

To COMPANY ANNOUNCEMENTS

Company ASX

Date 20 February 2015

From Paul Wylie

Subject: **APPENDIX 4D**

BY ELECTRONIC LODGEMENT

Please see attached for Beyond International Limited (ASX-BYI) for the 6 months ended 31 December 2014:

- (a) Appendix 4D – Half Yearly Report to 31 December 2014
- (b) Review of Operations
- (c) Directors Report
- (d) Financial Statements including Auditors Report

The functional currency is Australian dollars.

Rules 4.1, 4.3
Appendix 4D

Half yearly report

Introduced 1/1/2003.

Name of Entity	Beyond International Limited
ACN	003 174 409
Half Year Interim Financial Report	31 DECEMBER 2014
Previous Corresponding Reporting Period	31 DECEMBER 2013

Results for Announcement to the Market

	\$000's	Percentage increase / (decrease) over previous corresponding period
Revenues from ordinary activities	48,567	Up 5.1%
Profit from ordinary activities after tax attributable to members	4,740	Up 7.4%
Net profit for the period attributable to members	4,740	Up 7.4%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend (paid 17 Oct 2015)	5 cents	N/A
Interim Dividend	5 cents	N/A
Previous corresponding period	4 cents	N/A
Record date for determining entitlements to the dividends (if any)	20 March 2015	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer attached release cover sheet		

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	20 April 2015
Record date to determine entitlement to the dividend	20 March 2015
Amount per security	5 cents
Total dividend	\$3,066,848
Amount per security of foreign sourced dividend or distribution	5 cents
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 per security	\$0.67	\$0.62

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit from ordinary activities since the date in the current period on which control was acquired	N/A
Profit from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	N/A

Details of Associates and Joint Venture Entities

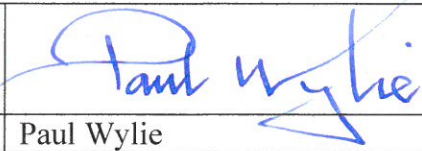
Name of Entity	Percentage Held		Share of Net Profit/(Loss)	
	Current Period	Previous Period	Current Period	Previous Period
7Beyond Media Rights Ltd	50%	50%	(\$337k)	-
Aggregate Share of Net Profits			(\$337k)	-

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			
N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
N/A			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	ASX Announcement
2	Interim Financial Report

Signed By (Director/Company Secretary)	
Print Name	Paul Wylie
Date	20 February 2015

BEYOND INTERNATIONAL LIMITED
PROFIT AND LOSS FOR THE SIX MONTHS TO DECEMBER 31 2014

	SIX MONTHS TO DEC 14 \$,000	SIX MONTHS TO DEC 13 \$,000	Variance \$,000	Variance %
Operating Revenue	48,567	46,201	2,366	5.1%
Expense	(43,791)	(41,194)	(2,597)	6.3%
EBIT	4,776	5,007	(231)	(4.6%)
Net Interest Income	108	101	7	6.9%
Profit Before Tax	4,884	5,108	(224)	(4.4%)
Tax Expense	(144)	(689)	545	(79.1%)
Profit After Tax	4,740	4,419	321	7.3%
OEI	-	(4)	4	(100.0%)
Net Profit	4,740	4,415	325	7.4%
EPS (Cents per Share)	7.73	7.20	0.53	7.4%
Dividends per Share (cents)	5.00	4.00	1.00	25.0%
NTA	67.15	62.45	4.70	7.5%

FINANCIAL PERFORMANCE FOR THE SIX MONTHS TO 31ST DECEMBER 2014
COMPARED TO THE PRIOR CORRESPONDING PERIOD

- Operating Revenue for the six months increased by 5% to \$48,567,000;
- EBIT for the period has decreased by 4.6% to \$4,776,000;
- Net profit after tax increased 7.4% to \$4,740,000;
- Earnings Per Share has increased by 7.4% to 7.73 cents;
- Net cash flows from operating activities for the six months decreased by \$2,957,000 compared to the prior corresponding period;
- Net cash decreased by \$4,728,000 to \$6,257,000 from June 30 2014 to December 31 2014;
- The interim dividend has been increased to 5c per share from 4c per share for the interim dividend paid in 2014; and
- The Company has no bank debt.

