OrotonGroup Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	OrotonGroup Limited
ABN:	14 000 038 675
Reporting period:	For the half-year ended 24 January 2015
Previous period:	For the half-year ended 25 January 2014

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	6.2%	to	66,791
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	down	33.6%	to	7,103
Earnings Before Interest and Tax (EBIT)	down	44.0%	to	4,486
Profit from ordinary activities after tax attributable to the owners of OrotonGroup Limited	down	56.9%	to	2,189
Profit for the half-year attributable to the owners of OrotonGroup Limited	down	56.9%	to	2,189

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 26 July 2014 paid on 22 October 2014	8.0	8.0

On 18 March 2015 the directors declared a fully franked interim dividend of 4.5 cents per ordinary share with a record date of 8 April 2015 to be paid on 22 April 2015.

Comments
Profit after income tax expense reconciles to EBIT and EBITDA as follows:

	Consolidated 24 Jan 2015 $'000	Consolidated 25 Jan 2014 $'000
Profit after income tax expense	2,189	5,076
Interest received	(24)	(132)
Finance costs	352	149
Income tax expense	1,969	2,926
Earnings Before Interest and Tax (EBIT)	4,486	8,019
Depreciation and amortisation expense	2,617	2,681
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	7,103	10,700

Refer to the 'Operating and financial review' on page 1 for further information and explanation of the Appendix 4D.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	109.73	101.45

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 26 July 2014 paid on 22 October 2014	8.0	8.0

Previous period

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 27 July 2013 paid on 23 October 2013	28.0	28.0

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
Name of associate / joint venture	Reporting period %	Previous period %	Reporting period $'000	Previous period $'000
Brooks Brothers Australia	51.00%	51.00%	(973)	(155)
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit/(loss) from ordinary activities before income tax			(973)	(155)
Income tax on operating activities			-	-

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

All foreign subsidiaries accounts were prepared under the International Financial Reporting Standards ('IFRS').

---

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

---

11. Attachments

Details of attachments (if any):

The Interim Report of OrotonGroup Limited for the half-year ended 24 January 2015 is attached.

---

12. Signed

Signed ______________________________ Date: 18 March 2015

John P Schmoll
Non-Executive Chairman
Sydney

OrotonGroup Limited

ABN 14 000 038 675

Interim Report - 24 January 2015

OrotonGroup Limited
Directors' report
24 January 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of OrotonGroup Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 24 January 2015.

Directors
The following persons were directors of OrotonGroup Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

John P Schmoll
Mark Newman
Eddy Chieng
Ross B Lane
J Will Vicars
Samuel S Weiss

Principal activities
During the financial half-year the principal continuing activities of the consolidated entity consisted of:
- Retailing and wholesaling of leather goods, fashion apparel and related accessories under the OROTON label.
- Retailing of fashion apparel under the GAP label since 31 October 2013.
- Retailing of fashion apparel under the Brooks Brothers label through a joint venture since February 2014.
- Licensing of the OROTON brand name.

Operating and financial review
H1 2015 was a period of repositioning of the core Oroton brand and expansion of the distribution of both the GAP and Brooks Brothers brands. Revenue of the consolidated entity for the half-year to 24 January 2015 was $66,791,000 which increased by 6.2% from the previous corresponding half. This revenue growth was driven by a full 6 months of trade in the GAP brand (compared to 3 months in the previous half) as well as 3 additional new stores. The GAP like for like sales for the 3 original stores which cycled their first year in November 2014 was -0.9% offset by strong margin growth. The Oroton brand strategy to reduce the level of discounting, with a focus on quality margin generation has, as expected, led to lower sales and is reflected in the sales like for like of -6.5% vs H1 2014. Importantly the net margin percentage to sales has improved in line with this strategy.

As anticipated in our announcement in January 2015, the underlying earnings before interest and tax (EBIT) of $4.8 M compared to $8.0 M in the prior year reflects the lower sales in the Oroton brand as a result of reduced discounting, continuing start up costs in Brooks Brothers which only commenced trading in H2 2014 and the further expansion and associated one off costs in opening 3 new GAP stores. Group EBIT for the half was $4.5 M after accounting for the significant item relating to the onerous lease provision of $0.3 M for the closure of the Hong Kong store.

