Appendix 4E
Preliminary Final Report

Name of entity

GAZAL CORPORATION LIMITED

ABN	Financial year ended
57 004 623 474	**30 June 2015**

Results for announcement to the market				$A'000
Sales revenue from continuing operations	Up	11.60%	to	**50,993**
Profit from continuing activities after tax attributable to members	Up	1016.51%	to	**2,434**
Profit after tax from discontinuing operations				**28,711**
Net profit for the period attributable to members	Up	149.88%	to	**31,145**

Dividends per security	Amount per security	Franked amount per security
Current period – 2015		
Final dividend	8.0 ¢	8.0 ¢
Interim dividend	6.0 ¢	6.0 ¢
Previous corresponding period – 2014		
Final dividend	11.0 ¢	11.0 ¢
Interim dividend	7.0 ¢	7.0 ¢
Record date for determining entitlements to final dividend	17-Sep-15	

Refer to Page 18 for a brief explanation for any of the figures reported above.

Appendix 4E
Preliminary Final Report

Name of entity

GAZAL CORPORATION LIMITED

ABN	Financial year ended
57 004 623 474	**30 June 2015**

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Income Statement
For the Year Ended 30 June 2015

	Notes	Year ended **30 June 2015** $'000	Year ended 30 June 2014 $'000
Sales revenue	4	50,993	45,694
Cost of sales		(29,960)	(24,727)
Gross profit		21,033	20,967
Other revenues	4	3,256	1,142
Selling and marketing expenses		(7,528)	(8,003)
Distribution expenses		(8,510)	(7,933)
Administration expenses		(3,691)	(3,202)
Finance costs		(1,997)	(1,942)
Share of profit / (loss) of joint venture	6	785	(300)
Profit before income tax from continuing operations		**3,348**	**729**
Income tax expense	5	(914)	(511)
Profit after tax from continuing operations		**2,434**	**218**
Discontinued operations			
Profit after tax from discontinuing operations	2	28,711	12,246
Net profit for the period		**31,145**	**12,464**
Profit for the period is attributable to: Owners of the parent		**31,145**	**12,464**
Earnings per share (cents per share)			
Basic for profit for the year	7	53.9	21.6
Basic for profit from continuing operations	7	4.2	0.4
Diluted for profit for the year	7	53.9	21.6
Diluted for profit from continuing operations	7	4.2	0.4

The Income Statement should be read in conjunction with the accompanying notes, which form an integral part of the preliminary final report.

Statement of Comprehensive Income
For the Year Ended 30 June 2015

	Notes	Consolidated Year ended **30 June 2015** $'000	Year ended 30 June 2014 $'000
Profit after tax for the period		**31,145**	**12,464**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges:			
Gain/(loss) taken to equity		1,762	(1,856)
Transferred to income statement		1,898	(5,749)
Income tax on items of other comprehensive income		(1,098)	2,282
Other comprehensive income from joint venture	6	101	-
Items that will not be reclassified subsequently to profit or loss			
Fair value revaluation of land and buildings		2,973	2,908
Income tax on items of other comprehensive income		(892)	(873)
Other comprehensive income for the period, net of tax		**4,744**	**(3,288)**
Total comprehensive income for the period		**35,889**	**9,176**
Total comprehensive income for the period is attributable to: Owners of the parent		**35,889**	**9,176**

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the preliminary final report.

