

26 February 2016

ASX Announcement

FY16 First Half Results

H1 Reported Results

- Revenue \$79m.
- EBITDA \$0.9m impacted by a number of integration and contract ramp-up related items as outlined in the company's recent trading update announced on 21 January 2016.
- NPAT \$(3.7)m additionally impacted by a \$2.3m one-off, non-cash fixed assets write-off.
- Subsequent improvement to the balance sheet through reduction of current liabilities as a result of the deferral in payments to the Interger vendors subsequent to period end.
- Reduced run-rate expense by a further \$2m pa as a result of integration activities.
- Integrated multiple sales teams into a single sales organisation across the company to promote sales across Empired's entire services portfolio and increase average deal size.
- Secured \$32m in new strategic annuity based contracts.

H2 Outlook

- Revenue expected to be between \$80m and \$90m.
- On track to deliver EBITDA between 8% and 10% of Revenue.
- Expecting strong operating cash flow including circa \$5m of working capital unwind.
- CAPEX to reduce to under \$2m.
- Strong pipeline of strategic annuity based contracts to be contested.

Commenting on the performance Mr Baskerville said:

"Whilst we are disappointed with first half trading results, they are largely a result of integration related activities."

"As can be seen in our H2 outlook, we are confident in delivering a strong second half trading performance in Revenue, EBITDA and Operating Cash Flow."

"We thank you for your support through this challenging period and look forward to delivering a strong second half result."



For more information please contact:

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About Empired Limited

Empired Limited is a national IT Services Provider with a broad range of capabilities and a reputation for delivering enterprise class IT service and solutions. Established in 1999, Empired is a publicly listed company (ASX: EPD) formed in Western Australia and with offices nationally.

With a team of over 900 people located throughout Australia, New Zealand, North America and Asia, Empired has built a reputation for service excellence and is a leading provider of business technology solutions to both government and private sectors. We work with clients to deliver high quality solutions to meet their business requirements.

Empired operates through three interactive business streams, Business & Productivity Solutions, Application & Consulting Services and Infrastructure Services. Together they provide a breadth of service and expertise not seen in other consultancies bringing together a range of services to provide 'end-to-end' advice and solutions.

Our flexible service delivery approach and “can do” attitude has enabled Empired to secure clients that range from medium size entities through to large enterprise accounts with services delivered across Australia, South East Asia and beyond.

Website: www.empired.com

Important notice re forward looking statements

Certain statements made in this communication, may contain or comprise certain forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, and business and operational risk management. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Appendix 4D

Interim Financial Report 31 December 2015

Reporting Period: Half year ended 31 December 2015
 Previous Corresponding Period: Half year ended 31 December 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Results		<u>Change from 31 Dec 2014 (\$)</u>	<u>Change from 31 Dec 2014 (%)</u>	<u>31 Dec 2015 (\$)</u>
Total revenue	Up	28,090,906	56%	78,548,872
Profit before Interest, Tax, Depreciation and Amortisation (EBITDA)	Down	2,714,938	77%	873,589
Net profit for the period attributable to members (NPAT)	Down	4,854,109	422%	(3,702,662)

Net tangible asset backing per ordinary share	31 Dec 2015	31 Dec 2014
Net tangible asset backing per ordinary share	0.86 cents	0.17 cents

Dividends	Amount per security	Franked amount
Interim dividend FY16	-	-
Final dividend FY15	-	-

Details of entities over which control has been gained or lost during the period:

Not applicable.

Details of individual and total dividends and payment dates:

Please refer to Results for Announcement to Market above.

Details of dividend reinvestment plan:

Not applicable.

Details of associates and joint venture entities:

Intergen X4 Holdings Limited (50%).

For foreign entities, accounting standards used in compiling the report:

Not applicable.

Description of any modified opinion, emphasis of matter or other matter paragraph contained in the independent auditor's review report:

Not applicable. The independent auditor's review report is attached to the Interim Financial Report. The independent auditor's review report does not contain any modified opinion, emphasis of matter, or matter paragraph.