The net profit after tax for the consolidated entity was $2.2 M compared to $5.1 M for H1 2014 with an effective tax rate of 47% compared to 37% in H1 2014 primarily due to the increased non tax-deductible loss from the equity accounted Brooks Brothers joint venture. The basic earnings per share (EPS) for the consolidated entity is 5.4 cents per share (H1 2014: 12.4).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

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.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

OrotonGroup Limited
Directors' report
24 January 2015

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

John P Schmoll
Non-Executive Chairman

18 March 2015
Sydney

Auditor's Independence Declaration

As lead auditor for the review of OrotonGroup Limited for the half-year ended 24 January 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.

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

K. Stubbins

Kristin Stubbins
Partner
PricewaterhouseCoopers

Sydney
18 March 2015

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: 1300 799 615, F: 1300 799 618, www.pwc.com.au

Contents

General information

The financial statements cover OrotonGroup Limited as a consolidated entity consisting of OrotonGroup Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is OrotonGroup Limited's functional and presentation currency.

OrotonGroup Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2
409 George Street
Waterloo NSW 2017
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 March 2015.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: www.orotongroup.com.

OrotonGroup Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 24 January 2015

	Note	Consolidated 24 Jan 2015 $'000	Consolidated 25 Jan 2014 $'000
Revenue	3	66,791	62,921
Share of losses of joint ventures accounted for using the equity method	4	(973)	(155)
Other income		102	11
Expenses			
Cost of sales		(24,894)	(22,820)
Warehouse and distribution		(2,148)	(1,178)
Marketing		(1,733)	(1,171)
Selling		(26,554)	(23,027)
Administration		(6,081)	(6,430)
Finance costs	5	(352)	(149)
Profit before income tax expense		4,158	8,002
Income tax expense		(1,969)	(2,926)
Profit after income tax expense for the half-year attributable to the owners of OrotonGroup Limited		2,189	5,076
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		8,553	1,837
Foreign currency translation		124	181
Share of joint venture's fair value of cash flow hedges taken to equity, net of tax		1,652	-
Other comprehensive income for the half-year, net of tax		10,329	2,018
Total comprehensive income for the half-year attributable to the owners of OrotonGroup Limited		12,518	7,094
		Cents	**Cents**
Basic earnings per share		5.35	12.42
Diluted earnings per share		5.28	12.37

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

OrotonGroup Limited
Statement of financial position
As at 24 January 2015

	Note	Consolidated 24 Jan 2015 $'000	Consolidated 26 Jul 2014 $'000
Assets			
Current assets			
Cash and cash equivalents	6	966	10,128
Trade and other receivables		9,782	5,287
Inventories		37,156	27,598
Derivative financial instruments		5,726	-
Tax receivable		19	18
Total current assets		53,649	43,031
Non-current assets			
Receivables		5,100	4,336
Investments accounted for using the equity method	4	2,002	47
Derivative financial instruments		3,616	-
Property, plant and equipment		15,062	11,057
Intangibles		830	709
Deferred tax		202	3,361
Total non-current assets		26,812	19,510
Total assets		80,461	62,541
Liabilities			
Current liabilities			
Trade and other payables		19,640	17,625
Borrowings	7	1,592	-
Derivative financial instruments		-	1,417
Income tax		1,416	1,063
Provisions		944	529
Total current liabilities		23,592	20,634
Non-current liabilities			
Borrowings	8	5,000	-
Derivative financial instruments		-	1,195
Provisions		6,179	3,829
Total non-current liabilities		11,179	5,024
Total liabilities		34,771	25,658
Net assets		45,690	36,883
Equity			
Issued capital		22,523	22,523
Reserves		5,825	(4,063)
Retained profits		17,342	18,423
Total equity		45,690	36,883

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

OrotonGroup Limited
Statement of changes in equity
For the half-year ended 24 January 2015

Consolidated	Issued capital $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 28 July 2013	22,523	(1,008)	24,882	46,397
Profit after income tax expense for the half-year	-	-	5,076	5,076
Other comprehensive income for the half-year, net of tax	-	2,018	-	2,018
Total comprehensive income for the half-year	-	2,018	5,076	7,094
Transactions with owners in their capacity as owners:				
Net movement in share-based payments reserve	-	85	-	85
Dividends paid (note 9)	-	-	(11,447)	(11,447)
Balance at 25 January 2014	22,523	1,095	18,511	42,129