Statement of Financial Position
As at 30 June 2015

		Consolidated	
		As at	As at
		30 June 2015	**30 June 2014**
	Notes	$'000	$'000
Current assets			
Cash and cash equivalents	11	19,348	6,163
Trade and other receivables		9,319	12,748
Inventories		15,750	51,152
Derivative financial instruments		2,422	-
Income tax receivable		-	661
Other current assets		6,439	7,871
		53,278	78,595
Assets of disposal group classified as held for sale	2	51,440	-
Total current assets		104,718	78,595
Non-current assets			
Property, plant and equipment		43,430	55,383
Intangible assets		5,559	14,501
Investment in joint venture	6	52,777	6,433
Total non-current assets		101,766	76,317
Total assets		**206,484**	**154,912**
Current liabilities			
Trade and other payables		10,561	37,835
Derivative financial instruments		-	1,898
Interest-bearing loans and borrowings		25,894	929
Income tax payable		1,871	-
Provisions		2,654	4,814
		40,980	45,476
Liabilities directly associated with the assets classified as held for sale	2	28,130	-
Total current liabilities		**69,110**	**45,476**
Non-current liabilities			
Interest-bearing loans and borrowings		30,000	30,000
Provisions		608	754
Deferred tax liabilities		5,970	4,367
Total non-current liabilities		36,578	35,121
Total liabilities		**105,688**	**80,597**
Net assets		**100,796**	**74,315**
Equity			
Contributed equity		62,473	62,183
Reserves		26,975	22,107
Retained earnings / (Accumulated losses)		11,348	(9,975)
Total Equity		**100,796**	**74,315**

The Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the preliminary final report.

Statement of Cash Flows
For the Year Ended 30 June 2015

	Notes	Consolidated Year ended **30 June 2015** $'000	 Year ended 30 June 2014 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		295,639	300,583
Payments to suppliers and employees (inclusive of GST)		(288,849)	(284,862)
Interest and bill discounts received		(198)	98
Interest and other costs of finance paid		(1,997)	(1,942)
Income taxes paid		(1,307)	(4,742)
Net cash flows from operating activities		**3,288**	**9,135**
Cash flows from investing activities			
Purchases of property, plant and equipment		(4,082)	(5,783)
Proceeds from sale of buildings, plant and equipment		86	1,833
Purchase of intangibles		(175)	(1,007)
Proceeds from sale of investment	2	10,484	9,391
Investment in joint venture		(11,885)	(4,577)
Net cash flows from/(used) in investing activities		**(5,572)**	**(143)**
Cash flows from financing activities			
Proceeds from share issue		290	376
Payment for share buy back		-	(1,503)
Proceeds from borrowings		35,000	22,000
Repayment of borrowings		(10,000)	(22,000)
Dividends paid		(9,822)	(10,452)
Net cash flows used in financing activities		**15,468**	**(11,579)**
Net increase/(decrease) in cash and cash equivalents		13,184	(2,587)
Cash and cash equivalents at the beginning of the period		6,163	8,754
Net foreign exchange differences		1	(4)
Cash and cash equivalents at the end of the year	11	**19,348**	**6,163**

The Statement of Cash Flow should be read in conjunction with the accompanying notes, which form an integral part of the preliminary final report.

Statement of Changes in Equity
For the Year Ended 30 June 2015

	Consolidated							
	Attributable to shareholders of Gazal Corp Ltd							
	Issued Capital $'000	Asset Revaluation Reserve $'000	Asset Realisation Reserve $'000	Employee Equity Benefit Reserve $'000	Cash Flow Hedge Reserve $'000	Reserves from joint venture $'000	(Accumulated Losses)/ Retained Earnings $'000	Total Equity $'000
At 1 July 2014	62,183	21,661	562	1,213	(1,329)	-	(9,975)	74,315
Profit for the period	-	-	-	-	-	-	31,145	31,145
Other comprehensive income	-	2,081	-	-	2,562	101	-	4,744
Total comprehensive income for the period	-	2,081	-	-	2,562	101	31,145	35,889
Transactions with owners in their capacity as owners:								
Cost of share-based payments	-	-	-	414	-	-	-	414
Share issue	290	-	-	(290)	-	-	-	-
Dividends paid	-	-	-	-	-	-	(9,822)	(9,822)
At 30 June 2015	**62,473**	**23,742**	**562**	**1,337**	**1,233**	**101**	**11,348**	**100,796**
At 1 July 2013	63,310	19,626	562	1,174	3,995	-	(11,987)	76,680
Profit for the period	-	-	-	-	-	-	12,464	12,464
Other comprehensive income	-	2,035	-	-	(5,324)		-	(3,289)
Total comprehensive income for the period	-	2,035	-	-	(5,324)	-	12,464	9,175
Transactions with owners in their capacity as owners:								
Cost of share-based payments	-	-	-	39	-	-	-	39
Share buy back	(1,503)	-	-	-	-	-	-	(1,503)
Exercise of options	376	-	-	-	-	-	-	376
Dividends paid	-	-	-	-	-	-	(10,452)	(10,452)
At 30 June 2014	**62,183**	**21,661**	**562**	**1,213**	**(1,329)**	**-**	**(9,975)**	**74,315**