REVIEW OF OPERATIONS FOR THE 6 MONTH PERIOD TO 31 DECEMBER 2014

The net profit after tax increase was a pleasing result. Despite the slight downturn in pre-tax operating profit, the company has made significant progress to bolster its production slate in the coming 12 months. The digital marketing business has begun to contribute to profits and will continue to grow. International media distribution had a successful six months while Home Entertainment consolidated its position in the Australian and New Zealand DVD markets.

Cash flows from operating activities fell by \$2,957,000 compared to the previous corresponding six month period. The timing of Distribution sales was heavily weighted in November and December 2014, with receipts for these sales due in 2015. The sales cycle was significantly different in the 6 months to December 2013.

A final dividend of \$3,067,000 was paid in October 2014.

The Company had cash balances of \$6,257,000 at 31/12/14 and no bank debt.

During the six months four segments traded. Following is an analysis of the performance of those segments.

REVIEW OF OPERATIONS BY SEGMENT FOR THE 6 MONTH PERIOD TO 31 DECEMBER 2014

1. Television Productions and Copyright Segment

Segment revenue increased by \$1,377,000 to \$20,917,000 (7%) compared to the prior corresponding six-month period. This was a result of higher copyright sales during the period, with production revenues remaining stable. Total costs increased by \$2,417,000 to \$16,809,000. This was due to an increase in net costs associated with copyright titles from \$13,000 in the prior corresponding period to \$789,000 in the current six-month period and an increase in direct costs of production due to the type and genre of programs in production.

This resulted in a segment EBIT of \$4,108,000 (2013: \$5,148,000) – a decrease of 20.2% over the previous corresponding period.

The number of programmes in production at any point in time is very much subject to the international commissioning process, and while the demand for programming remains stable, the timing of commissions is outside the Company's control.

US broadcast commissions produced during the period include *Facing Evil 5*, *Deadly Women series 8* and the 10th season of *Mythbusters*. In addition, the 7Beyond joint venture saw development funding received to produce pilot episodes of new concepts *My Dream Lottery Home*, *Sharing Paradise* and *Built for Two*.

Australian program commissions during the period include the feature film *Manny* (to be released in Cinemas on 12 March 2015), *Wild But True*, *Deep Water 2* and season 8 of *Selling*

Houses Australia. In addition production commenced on two animated series, *Beat Bugs* and *Fanshaw & Crudnut*.

Copyright income (included in total segment revenue above) increased by \$1,233,000 to \$3,946,000 compared to the corresponding six month period. This reflects an increase in sales of internally produced programming by Beyond Distribution compared to the prior corresponding period.

2. Home Entertainment Segment (BHE)

Revenue decreased by 16% to \$11,821,000 (2013: \$14,066,000) compared to the prior corresponding six month period. This was due to the lack of a major release in the half, with last year seeing the release of a new Carl Barron title and the launch of the NRL State of Origin box set, major contributors to the revenue growth experienced in 2013.

Gross margins were steady, however lower revenues have impacted segment EBIT, declining by 17% to \$1,505,000 (2013: \$1,811,000).

The programs from the contract with Discovery Communications continue to perform strongly across a broad cross-section of content from all of its program brands. A+E Networks have delivered a broad range of content including *Duck Dynasty*, *Dance Moms*, and *Ancient Aliens* which has generated significant revenues in the period. Our stand-up comedy label PUNCHLINE also continues to perform strongly. This has enabled the division to reach number 1 in factual, sport and comedy, and number 3 in the documentary and children's categories. Other key brands include *Pokemon*, *MTV Networks*, *IMPS (Smurfs)* and *Jim Henson Company*.

A number of key titles for the second half of fiscal 2015 are *Australia*, *The History of Us*, *Winter* and *Finding Milat*.

The division is continuing to grow digital sales and is well placed to provide programming to the various subscription video platforms launching in Australia.

3. Distribution TV and Film Segment

Revenue increased by \$3,285,000 or 33.8% to \$12,995,000 compared to the corresponding 6 month period.

Period EBIT improved to \$1,804,000 compared to \$925,000 in the corresponding 2013 period.

As a % of total revenue, the contribution of product sourced from third parties was similar to the corresponding period last year at 52% against 53%. The division continues to focus on securing and acquiring product from external producers.

During the period significant sales were achieved for programs produced by the Group – including *Mythbusters* and *Deadly Women*. Successful programs acquired from third parties include *Highway Thru Hell*, *Love It or List It* and *BBQ Crawl*.