Consolidated	Issued capital $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 27 July 2014	22,523	(4,063)	18,423	36,883
Profit after income tax expense for the half-year	-	-	2,189	2,189
Other comprehensive income for the half-year, net of tax	-	10,329	-	10,329
Total comprehensive income for the half-year	-	10,329	2,189	12,518
Transactions with owners in their capacity as owners:				
Net movement in share-based payments reserve	-	(441)	-	(441)
Dividends paid (note 9)	-	-	(3,270)	(3,270)
Balance at 24 January 2015	22,523	5,825	17,342	45,690

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

OrotonGroup Limited
Statement of cash flows
For the half-year ended 24 January 2015

	Note	Consolidated 24 Jan 2015 $'000	Consolidated 25 Jan 2014 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		68,584	67,427
Payments to suppliers and employees (inclusive of GST)		(69,404)	(52,979)
		(820)	14,448
Interest received		24	132
Interest and other finance costs paid		(352)	(149)
Income taxes paid		(2,123)	(3,709)
Net cash from/(used in) operating activities		(3,271)	10,722
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(7,204)
Payment for investment in joint venture		-	(1,275)
Loans advance to joint venture		(2,040)	-
Payments for property, plant and equipment		(6,644)	(2,068)
Payments for software		(307)	(317)
Payments for security deposits		-	(82)
Proceeds from disposal of property, plant and equipment		80	-
Net cash used in investing activities		(8,911)	(10,946)
Cash flows from financing activities			
Proceeds from borrowings		13,000	2,500
Dividends paid	9	(3,270)	(11,447)
Repayment of borrowings		(8,000)	(2,500)
Shares purchased through employee share trust		(302)	(90)
Net cash from/(used in) financing activities		1,428	(11,537)
Net decrease in cash and cash equivalents		(10,754)	(11,761)
Cash and cash equivalents at the beginning of the financial half-year		10,128	23,044
Cash and cash equivalents at the end of the financial half-year	6	(626)	11,283

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 24 January 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 26 July 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The consolidated entity has applied AASB 2012-3 from 27 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
The consolidated entity has applied AASB 2013-3 from 27 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part B)
The consolidated entity has applied Part B of 2013-9 from 27 July 2014, which amends particular Australian Accounting Standards to delete references to AASB 1031 Materiality as part of the AASB's aim to eventually withdraw AASB 1031.

Note 2. Operating segments

Identification of reportable operating segments
Management has determined the operating segments based on internal reports that are reviewed and used by the Board of Directors (collectively referred to as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. The operating segments have been aggregated in accordance with AASB 8 on the basis that they share similar economic characteristics.

The CODM reviews both EBIT (earnings before interest and tax) and EBITDA (earnings before interest, tax, depreciation and amortisation) on a monthly basis. Amounts presented with respect to total assets are measured in a manner consistent with that of the financial statements.

	Consolidated	
	24 Jan 2015 $'000	25 Jan 2014 $'000
Profit after income tax expense	2,189	5,076
Interest received	(24)	(132)
Finance costs	352	149
Income tax expense	1,969	2,926
Earnings Before Interest and Tax (EBIT)	4,486	8,019
Depreciation and amortisation expense	2,617	2,681
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	7,103	10,700

Types of products and services
The reportable segment operates principally in the retailing and wholesaling of fashion apparel and accessories.

Note 3. Revenue

	Consolidated	
	24 Jan 2015 $'000	25 Jan 2014 $'000
Sales revenue		
Sale of goods	65,370	61,770
Licence and franchise fees	847	765
	66,217	62,535
Other revenue		
Management fees	550	254
Interest received	24	132
	574	386
Revenue	66,791	62,921

Note 4. Share of losses of joint ventures accounted for using the equity method

	Consolidated	
	24 Jan 2015 $'000	25 Jan 2014 $'000
Share of loss - joint ventures	(973)	(155)

Reconciliation of the consolidated entity's carrying amount

Opening carrying amount at 27 July 2014	47
Investment in joint venture through non interest bearing loan	1,276
Share of loss after income tax	(973)
Share of other comprehensive income	1,652
Closing carrying amount at 24 Jan 2015	2,002