Notes to the Preliminary Final Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2014, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2014 and the early adoption of Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (AASB 2014-10). The adoptions of the mandatory amendments for annual periods beginning on or after 1 July 2014 have resulted in changes to accounting policies but did not have any impact of the financial position or performance of the Group. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2015, however these are not expected to have a material impact on the Group results.

The AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:

(a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and

(b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date for entities to apply the amendment to AASB 2014-10 issued in September 2014 has been deferred by the IASB however early application of the September 2014 amendment is permitted. The Group has early adopted the amendments to AASB 2014-10 in the current period. Accordingly, these amendments have been considered when accounting for the sale of Heritage and Shapewear businesses to PVH Brands Australia Pty Limited, a jointly controlled entity, in the current period.

No other Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2015

2 Discontinued Operations

On 19 December 2014, the Group announced the decision of its board of directors to dispose of the Heritage and Shapewear businesses. The disposal was completed on 3 February 2015 for gross proceeds of $34m. As at 30 June 2015, the Heritage and Shapewear businesses are classified as discontinued operations.

On 6 February 2015, the Group announced the decision of its board of directors to dispose of the Midford business. The disposal was completed on 29 June 2015 for gross proceeds of $10m. As at 30 June 2015, the Midford business is classified as a discontinued operation.

On 29 July 2015, the Group announced the decision of its board of directors to dispose of the Trade Secret business. The disposal is expected to be completed by 31 December 2015. As at 30 June 2015, the Trade Secret business is classified as a discontinued operation.

Notes to the Preliminary Final Report (continued)

2 Discontinued Operations (continued)

The results of the discontinued operations are presented below:

	Year ended 30 June 2015				Year ended 30 June 2014				
	Heritage and Shapewear*	Midford	Trade Secret	**Total**	Heritage and Shapewear	Midford	Underwear	Trade Secret	**Total**
	$'000	$'000	$'000	**$'000**	$'000	$'000	$'000	$'000	**$'000**
Trading									
Sales revenue	30,571	18,080	164,825	**213,476**	45,551	18,034	13,146	153,606	**230,337**
Other revenue	30	60	-	**90**	127	17	97	(4)	**237**
Cost of sales	(14,894)	(9,113)	(101,194)	**(125,201)**	(20,840)	(8,728)	(4,705)	(93,668)	**(127,941)**
Depreciation and amortisation	(268)	(125)	(3,521)	**(3,914)**	(519)	(121)	(221)	(3,870)	**(4,731)**
Employees benefit expenses	(4,076)	(4,024)	(23,928)	**(32,028)**	(6,668)	(3,687)	(2,273)	(22,932)	**(35,559)**
Other expenses	(8,196)	(4,639)	(34,551)	**(47,386)**	(12,704)	(4,393)	(3,847)	(33,737)	**(54,682)**
Profit/(loss) before tax from discontinued operations	3,167	239	1,631	**5,037**	4,948	1,122	2,197	(606)	**7,661**
Tax (expense)/benefit	(950)	(72)	(569)	**(1,591)**	(1,495)	(324)	(449)	352	**(1,915)**
Profit for the period from discontinued operations	2,217	167	1,062	**3,446**	3,453	798	1,748 -	253	**5,746**
Gain on sale of discontinued operations after tax	**21,179**	**4,086**	**-**	**25,265**	**-**	**-**	**6,500**	**-**	**6,500**
Total profit from discontinued operations	**23,396**	**4,253**	**1,062**	**28,711**	**3,453**	**798**	**8,248 -**	**253**	**12,246**

*Note: Heritage and Shapewear represents 7 months trading in the year ended 30 June 2015 (30 June 2014: 12 months).