The rights to third party programs are primarily acquired by our executives based in the United Kingdom and Ireland from independent producers based in the US, UK and Canada.

Product focus continues to be factual series, documentaries, family and children's programs as there is a steady demand for these genres from niche broadcasters throughout the world.

Beyond Distribution is experiencing growth in sales to new and established SVOD and AVOD platforms in Australia and the rest of the world.

4. Digital Marketing Segment

In the 6 months to 31 December 2014 Beyond D revenues were \$6,333,000, 13% up on last years total of \$5,601,000.

EBIT for the 6 months was a profit of \$136,000 against a loss of \$85,000 for the corresponding period last year.

Management was focused on reducing costs in the 2nd half of FY2014, and together with the increase in revenues, this has enabled the business to move into profits. Key accounts continue to be won and it is expected that the business will continue to grow.

FOREIGN EXCHANGE – IMPACT ON RESULTS

There continued to be volatility in the currency markets during the reporting period, with the Australian dollar ranging from a high of \$0.946 to a low of \$0.816 against the US dollar. This volatility is reflected in the different business segments in the 2013 and 2014 reporting periods.

The total foreign exchange gain for the six-month period is \$278,209 (2013: gain \$335,922). This gain is allocated to the operating segments as follows: -

Item	Segment			Movement	
		Dec-14	Dec-13	\$	%
Realised gain / (loss)	Distribution / TV	80,408	87,199	(6,791)	8%
Unrealised gain / (loss)	Distribution / TV	134,625	193,028	(58,403)	30%
Mark To Market revaluation of Currency Hedges (Loss)	Other*	(74,726)	(58,970)	(15,756)	(27%)
Unrealised gain	Other	137,902	114,665	23,237	(20%)
Net Total (gain) / Loss		278,209	335,922	(57,713)	(17%)

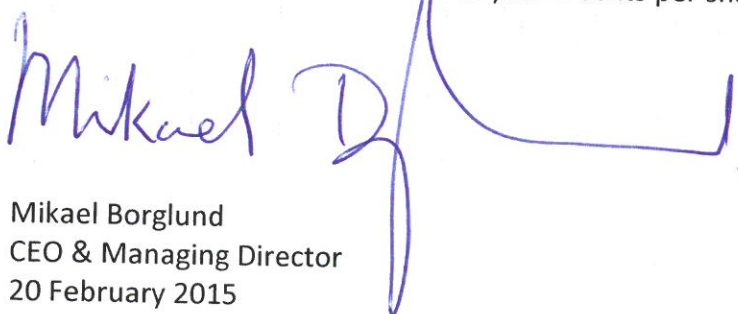
* The Australian dollar expense component of US dollar denominated production contracts are hedged when the contracts are entered into.

Since 31 December 2014, the Australian dollar has continued to weaken against the US\$ and other major currencies. This trend is expected to have a positive impact on the Group results going forward.

DIVIDEND

The Directors have determined to increase the 2015 (financial year) interim dividend to 5 cents (unfranked) per share. Shareholders registered on the books on 20 March 2015 will be entitled to this dividend, which will be paid on 20 April 2015.

A 5 cent per share (unfranked) 2014 Final Dividend was paid on 17 October 2014 making the total dividend for the 2014 financial year 9 cents per share (unfranked).



Mikael Borglund
CEO & Managing Director
20 February 2015

ABOUT BEYOND

Beyond International Limited (ASX:BYI) is a leading international producer and distributor of television and digital content and is one of the largest independent distributors of home entertainment product in Australia. The Company is headquartered in Sydney and listed on the Australian Stock Exchange.

Beyond has produced over five thousand hours of television programs for broadcast internationally including Mythbusters, Taboo, Selling Houses Australia, Deadly Women and Facing Evil. The company has production offices in Sydney, San Francisco and Los Angeles and produces programs for Australian, US and International broadcasters.

Beyond's international distribution business markets an extensive program catalogue sourced from third party producers and internal production. This business unit is headquartered in Dublin, with sale offices in London and Sydney.

The Home Entertainment operation focuses on digital and DVD distribution and has an extensive catalogue of product, which is distributed throughout Australia and New Zealand.

The Digital Marketing business performs online search optimisation, website creation, development and performance and online media sales within Australia and New Zealand.

This announcement is made pursuant to Listing Rule 4.1 & 3.1.

All enquiries should be directed to:
Mr Mikael Borglund, Managing Director, Beyond International Limited
Telephone 02 9437 2000 or email investor_relations@beyond.com.au

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2014.