EMPIRED LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report

For the half-year ended 31 December 2015

Contents

CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CASH FLOWS	8
STATEMENT OF CHANGES IN EQUITY	9
NOTES TO THE FINANCIAL STATEMENTS:	10
1 GENERAL INFORMATION AND BASIS OF PREPARATION	10
2 SIGNIFICANT ACCOUNTING POLICIES	10
3 ESTIMATES	10
4 SEGMENT REPORTING	11
5 REVENUES	12
6 ADMINISTRATION EXPENSES	12
7 CASH AND CASH EQUIVALENTS	12
8 OTHER CURRENT AND NON-CURRENT ASSETS	13
9 RESERVES	13
10 INTANGIBLE ASSETS	14
11 CONTINGENT LIABILITIES	15
12 SUBSEQUENT EVENTS	16
DIRECTORS' DECLARATION	17
AUDITOR'S INDEPENDENCE DECLARATION	18
INDEPENDENT REVIEW REPORT	19

Corporate Directory

Directors

Mel Ashton (Non-Executive Chairman)
Richard Bevan (Non-Executive Director)
John Bardwell (Non-Executive Director)
Chris Ryan (Non-Executive Director)
Russell Baskerville (Managing Director & CEO)

Registered Office

Level 7
The Quadrant
1 William Street
PERTH WA 6000
Telephone No: +618 6333 2200
Fax No: +618 6333 2323

Company Number

A.C.N: 090 503 843

Country of Incorporation

Australia

Company Domicile and Legal Form

Empired Limited is the parent entity
and an Australian Company limited by shares

Principal Places of Business

Perth

Level 7
The Quadrant
1 William Street
PERTH WA 6000
Telephone No: +618 6333 2200
Fax No: +618 6333 2323

Melbourne

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MELBOURNE VIC 3000
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Fax No: +61 3 8658 5358

Seattle

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USA

Website www.empired.com

Company Secretary

Mark Waller

Legal Advisers

Jackson McDonald Lawyers
Level 17, 225 St Georges Terrace
PERTH WA 6000

Auditors

Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
WEST Perth WA 6005

Share Register

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

ASX Code

EPD

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SINGAPORE 179934

Directors' Report

The directors present their interim report together with the consolidated half year financial report of Empired Limited ("the Company") and its controlled entities, for the half-year ended 31 December 2015.

Directors' Names

The names of the Company's directors in office during the year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mel Ashton (Non-Executive Chairman)
Richard Bevan (Non-Executive Director)
John Bardwell (Non-Executive Director)
Chris Ryan (Non-Executive Director)
Russell Baskerville (Managing Director & CEO)

Review of Results & Operations

Revenue for the business for the half-year was \$78.5 million (HY2014: \$50.5 million) representing an increase of 56% on the same period in the preceding half-year.

Consolidated comprehensive loss after tax for the half-year was \$3,702,662 (HY2014: comprehensive income of \$1,151,447).

Dividends

The directors of Empired Limited have not declared a dividend for the half year ended 31 December 2015. The company did not pay a full year dividend.

Options

During the course of the half year no share options were granted under the Company's Employee and Executive Share Option Plans.

Performance Rights

444,915 performance rights were granted to Russell Baskerville on 16th of November 2015 following shareholder approval.

Auditor's independence declaration to the directors of Empired Limited

The directors have received an Independence Declaration from Grant Thornton the auditors of Empired Limited and it is included in this Interim Financial Report.

Directors' Report (Continued)

Indemnification of Officers and Directors

The Directors, Secretary and certain former directors of Empired Limited have been indemnified by the company in respect of their potential liability to third parties.

Signed in accordance with a resolution of directors.



Russell Baskerville
Managing Director
Perth, 26th February 2016

Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

		<i>Consolidated 6 months to 31 December 2015</i>	<i>Consolidated 6 months to 31 December 2014</i>
	<i>Notes</i>	<i>\$</i>	<i>\$</i>
Continuing operations			
Revenue	5	78,548,872	50,457,966
Cost of sales		(54,956,098)	(32,569,478)
Gross profit		23,592,774	17,888,488
Other Income	5	98,310	80,747
Administration expenses	6	(21,778,474)	(12,464,099)
Marketing expenses		(407,826)	(260,323)
Occupancy expenses		(2,643,379)	(1,926,470)
Finance expenses		(709,466)	(559,204)
Other expenses		(1,201,609)	(463,513)
Acquisition transaction costs		-	(498,402)
Loss on disposal of assets		(2,345,253)	-
(Loss) / profit before income tax		(5,394,923)	1,797,224
Income tax benefit / (expense)		1,657,772	(610,069)
(Loss) / profit for the half-year		(3,737,151)	1,187,155
Other comprehensive income for the half-year, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		34,489	(35,708)
Total comprehensive (loss) / income for the half-year		(3,702,662)	1,151,447
 (Loss) / earnings per share (cents per share):			
Basic (loss) / earnings per share		(3.19)	1.11
Diluted (loss) / earnings per share		(3.19)	1.10

This Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 31 DECEMBER 2015

		Consolidated 31 December 2015	Consolidated 30 June 2015
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	7	2,622,242	9,604,422
Trade and other receivables		24,111,574	26,774,194
Work in progress		7,992,247	6,841,395
Other current assets	8	3,168,859	2,250,139
Total Current Assets		37,894,922	45,470,150
Non-Current Assets			
Investments in associates		100,950	337,879
Plant and equipment		25,563,970	22,296,610
Intangible assets	10	48,360,571	48,610,206
Other non-current assets	8	100,452	-
Deferred tax asset		6,535,340	4,679,807
Total Non-current assets		80,661,283	75,924,502
TOTAL ASSETS		118,556,205	121,394,652
LIABILITIES			
Current Liabilities			
Trade and other payables		19,207,306	24,915,391
Borrowings		11,846,685	6,731,484
Deferred vendor payments		5,360,782	5,560,782
Provisions		3,961,221	4,450,921
Other current liabilities		880,246	200,883
Total Current Liabilities		41,256,240	41,859,461
Non-current Liabilities			
Borrowings		13,057,132	15,563,645
Deferred vendor payments		5,560,782	5,510,782
Provisions		583,160	519,855
Deferred tax liability		4,132,036	4,489,197
Other non-current liabilities		4,599,081	736,572
Total Non-current Liabilities		27,932,191	26,820,051
TOTAL LIABILITIES		69,188,431	68,679,512
NET ASSETS		49,367,774	52,715,140
EQUITY			
Issued capital		37,971,952	37,779,130
Reserves	9	1,566,590	1,369,627
Retained profits		9,829,232	13,566,383
TOTAL EQUITY		49,367,774	52,715,140

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

		Consolidated 6 months to 31 December 2015	Consolidated 6 months to 31 December 2014
	Notes	\$	\$
Cash flows from operating activities			
Receipts from customers		79,074,576	47,464,130
Payments to suppliers and employees		(79,398,908)	(50,445,688)
Borrowing costs		(692,389)	(506,105)
Income tax paid		(248,198)	(248,600)
Interest received		29,901	80,747
Net cash flows used in operating activities		(1,235,018)	(3,655,516)
Cash flows from investing activities			
Purchase of plant and equipment		(8,593,845)	(4,160,053)
Acquisition of subsidiary net of cash		-	(8,849,617)
Deferred payment in relation to business acquisition of prior year		(150,000)	(2,051,850)
Net cash flows used in investing activities		(8,743,845)	(15,061,520)
Cash flows from financing activities			
Repayment of borrowings		(1,608,861)	(1,488,830)
Payment of capital raising costs		(7,178)	(561,417)
Proceeds from issue of shares		200,000	13,815,917
Dividends paid		-	(1,099,180)
Repayment of finance lease liabilities		(727,333)	(496,363)
Proceeds from borrowings		4,944,878	7,575,281
Net cash flows from financing activities		2,801,506	17,745,408
Net decrease in cash and cash equivalents		(7,177,357)	(971,628)
Effect of exchange rate fluctuations on cash held		195,177	(162,590)
Cash and cash equivalents at beginning of period		9,604,422	8,062,006
Cash and cash equivalents at end of period	7	2,622,242	6,927,788