	30 June 2015 cents	30 June 2014 cents
Earnings per share - cents per share:		
- Basic from discontinuing operations	0.50	0.21

Details of the net gain on sale of the discontinued operations are presented below:

	Year ended 30 June 2015			Year ended 30 June 2014	
	Heritage and Shapewear	Midford	**Total**	Underwear	**Total**
	$'000	$'000	**$'000**	$'000	**$'000**
Gross sale proceeds	33,574	10,710	**44,284**	14,215	**14,215**
Working capital adjustment received	477	(226)	**251**	-	**-**
Total gross sale proceeds	**34,051**	**10,484**	**44,535**	**14,215**	**14,215**
Less: amounts re-invested in the joint venture	(34,051)	-	**(34,051)**	(4,824)	**(4,824)**
Proceeds recognised in cash flow statement	-	10,484	**10,484**	9,391	**9,391**
Carrying amount of net assets sold	(12,272)	(5,349)	**(17,621)**	(4,465)	**(4,465)**
Gain on sale before transaction costs	21,779	5,135	**26,914**	9,750	**9,750**
Transaction costs	(600)	(107)	**(707)**	-	**-**
Elimination of profit on sale to joint venture	-	-	**-**	(3,250)	**(3,250)**
Net gain on sale of discontinued operations before income tax	21,179	5,028	**26,207**	6,500	**6,500**
Tax expense	-	(942)	**(942)**	-	**-**
Net gain on sale of discontinued operations after income tax	**21,179**	**4,086**	**25,265**	**6,500**	**6,500**

Notes to the Preliminary Final Report (continued)

2 Discontinued Operations (continued)

Group has early adopted the amendments to AASB24-10 in the current period. These amendments have been considered when accounting for the sale of the Heritage and ShaThe pewear businesses to PVH Brands Australia Pty Limited, the jointly controlled entity in the current period.

The effect of the disposal of the Heritage and Shapewear and Midford businesses on the financial position of the Group is presented below:

Effect of disposal on the financial position of the Group

	Year ended 30 June 2015			Year ended 30 June 2014	
	Heritage and Shapewear	Midford	**Total**	Underwear	**Total**
	$'000	$'000	**$'000**	$'000	**$'000**
Plant and equipment	1,321	360	**1,681**	1,714	**1,714**
Intangible	5,515	115	**5,630**		**-**
Inventories	6,094	5,248	**11,342**	4,371	**4,371**
Other assets	3	9	**12**	1,571	**1,571**
Payables	-	-	**-**	(3,162)	**(3,162)**
Employee benefits	(661)	(157)	**(818)**	(29)	**(29)**
Working capital adjustment	-	(226)	**(226)**		**-**
Net Assets	**12,272**	**5,349**	**17,621**	**4,465**	**4,465**

The major classes of assets and liabilities classified as part of the discontinued operations as at 30 June 2015 are disclosed in the Statement of Financial Position:

	30 June 2015		30 June 2014
	Trade Secret	**Total**	Total
	$'000	**$'000**	$'000
Assets			
Inventory	33,066	**33,066**	-
Fixed assets	12,513	**12,513**	-
Intangibles	1,930	**1,930**	-
Other receivables	3,931	**3,931**	-
Assets classified as held for sale	**51,440**	**51,440**	-
Liabilities			
Trade and other payables	26,519	**26,519**	-
Provisions	1,611	**1,611**	-
Liabilities classified as held for sale	**28,130**	**28,130**	-
Net assets attributibale to discontinued operations	**23,310**	**23,310**	-

Net cash flows of the discontinued operations are as follows:

	Year ended 30 June 2015		Year ended 30 June 2014
	Trade Secret	Total	Total
	$'000	$'000	$'000
Operating activities	5,152	5,152	-
Investing activities	(2,519)	(2,519)	-
Net cash inflow/(outflow)	**2,633**	**2,633**	**-**

Notes to the Preliminary Final Report (continued)

3. Segment Information – Operating Segments

Identification of reportable segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the manner in which the product is sold. Discrete financial information about each of these operating businesses is reported to the Board of Directors on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the market and customer base, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Types of markets and customer groups

Wholesale
The wholesale business services our traditional retail customers. The products sold are primarily workwear and corporate uniforms.