Directors

The names of directors who held office during or since the end of the half-year:

Ian Ingram – Non Executive Chairman
Mikael Borglund – Managing Director
Ian Robertson – Non Executive Director
Anthony Lee - Non Executive Director

Review of Operations

Revenue for the six months increased by 5.1% to \$48,567,000.

EBIT has decreased by 4.6% to \$4,776,000.

Earnings per share increased by 7.4% to 7.73 cents.

Net cash flows from operating activities decreased by \$3,023,000 to \$34,000 compared to the previous corresponding period.

The Company has no bank debt.

Television Production and Copyright Segment

Television production revenue increased by \$1,377,000 or 7% compared to the prior corresponding period.

Copyright income has increased by \$1,233,000 compared to the corresponding six-month period.

EBIT for the segment is \$4,107,000 compared to EBIT of \$5,148,000 in 2013.

Home Entertainment Segment (BHE)

BHE operating revenue decreased by 16% to \$11,821,000 compared to the corresponding six-month period.

EBIT decreased by 17% to \$1,505,000 compared to the corresponding prior period.

TV and Film Distribution Segment (Beyond Distribution)

Revenue has increased by 33.8% to \$12,995,000 compared to the corresponding period to December 2013.

EBIT for the segment is \$1,804,000 compared to \$925,000 in 2013, an increase of 95%.

Digital Marketing Segment (Beyond D)

Revenue has increased by \$732,000, or 13%, to \$6,333,000 compared to the corresponding period to last year.

EBIT for the segment was \$136,000 compared to an EBIT loss of \$85,000 for the corresponding period last year.

Dividends

The Directors have determined to increase the Interim Dividend to 5 cents (unfranked) per share.

Shareholders registered on the books on 20 March 2015 will be entitled to this dividend, which will be paid on 20 April 2015.

A 5 cent (unfranked) Final Dividend per share was paid on 17 October 2014.

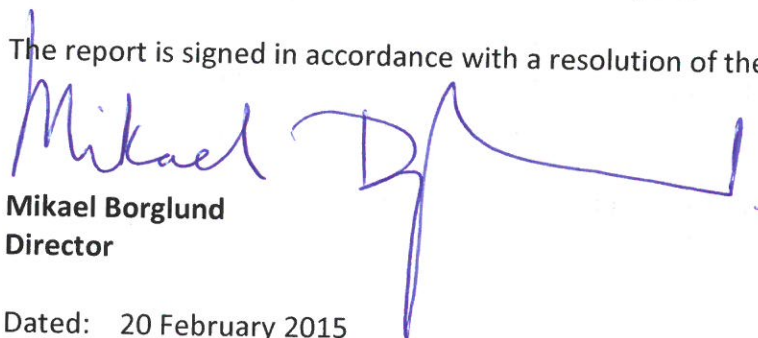
Rounding of Amounts

The consolidated entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded to the nearest \$1,000.

Auditors

We have received a declaration from the auditor, BDO, of their independence, which is attached as the third page of this directors' report.

The report is signed in accordance with a resolution of the Board of Directors.


Mikael Borglund
Director

Dated: 20 February 2015

DECLARATION OF INDEPENDENCE BY CRAIG MAXWELL TO THE DIRECTORS OF BEYOND INTERNATIONAL LIMITED

As lead auditor for the review of Beyond International Limited for the half-year ended 31 December 2014, 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 Beyond International Limited and the entities it controlled during the period.



Craig Maxwell
Partner

BDO East Coast Partnership

Sydney, 20 February 2015

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31-Dec 2014 \$000's	31-Dec 2013 \$000's
Revenue from continuing operations	48,567	46,201
Interest Income	124	114
Royalty expense	8,849	8,425
Production costs	13,485	11,323
Home entertainment direct costs	4,044	4,791
Digital marketing direct costs	4,556	3,792
Administration	2,757	3,507
Employee benefits expense	7,061	6,873
Finance costs	16	13
Provisions	577	299
Depreciation and amortisation expense	2,125	2,184
Share of loss of joint venture accounted for using the equity method	337	-
Profit before income tax	4,884	5,108
Income tax expense	(144)	(689)
Profit for the half-year	4,740	4,419
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Changes in the fair-value of available-for-sale financial assets	(1)	4
Foreign currency translation	8	13
Other comprehensive income for the half-year, net of tax	7	17
Total comprehensive income for the half-year	4,747	4,436
Profit is attributable to:		
Owners of Beyond International Limited	4,740	4,415
Non-controlling Interest	-	4
	4,740	4,419
Total comprehensive income for the half-year is attributable to:		
Owners of Beyond International Limited	4,747	4,432
Non-controlling Interest	-	4
	4,747	4,436
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic and diluted earnings per share	7.73	7.20