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

Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	<i>Issued Capital</i>	<i>Retained Profits</i>	<i>Foreign Currency Translation Reserve</i>	<i>Employee Equity Benefits Reserve</i>	<i>Total Equity</i>
	\$	\$	\$	\$	\$
Balance at 1 July 2015	37,779,130	13,566,383	(40,632)	1,410,259	52,715,140
Profit for the period / (loss)	-	(3,737,151)	-	-	(3,737,151)
Other comprehensive income	-	-	34,489	-	34,489
Cost of share-based payments	-	-	-	162,474	162,474
Options exercised	200,000	-	-	-	200,000
Issue of shares	-	-	-	-	-
Dividends Paid	-	-	-	-	-
Capital raising cost	(7,178)	-	-	-	(7,178)
Balance at 31 December 2015	<u>37,971,952</u>	<u>9,829,232</u>	<u>(6,143)</u>	<u>1,572,733</u>	<u>49,367,774</u>
Balance at 1 July 2014	24,362,663	9,392,049	-	711,604	34,466,316
Profit for the period / (loss)	-	1,187,155	-	-	1,187,155
Other comprehensive income	-	-	(35,708)	-	(35,708)
Cost of share-based payments	-	-	-	436,444	436,444
Options exercised	120,000	-	-	-	120,000
Issue of shares	13,695,917	-	-	-	13,695,917
Dividends Paid	-	(1,099,180)	-	-	(1,099,180)
Capital raising cost	(396,360)	-	-	-	(396,360)
Balance at 31 December 2014	<u>37,782,220</u>	<u>9,480,024</u>	<u>(35,708)</u>	<u>1,148,048</u>	<u>48,374,584</u>

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

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

1 GENERAL INFORMATION AND BASIS OF PREPARATION

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2015 and are presented in Australian Dollars, which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2015 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements are prepared on a going concern basis on the basis that the Company has forecast positive cash flows from trading and EBITDA profit of between 8% and 10% of revenue for the second half of the financial year and there is no material default in the Company's receivables. Additionally, the Company has entered into an agreement to adjust the deferred payment arrangements and as a result will see an improvement of \$3,109,789 to the net current asset position (refer to note 12 regarding subsequent events for more detail). For these reasons, the directors have continued to adopt the going concern basis in preparing the interim financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2015.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements, except for depreciation of computer laptops. Depreciation for computer laptops is now calculated on a straight line basis over 3 years to reflect the Company's laptop replacement policy.

3 ESTIMATES

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2015. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

4 SEGMENT REPORTING

Management identifies its operating segments based on the Group's geographical presence, which represent the main products and services provided by the Group. The Group's four (4) main operating segments are:

- Australia
- New Zealand
- USA
- Singapore

The revenues and profit generated by each of the Group's operating segments and segment assets are summarised as follows:

	<i>Australia</i>	<i>New Zealand</i>	<i>US</i>	<i>Singapore</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Six (6) months to 31 December 2015					
Revenue					
From external customers	47,354,027	26,437,777	3,870,048	887,020	78,548,872
Segment revenues	47,354,027	26,437,777	3,870,048	887,020	78,548,872
Segment operating EBITDA	(2,032,828)	2,464,988	(107,459)	210,990	535,691
Segment assets	101,096,504	14,737,848	2,003,282	718,571	118,556,205

Six (6) months to 31 December 2014

Revenue					
From external customers	42,402,817	6,580,648	1,555,081	-	50,538,546
Segment revenues	42,402,817	6,580,648	1,555,081	-	50,538,546
Segment operating EBITDA	3,839,567	(211,581)	247,015	-	3,875,001
Segment assets	88,783,613	12,977,871	1,591,245	-	103,352,729

The Group's segment operating EBITDA reconciles to the Group's profit before tax, as presented in its financial statements, as follows:

	<i>Consolidated 6 months to 31 December 2015</i>	<i>Consolidated 6 months to 31 December 2014</i>
	\$	\$
Total reporting segment operating EBITDA	535,691	3,875,001
Other income not allocated	337,898	-
Other expenses not allocated	-	-
Group operating profit	873,589	3,875,001
Finance costs	(692,389)	(506,105)
Depreciation and amortisation expenses	(3,230,870)	(1,571,672)
Loss on disposal of assets	(2,345,253)	-
Group (loss) / profit before tax	(5,394,923)	1,797,224

An analysis of the Group's revenue for major product and service category is as follows:

Services revenue	69,846,841	43,759,010
Product and license revenue	8,702,031	6,698,956
Group revenue	78,548,872	50,457,966