Direct to consumer
This segment is our off-price retail channel Trade Secret and Midford shops. This is shown as part of discontinued operations.

Accounting policies and inter-segment transactions
The accounting polices used by the Group in reporting segments internally are the same as those contained in note 2 to the Annual Report at 30 June 2015. The key elements of the policy are described below.

Inter-entity sales
Inter-entity sales are recognised based on the internally set transfer price. The price is set to reflect what the business operation could achieve if they sold their output and services to external parties at arm's length.

Corporate charges
Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are allocated to each business segment on a proportionate basis linked to segment revenue and capital employed so as to determine a segment result.

Income tax expense
Income tax expense is calculated based on the segment operating net profit using a notional charge of 30% (2014: 30%). No effect is given for taxable or deductible temporary differences.

It is the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

Notes to the Preliminary Final Report (continued)

3. Segment Information – Operating Segments (continued)

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

- Fair value gains/losses on derivatives
- Net gains/losses on disposal of available-for-sale investments
- Finance costs – including adjustments on provisions due to discounting
- Impairment charges
- Depreciation and amortisation on corporate property, plant and equipment
- Income tax balances

	Wholesale	Direct to Consumer	Unallocated Items	Total
	$'000	$'000	$'000	$'000
Year ended 30 June 2015				
Revenue				
Sales to external customers	50,993	-	-	50,993
Other revenues from external customers	144	-	-	144
Segment Revenue	51,137	-	-	**51,137**
Segment net operating profit before tax	**3,362**	-	-	**3,362**
includes the following:				
- Interest revenue	-	-	92	92
- Interest expense	-	-	(1,997)	(1,997)
- Depreciation and amortisation	(86)	-	(2,200)	(2,286)
- Other non-cash expenses	-	-	(493)	(493)
- Discontinued operations before income tax	2,879	2,158	-	5,037
Segment assets	**31,924**	**674**	-	**32,598**
Capital expenditure	449	2,869	764	4,082
Segment liabilities	**10,798**	**1,415**	-	**12,213**

Notes to the Preliminary Final Report (continued)

3. Segment Information - Operating Segments (continued)

	Wholesale $'000	Direct to Consumer $'000	Unallocated Items $'000	Total $'000
Year ended 30 June 2014				
Revenue				
Sales to external customers	45,695	-	-	45,695
Other revenue	147	-	-	147
Inter-segment sales	-	-	-	-
Segment revenue	**45,842**	**-**	**-**	**45,842**
Segment net profit before tax	**3,386**	**-**	**-**	**3,386**
includes the following:				
- Interest revenue	-	-	94	94
- Interest expense	-	-	(1,942)	(1,942)
- Depreciation and amortisation	(101)	-	(2,697)	(2,798)
- Other non-cash expenses	-	-	(83)	(83)
- Discontinued operations before income tax	7,548	114		7,662
Segment assets	**46,773**	**49,090**	**-**	**95,863**
Capital expenditure	703	2,806	2,274	5,783
Segment liabilities	**15,216**	**26,177**	**-**	**41,393**

Major customers

The Group has a number of customers to which it provides products. The Group's major customer which is included in the Wholesale segment accounted for 4.4% of external revenue (2014: 8.5%). The next most significant customer accounted for 3.2% (2014: 3.5%) of external revenue.

i) Segment revenue reconciliation to the income statement

	Consolidated	
	Year ended **30 June 2015** $'000	Year ended 30 June 2014 $'000
Reconciliation of segment revenue to the income statement		
Total segment revenue	51,137	45,842
Other revenues	3,112	994
Total revenue and other revenues per the income statement	**54,249**	**46,836**

Notes to the Preliminary Final Report (continued)

3. Segment Information - Operating Segments (continued)

ii) Segment net operating profit after tax reconciliation to the income statement

The Board of Directors meet on a monthly basis to assess the performance of each segment by analysing the segment's net operating profit after tax. A segment's net operating profit after tax excludes non operating income and expense such as dividends received, fair value gains and losses, gains and losses on disposal of assets and impairment charges.