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	31-Dec	30-Jun
	2014	2014
<i>Note</i>	\$000's	\$000's
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,257	10,985
Trade and other receivables	30,411	27,218
Other current assets	4 17,303	17,768
TOTAL CURRENT ASSETS	57,566	59,412
NON-CURRENT ASSETS		
Trade and other receivables	5,281	3,318
Investments accounted for using the equity method	-	82
Financial assets	5 7	8
Property, plant and equipment	1,823	1,890
Intangible assets	6 6,135	6,028
Capitalised production costs	-	-
Other non-current assets	4 339	347
TOTAL NON-CURRENT ASSETS	17,277	15,122
TOTAL ASSETS	74,843	74,534
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	5,927	5,995
Employee benefits	2,669	2,768
Financial liabilities	5 79	5
Current tax liabilities	375	-
Other current liabilities	7 10,065	11,608
TOTAL CURRENT LIABILITIES	19,115	20,376
NON-CURRENT LIABILITIES		
Deferred tax liabilities	7,096	7,288
Employee benefits	548	614
Other non-current liabilities	7 762	617
TOTAL NON-CURRENT LIABILITIES	8,406	8,519
TOTAL LIABILITIES	27,521	28,895
NET ASSETS	47,322	45,639
EQUITY		
Issued capital	33,775	33,775
Reserves	(103)	(111)
Retained earnings	13,650	11,975
TOTAL EQUITY	47,322	45,639

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31-Dec-2014	31-Dec-2013
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	42,684	40,230
Payments to suppliers and employees	(42,583)	(36,701)
Interest received	124	114
Finance costs paid	(16)	(13)
Income tax paid	(109)	(573)
Net cash provided by operating activities	100	3,057
Cash flows from investing activities		
Distribution guarantees paid	(647)	(567)
Distribution guarantees recouped	407	324
Prepaid royalties	(1,384)	(2,712)
Prepaid royalties recouped	1,599	2,069
Purchase of property, plant and equipment	(378)	(1,014)
Payments for intangibles	(421)	(386)
Proceeds from sale of property, plant and equipment	14	138
Payment for investments & JV	(11)	-
Investment in development projects	(528)	(186)
Net cash used in investing activities	(1,349)	(2,334)
Cash flows from financing activities		
Contributions from employee share plan	-	234
Dividend paid	(3,479)	(2,443)
Net cash used in financing activities	(3,479)	(2,209)
Net decrease in cash and cash equivalents	(4,728)	(1,486)
Cash and cash equivalents at beginning of period	10,985	10,126
Cash and cash equivalents at end of period	6,257	8,640

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Issued capital	Reserves	Retained earnings	Total	Non controlling interest	Total equity
	S'000	S'000	S'000	S'000	S'000	S'000
Balance at 1 July 2014	33,775	(111)	11,975	45,639	-	45,639
Profit after income tax expense for the period	-	-	4,740	4,740	-	4,740
Available-for-sale financial assets	-	(1)	-	(1)	-	(1)
Foreign currency translation	-	8	-	8	-	8
Total comprehensive income for the period	-	7	4,740	4,747	-	4,747
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(3,066)	(3,066)	-	(3,066)
Balance at 31 December 2014	33,775	(103)	13,650	47,320	-	47,322
	Issued capital	Reserves	Retained earnings	Total	Non controlling interest	Total equity
	S'000	S'000	S'000	S'000	S'000	S'000
Balance at 1 July 2013	33,316	(114)	9,115	42,317	(244)	42,073
Profit after income tax expense for the period	-	-	4,415	4,415	4	4,419
Available-for-sale financial assets	-	4	-	4	-	4
Foreign currency translation	-	13	-	13	-	13
Total comprehensive income for the period	-	17	4,415	4,432	4	4,436
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(2,453)	(2,453)	-	(2,453)
Employee share plan	234	-	-	234	-	234
Balance at 31 December 2013	33,550	(97)	11,077	44,530	(240)	44,290

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

NOTE 1: CORPORATE INFORMATION

The financial report of Beyond International Limited and controlled entities for the half-year ended 31 December 2014 was authorised for issue in accordance with a resolution of the directors on 20 February 2015.