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

5 REVENUES

	<i>Consolidated 6 months to 31 December 2015</i>	<i>Consolidated 6 months to 31 December 2014</i>
	\$	\$
Sales Revenue		
Services revenue	69,846,841	43,759,010
Product and license revenue	8,702,031	6,698,956
Total Sales Revenue	<u>78,548,872</u>	<u>50,457,966</u>
Other Revenue		
Investment in associate loss from continuing operations	(20,405)	-
Payroll tax rebate	88,814	-
Interest	29,901	80,747
Total Other Revenue	<u>98,310</u>	<u>80,747</u>
Total Revenue	<u><u>78,647,182</u></u>	<u><u>50,538,713</u></u>

6 ADMINISTRATION EXPENSES

Profit before income tax includes the following specific expenses:

Employee benefits	14,181,276	8,509,851
Legal expenses	177,546	115,886
Depreciation expenses	3,055,327	1,440,660
Amortisation expenses	175,542	119,622
Insurance	229,790	192,421
Travel	1,432,475	687,175
Corporate costs	2,526,518	1,398,484
	<u>21,778,474</u>	<u>12,464,099</u>

7 CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and cash in banks. Cash at the end of the half year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	<i>Consolidated 31 December 2015</i>	<i>Consolidated 30 June 2015</i>
	\$	\$
Term Deposit	-	11,624
Cash at bank and in hand	2,622,242	9,592,798
Net cash and cash equivalents	<u>2,622,242</u>	<u>9,604,422</u>

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

8 OTHER CURRENT AND NON-CURRENT ASSETS

	<i>Consolidated 31 December 2015</i>	<i>Consolidated 30 June 2015</i>
	\$	\$
Current employee loan receivable	50,225	-
Other current assets	3,118,634	2,250,139
Total other current assets	<u>3,168,859</u>	<u>2,250,139</u>
Non-current employee loan receivable	100,452	-
Total other non-current assets	<u>100,452</u>	<u>-</u>

The employee loan receivable relates to the Employee Share Purchase Scheme for employees in New Zealand. The interest-free loan is repayable over three years from issue through monthly payroll deductions.

9 RESERVES

	<i>Consolidated 31 December 2015</i>	<i>Consolidated 30 June 2015</i>
	\$	\$
Foreign currency translation reserve	(6,143)	(40,632)
Employee equity benefits reserve	<u>1,572,733</u>	<u>1,410,259</u>
Total Reserves	<u>1,566,590</u>	<u>1,369,627</u>
Share Options	No.	No.
Movement in options on issue		
Balance at beginning of period	500,000	500,000
Options exercised		
Executive options	<u>(500,000)</u>	<u>-</u>
Balance at end of period	<u>-</u>	<u>500,000</u>
Performance Rights	No.	No.
Movement in performance rights on issue:		
Balance at beginning of period	6,770,000	3,770,000
Performance rights expired/forfeited		
Executive performance rights	-	-
Performance rights exercised		
Executive performance rights	<u>(1,225,000)</u>	<u>(1,450,000)</u>
Performance rights granted		
Executive performance rights	444,915	4,450,000
Purchaser performance rights	<u>-</u>	<u>-</u>
Balance at end of period	<u>5,989,915</u>	<u>6,770,000</u>

The fair values of the performance rights plan granted were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The performance condition related to the performance rights plan, being a market condition, has been incorporated into the measurement by means of actuarial modelling.

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

10 INTANGIBLE ASSETS

	<i>Consolidated 31 December 2015 \$</i>	<i>Consolidated 30 June 2015 \$</i>
Goodwill		
Cost	46,446,049	46,446,049
Net carrying value	46,446,049	46,446,049
Software		
Cost	2,486,272	2,453,626
Amortisation	(851,376)	(613,061)
Net carrying value	1,634,896	1,840,565
Other		
Cost	488,676	489,296
Amortisation	(209,050)	(165,704)
Net carrying value	279,626	323,592
Total intangibles	48,360,571	48,610,206

