</b>	<b>0.95</b>	<b>0.52</b>	<b>0.99</b>	<b>0.76</b>	<b>1.20</b>

The weighted average share price at the date of exercise of options exercised during the period ended 31 December 2015 was \$1.10 (2014 - \$0, no options exercised in the period). The weighted average remaining contractual life of share options outstanding at the end of the period was 4.45 years (2014 – 5.12 years).



## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2015

### 6 Share based payments (continued)

The following share base payment arrangements were in existence under the plan in the prior comparative period, ending 31 December 2014:

Grant Date	Expiry Date	Exercise Price	Balance at start of period Number	Granted during the period Number	Exercised during the period Number	Forfeited during the period Number	Balance at end of the period Number	Vested and exercisable at end of the period Number
1/01/2004	31/12/2014	0.40	50,000	-	-	(50,000)	-	-
1/01/2005	31/12/2015	0.52	10,000	-	-	-	10,000	10,000
30/06/2005	30/06/2015	0.52	40,000	-	-	-	40,000	40,000
1/01/2006	31/12/2016	0.87	50,000	-	-	-	50,000	50,000
1/06/2006	30/06/2016	0.79	10,000	-	-	-	10,000	10,000
1/06/2007	30/06/2017	0.79	20,000	-	-	-	20,000	20,000
1/07/2007	30/07/2017	0.79	20,000	-	-	-	20,000	20,000
1/01/2008	30/12/2017	1.19	110,000	-	-	-	110,000	110,000
1/07/2008	30/06/2017	1.74	80,000	-	-	-	80,000	80,000
31/12/2008	7/10/2017	1.72	20,000	-	-	-	20,000	20,000
31/12/2009	30/12/2018	1.63	100,000	-	-	-	100,000	100,000
30/06/2008	30/06/2019	1.01	120,000	-	-	-	120,000	120,000
1/07/2009	30/06/2019	0.91	90,000	-	-	-	90,000	90,000
1/01/2010	31/12/2019	1.43	120,000	-	-	-	120,000	120,000
30/12/2008	30/12/2019	0.73	60,000	-	-	-	60,000	60,000
26/09/2013	1/08/2019	0.47	1,000,000	-	-	-	1,000,000	-
29/04/2014	29/04/2020	0.44	500,000	-	-	-	500,000	-
29/04/2014	29/04/2020	0.44	3,000,000	-	-	-	3,000,000	-
16/10/2014	29/04/2020	0.87	-	5,000,000	-	-	5,000,000	-
<b>Total</b>			<b>5,400,000</b>	<b>5,000,000</b>	-	<b>(50,000)</b>	<b>10,350,000</b>	<b>850,000</b>
<b>Weighted average exercise price</b>			<b>0.56</b>	<b>0.87</b>	-	<b>0.40</b>	<b>0.71</b>	<b>1.17</b>

The total option's outstanding at the respective period ends is as follows:

	2015 Options	2014 Options
Options issued under the employee option plan	5,090,000	2,350,000
Executive options	8,000,000	8,000,000
	<b>13,090,000</b>	<b>10,350,000</b>

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2015

### 6 Share based payments (continued)

#### Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of the employee option plan were as follows:

	2015	2014
Executive Options	219	106
Employee Options	122	24
<b>Total</b>	<b>341</b>	<b>130</b>

#### Significant Estimate: Share based payments

The Group grants share based payments to its employees as part of their annual remuneration. The valuation of share based payments is a complex area and the company seeks appropriate external advice. The accounting policy adopted is stated in note 1 (r) of the Group's 2015 Annual Report.

### 7 Equity securities issued

	Half-year 2015		Half-year 2014	
	Shares	A\$	Shares	A\$
<b>Fully paid ordinary shares</b>				
Balance at beginning of financial year	206,760,839	120,034,399	206,720,839	120,086,981
Issues of ordinary shares during the half-year				
- Share buy back	(2,134,763)	(2,030,824)	-	-
- Exercise of options	10,000	5,200	-	-
- Transaction costs/taxation implications	-	(22,646)	-	(36,691)
<b>Balance at the end of half-year</b>	<b>204,636,076</b>	<b>117,986,129</b>	<b>206,720,839</b>	<b>120,050,290</b>

#### Share buy back

On 1 July 2015 ASG Group commenced an on-market share buy-back, to a maximum amount of 20,672,083 shares, being 10% of the smallest number of shares at any time during the 12 months to 30 June 2015. During the period July 2015 to October 2015, the Company acquired 2,134,763 shares, at a weighted average price of 95.13 cents, with prices ranging from 86 cents to 104 cents. Shares which have been bought back have been cancelled. The on-market buy back will continue until 30 June 2016.

### 8 Related party transactions

During the half-year ended 31 December 2015, ASG Group Limited had the following related party transactions:

- Non-executive Director, Mr Grant Pestell is the Managing Director of Murcia Pestell Hillard. Legal services to the value of \$106,277 were received from Murcia Pestell Hillard during the 6 months to 31 December 2015 (31 December 2014: \$84,922). \$80,048 remains unpaid at 31 December 2015 (31 December 2014: \$25,000), in relation to these legal services provided during the period. The transactions between related parties are on normal commercial terms and conditions not more favourable than those available to other parties, unless otherwise stated.

No other related party transactions occurred in the half-year.

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## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2015

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### 9 Deed of cross guarantee

ASG Group Limited and its subsidiaries are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investment Commission. The parties to the deed of cross guarantee are all members of the consolidated Group thereby no further disclosures are required. ASG Group Limited subsidiaries and parent entity financial information is disclosed in the notes of the June 2015 financial statements.

### 10 Events occurring after the reporting period

No subsequent events have occurred.

### 11 Contingencies

The Group's contingencies are represented by:

- Bank guarantees, which are \$3,278,390 at 31 December 2015 (30 June 2015: \$3,119,433).
- Finance Bonds, which are \$500,000 at 31 December 2015 (30 June 2015: \$0). The Group's finance bond facility was first used in the period to 31 December 2015 and the facility has a limit of \$5,000,000, the un-used portion of the facility at 31 December 2015 is therefore \$4,500,000 (30 June 2015: N/A).

## Directors Declaration

31 December 2015

### DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date.
2. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
4. The directors' have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Geoff Lewis  
Managing Director/Chief Executive Officer

Perth  
16 February 2016

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ASG Group Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ASG Group Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other 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 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ASG Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ASG 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 ASG Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Ian Skelton', is written over a faint, stylized 'BDO' logo.

Ian Skelton  
Director

Perth, 16 February 2016