Beyond International Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

NOTE 2: BASIS OF PREPARATION

The half-year financial report has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards, including AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirement, as appropriate for-profit oriented entities.

The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, it is recommended that the half-year financial report should be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Beyond International Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in these half-year financial statements as compared with the most recent annual financial statements.

Rounding of amounts

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

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

NOTE 3: Dividends Paid

A final unfranked dividend for the financial year 30 June 2014 of 5 cents per share, totalling \$3,066,848 was paid during the half-year on ordinary shares (2013: 4 cents per share totalling \$2,453,479).

Subsequent to 31 December 2014, an interim unfranked dividend of 5 cents per share, totalling \$3,066,848 has been declared, payable on 21 April 2015 (2013: 4 cents per share totalling \$2,453,479). In accordance with Australian Accounting Standards this has not been provided for in the interim financial report to 31 December 2014.

	31-Dec	30-Jun
	2014	2014
	\$000's	\$000's

NOTE 4: Other assets

Current

Capitalised Development Costs	1,950	1,567
Less: Deferred Revenue	(812)	(750)
	<u>1,138</u>	<u>817</u>
Distribution Advances	5,749	4,871
Less: Provision for impairment	(4,216)	(3,456)
	<u>1,533</u>	<u>1,415</u>
Prepaid Royalties	7,075	7,346
Capitalised Production Costs	6,813	7,623
Prepayments & other assets	744	567
	<u>7,557</u>	<u>8,190</u>
	<u>17,303</u>	<u>17,768</u>
Non-current		
Distribution Advances	549	1,033
Less: Provision for impairment	(210)	(686)
	<u>339</u>	<u>347</u>

NOTE 5: Financial assets & liabilities

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

Available-for-sale financial assets:

- Listed equity securities - Level 1

7	8
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Derivative liabilities

- Foreign currency forward contracts - Level 2

(79)	(5)
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**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

NOTE 5: Financial assets & liabilities (Cont'd)

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices).
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

The consolidated entity only holds listed equity securities, which are measured at the closing bid price at the end of the reporting period, all available-for-sale financial assets fall within Level 1 of the fair value hierarchy.

Transfers

During the half-year ended 31 December 2014, there were no transfers of available-for-sale equity securities or derivatives between levels 1 and 2 of the fair value hierarchy.

During the half-year ended 31 December 2014, the consolidated entity had no level 3 financial instruments.

Valuation techniques used to derive level 2 fair values

The fair value of derivatives not traded in an active market (foreign currency forward contracts) are determined using valuation techniques which uses only observable market data relevant to the hedged position. There has been no change in the valuation technique used since the end of the previous annual reporting period.

Fair values of financial instruments not measured at fair value

The following financial instruments are not measured at fair value in the statement of financial position. These had the following fair values at 31 December 2014:

	Carrying Amount	Fair Value
	\$'000	\$'000
NON-CURRENT ASSETS		
Trade and other receivables	5,281	4,925
	<u>5,281</u>	<u>4,925</u>
NON-CURRENT LIABILITIES		
Other non-current liabilities	762	711
	<u>762</u>	<u>711</u>

Due to their short-term nature, the carrying amounts of cash and cash equivalents, current receivables and current trade and other payables are assumed to approximate their fair value. A discount rate of 7.22% has been applied to all non-current trade and other receivables and other non-current liabilities to determine fair value.

31-Dec	30-Jun
2014	2014
\$000's	\$000's

NOTE 6: Intangible assets

Goodwill	4,599	4,599
Trademarks and patents	154	155
Websites and databases	1,382	1,274
	<u>6,135</u>	<u>6,028</u>

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31-Dec	30-Jun
	2014	2014
	\$000's	\$000's

NOTE 7: Other liabilities

Current (unsecured)

Producer share payable	8,173	9,041
Deferred revenue	1,293	2,307
GST payable	355	247
Other	244	13
	<u>10,065</u>	<u>11,608</u>

Non-current (unsecured)

Producer share payable	762	617
	<u>762</u>	<u>617</u>

NOTE 8: Contingent Assets and Liabilities

There has been no change in contingent assets and liabilities since the last annual reporting date.