Note 5. Expenses

	Consolidated	
	24 Jan 2015 $'000	25 Jan 2014 $'000
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation of assets		
Depreciation of plant and equipment	2,431	2,551
Amortisation of software	186	130
Total depreciation and amortisation of assets	2,617	2,681
Finance costs		
Interest and finance charges paid/payable	352	149
Net foreign exchange loss/(gain)		
Net foreign exchange loss/(gain)	(30)	(50)
Net loss on disposal		
Net loss on disposal of property, plant and equipment	128	100
Rental expense relating to operating leases		
Minimum lease payments	9,846	8,035
Amortisation of deferred lease incentives	(312)	(157)
Provision for onerous contract	303	-
Total rental expense relating to operating leases	9,837	7,878
Superannuation expense		
Defined contribution superannuation expense	953	819
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	12,286	11,166
Write off of assets		
Inventories	504	564

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	24 Jan 2015 $'000	26 Jul 2014 $'000
Cash at bank	966	10,128

The balance at the end of the financial half-year in the 'Statement of cash flows' of $(626,000) is the net amount of cash at bank of $966,000 less the bank overdraft of $1,592,000.

Note 7. Current liabilities - borrowings

	Consolidated	
	24 Jan 2015 $'000	26 Jul 2014 $'000
Bank overdraft	1,592	-

Note 8. Non-current liabilities - borrowings

	Consolidated	
	24 Jan 2015 $'000	26 Jul 2014 $'000
Bank loans	5,000	-

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	24 Jan 2015 $'000	26 Jul 2014 $'000
Bank overdraft	1,592	-
Bank loans	5,000	-
	6,592	-

Note 8. Non-current liabilities - borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	24 Jan 2015 $'000	26 Jul 2014 $'000
Total facilities		
Bank overdraft	8,000	5,000
Working capital facilities	32,000	25,000
	40,000	30,000
Used at the reporting date		
Bank overdraft	1,592	-
Working capital facilities *	13,457	4,002
	15,049	4,002
Unused at the reporting date		
Bank overdraft	6,408	5,000
Working capital facilities	18,543	20,998
	24,951	25,998

* Working capital facilities used includes bank loans of $5,000,000 (2014: Nil).

The financing arrangements are secured by a first mortgage over the consolidated entity's assets.

The bank overdraft facilities and bank bill acceptance facility may be drawn at any time. In addition to the unused credit facilities disclosed above, the consolidated entity has access to the cash balances as disclosed in note 6. Bank facilities are arranged with the general terms, conditions and covenants being set and agreed from time to time. The $8m bank overdraft facility is repayable and terminable on demand and the $32m working capital facilities are due for renewal on 31 January 2016.

Subsequent to the reporting date, the consolidated entity signed a new facility agreement with the same credit facilities ($8m bank overdraft and $32m working capital facilities) as the current agreement. This new facility agreement is due for renewal on 17 March 2018.

Note 9. Equity - dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	24 Jan 2015 $'000	25 Jan 2014 $'000
Final dividend for the year ended 26 July 2014 (2014: 27 July 2013) of 8.0 cents (2014: 28.0 cents) per fully paid ordinary share fully franked based on a tax rate of 30%	3,270	11,447

On 18 March 2015 the directors declared a fully franked interim dividend of 4.5 cents per ordinary share with a record date of 8 April 2015 to be paid on 22 April 2015.

Note 10. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 24 Jan 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Forward foreign exchange contracts	-	9,342	-	9,342
Total assets	-	9,342	-	9,342

Consolidated - 26 Jul 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Forward foreign exchange contracts	-	2,612	-	2,612
Total liabilities	-	2,612	-	2,612

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2
Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Note 11. Events after the reporting period

Subsequent to the reporting date, the consolidated entity signed a new facility agreement with the same credit facilities ($8m bank overdraft and $32m working capital facilities) as the current agreement. This new facility agreement is due for renewal on 17 March 2018.

Apart from the dividend declared as disclosed in note 9 and the matter above, no other matter or circumstance has arisen since 24 January 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

OrotonGroup Limited
Directors' declaration
24 January 2015

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 24 January 2015 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

John P Schmoll
Non-Executive Chairman

18 March 2015
Sydney

Independent auditor's review report to the members of OrotonGroup Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of OrotonGroup Limited (the Company), which comprises the statement of financial position as at 24 January 2015, 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, selected explanatory notes and the directors' declaration for the OrotonGroup Limited group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that 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 (including the Australian Accounting Interpretations) 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 Australian 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 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 24 January 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 OrotonGroup 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*.

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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 OrotonGroup 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 24 January 2015 and of its performance for the half-year ended on that date;

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

K. Stubbins

Kristin Stubbins
Partner

Sydney
18 March 2015