	<i>Goodwill</i>	<i>Software</i>	<i>Other</i>	<i>Total</i>
Period ended 31 December 2015				
Balance at the beginning of the year	46,446,049	1,840,565	323,592	48,610,206
Additions from business combinations	-	-	-	-
Additions	-	-	-	-
Foreign currency exchange differences	-	32,646	(620)	32,026
Amortisation charge	-	(238,315)	(43,346)	(281,661)
Impairment losses	-	-	-	-
Closing value at 31 December 2015	46,446,049	1,634,896	279,626	48,360,571
Year end 30 June 2015				
Balance at the beginning of the year	27,105,898	445,248	250,020	27,801,166
Additions from business combinations	19,340,151	680,016	151,656	20,171,823
Additions	-	1,073,125	9,354	1,082,479
Disposals	-	-	-	-
Amortisation charge	-	(357,824)	(87,438)	(445,262)
Impairment losses	-	-	-	-
Closing value at 30 June 2015	46,446,049	1,840,565	323,592	48,610,206

Intangible assets, other than goodwill, have finite lives and are required to be amortised over their expected lives. Goodwill has an infinite life.

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

11 CONTINGENT LIABILITIES

The company has in place facility backed bank guarantees in relation to rental premises listed below:

	<i>Consolidated 31 December 2015</i>	<i>Consolidated 30 June 2015</i>
	\$	\$
Bank Guarantee	3,487,459	1,423,344

Rental Premises:

Level 7, 1 William Street, Perth
Suite 11A, Level 11, 79 Adelaide Street, Brisbane
Level 5 & 10, 257 Collins Street, Melbourne
Level 2, 8 Leigh Street, Adelaide
Level 2, 1292 Hay Street, West Perth
Level 12, 9 Hunter Street, Sydney
Level 5, 56 William Street, Perth
Level 1, 152 Fanshawe Street, Auckland Central 1010
Unit 7, Airport Business Park, 92 Russley Road, Christchurch
Level 13, 256 Adelaide Terrace, Perth
84 Willis Street, Wellington 6011

Other:

Electricity Networks Corporation

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

12 SUBSEQUENT EVENTS

As part of the acquisition of 100% of the shares in InterGen Limited on 31 October 2014, the Company had an obligation to pay the vendors of InterGen Limited deferred payments of \$5,203,631 in May 2016 and \$5,203,631 in May 2017, on the basis certain performance criteria are met. The Company has entered into an agreement with a group of the InterGen vendors representing 88% of the deferred consideration entitlements to adjust the deferred payment arrangements.

In satisfaction of the deferred vendor payment obligations due in May 2016, Empired issued 3,140,285 EPD shares on 12 February 2016, and will:

- pay \$618,225 on 31 May 2016;
- pay \$1,225,618 on 1 July 2016; and
- pay \$2,167,704 on 1 July 2017.

In satisfaction of the deferred vendor payment obligations due in May 2017, Empired will pay \$618,225 on 31 May 2017 and \$4,585,407 on 1 July 2017.

As a result of this arrangement there will be an improvement of \$3,109,789 to the Company's net current asset position. \$250,000 has been prepaid prior to putting this arrangement in place.

The Company noted a material change in its share price subsequent to the reporting date. On 21st January 2016, the Company released a trading update on ASX reporting expected revenue for FY16 H2 in the range of \$ 80m to \$ 90m with EBITDA margins of 8% to 10% of revenue.

Other than the above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Directors' Declaration

The Directors of the Company declare that:

- a. The consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the financial position as at 31 December 2015 and of the performance for the half-year ended on that date; and
 - ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting*, and
- b. There are reasonable grounds to believe that the Company 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 Board of Directors.

On behalf of the Board



Russell Baskerville
Managing Director & CEO
Perth, 26th February 2016



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Auditor's Independence Declaration To The Directors of Empired Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Empired Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C.A. Becker
Partner - Audit & Assurance

Perth, 26 February 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

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Independent Auditor's Review Report To the Members of Empired Limited

We have reviewed the accompanying half-year financial report of Empired Limited ('Company'), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both 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 controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the 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.

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

As the auditor of Empired 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 complied with the independence requirements of the Corporations Act 2001.

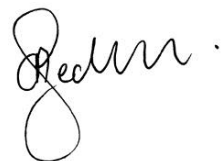
Conclusion

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 Empired 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 26 February 2016