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

NOTE 9: Subsequent Events

Apart from the interim dividend declared as detailed in Note 3, there are no subsequent events to disclose.

NOTE 10: Segment Information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the business on a global basis in the following four operating divisions:

TV production and copyright

Production of television programming and ownership of television product copyright.

Film and Television distribution

International distribution of television programmes and feature films.

Home Entertainment

Distribution in Australia and New Zealand of DVDs.

Digital Marketing

Online search optimisation, website creation, development and performance and on-line media sales within Australia and New Zealand

Unallocated corporate benefit/(expense)

Includes the parent entity, centralised administrative support services to the group comprising legal and business affairs, finance and human resources, in addition to internet development. None of these activities constitute a separately reportable business segment.

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 10 - Segment Information (Cont'd)

Financial Results at December 2014

Operating Segment	TV Production & Copyright S'000	Distribution TV & Film S'000	Home Entertainment S'000	Digital Marketing S'000	Inter Segment Eliminations S'000	Consolidated S'000
Revenue						
External revenues excluding fx	17,230	12,930	11,821	6,197	-	48,178
Other segments	3,687	65	-	136	(3,888)	-
Total revenue	20,917	12,995	11,821	6,333	(3,888)	48,178
Result before fx, interest and D&A	5,818	1,812	1,805	164	-	9,599
Depreciation & amortisation	1,711	8	301	28	-	2,048
Result before interest, fx & other expense	4,108	1,804	1,505	136	-	7,553
Net Interest Income						107
Foreign exchange gain/(loss)						278
Unallocated corporate expense						(3,054)
Profit before income tax						4,884
Income Tax Expense						(144)
Profit after income tax						4,740

Financial Results at December 2013

Operating Segment	TV Production & Copyright S'000	Distribution TV & Film S'000	Home Entertainment S'000	Digital Marketing S'000	Inter Segment Eliminations S'000	Consolidated S'000
Revenue						
External revenues excluding fx	16,799	9,660	14,066	5,320	-	45,845
Other segments	2,741	50	-	281	(3,072)	-
Total revenue	19,540	9,710	14,066	5,601	(3,072)	45,845
Result before fx, interest and D&A	6,877	932	2,134	(35)	-	9,908
Depreciation & amortisation	1,729	7	323	51	-	2,110
Result before interest, fx & other expense	5,148	925	1,811	(85)	-	7,798
Net Interest Income						101
Foreign exchange gain/(loss)						336
Unallocated corporate expense						(3,127)
Profit before income tax						5,108
Income Tax Expense						(689)
Profit after income tax						4,419

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

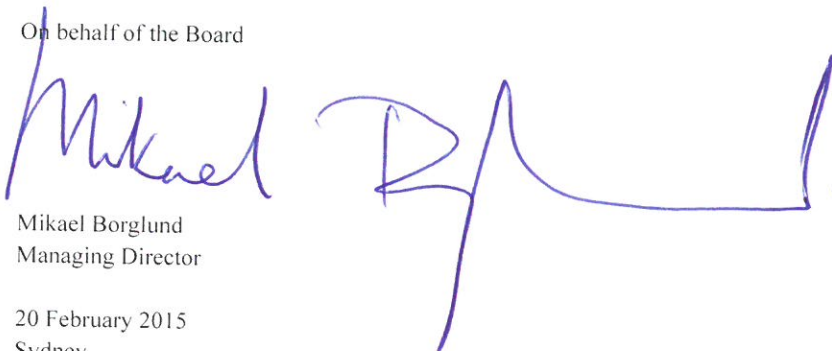
In accordance with a resolution of the directors of Beyond International Limited, we state that:

In the opinion of the directors:

- (a) the accompanying financial statements and notes of the consolidated entity as set out on pages 13 to 22 are in accordance with the Corporations Act 2001 and;
 - (i) give a true and fair view of the financial position at 31 December 2014 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in blue ink, appearing to read 'Mikael Borglund', followed by a large, stylized flourish or scribble.

Mikael Borglund
Managing Director

20 February 2015
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Beyond International Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Beyond International Limited, which comprises the consolidated statement of financial position as at 31 December 2014, 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 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 Beyond International 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 Beyond International 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 Beyond International 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 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 *Corporations Regulations 2001*.

BDO East Coast Partnership

BDO

A handwritten signature in black ink, appearing to read 'Craig Maxwell'.

Craig Maxwell
Partner

Sydney, 20 February 2015