	Consolidated	
	Year ended 30 June 2015	Year ended 30 June 2014
	$'000	$'000
Reconciliation of segment net operating profit before tax to net profit before tax		
Segment net operating profit before tax	3,362	3,386
Interest revenue	92	94
Interest expense	(1,997)	(1,942)
Depreciation and amortisation	(2,200)	(2,697)
Other non-cash expenses	(493)	(83)
Share of profit/(loss) of joint venture	785	(300)
Over-allocation of corporate overhead to segments	3,799	2,271
Total net profit before tax for continuing operations per the income statement	**3,348**	**729**

iii) Segment assets reconciliation to the statement of financial position

In assessing the segment performance on a monthly basis, the Board of Directors analyse the segment result as described above and its relation to segment assets. Segment assets are those operating assets of the entity that the management committee views as directly attributing to the performance of the segment. These assets include plant and equipment, receivables, inventory and intangibles and exclude available-for-sale assets, cash at bank, derivative assets, and deferred tax assets.

Notes to the Preliminary Final Report (continued)

3. Segment Information - Operating Segments (continued)

	Consolidated	
	As at 30 June 2015 $'000	As at 30 June 2014 $'000
Reconciliation of segment operating assets to total assets		
Segment operating assets	32,598	95,863
Cash at bank	19,348	6,163
Corporate property, plant and equipment	41,550	40,529
Corporate IT software	4,149	5,263
Derivative assets	2,422	-
Investment in joint venture	52,777	6,433
Income tax receivable	-	661
Other related party receivable	1,872	-
Other receivable	328	-
Assets of disposal group classified as held for sale	51,440	-
Total assets per statement of financial position	**206,484**	**154,912**

iv) Segment liabilities reconciliation to the statement of financial position

Segment liabilities include trade and other payables. The Group has a centralised finance function that is responsible for raising debt and capital for the entire operations. Each entity or business uses this central function to invest excess cash or obtain funding for its operations.

	Consolidated	
	As at 30 June 2015 $'000	As at 30 June 2014 $'000
Reconciliation of segment operating liabilities to total liabilities		
Segment operating liabilities	12,213	41,393
Borrowings	55,894	30,929
Income tax payable	1,871	-
Provisions	1,610	2,010
Derivative financial instruments	-	1,898
Deferred tax liabilities	5,970	4,367
Liabilities directly associated with assets classified as held for sale	28,130	-
Total liabilities per statement of financial position	**105,688**	**80,597**

Notes to the Preliminary Final Report (continued)

4. Revenue and Expenses from Operations

Profit before income tax expense includes the following revenues and expenses for which disclosure is relevant in explaining the performance of the entity:

	Consolidated	
	Year ended **30 June 2015** $'000	Year ended 30 June 2014 $'000
Revenue and Expense		
(i) Revenue		
Sales revenue	50,993	45,694
Other revenue		
Interest revenue	92	98
Royalty revenue	55	74
Fees from joint venture	2,781	480
Other	328	490
Total other revenue	3,256	1,142
Total revenue	**54,249**	**46,836**
(ii) Expenses and losses		
Depreciation, amortisation and impairment		
Depreciation of buildings	473	430
Depreciation of plant and equipment	943	909
Depreciation of leasehold improvements	5	4
Amortisation of intangible	-	162
Amortisation of software	865	768
	2,286	2,273
Employee benefit expense		
Wages and salaries	12,047	12,032
Defined contribution superannuation expense	1,088	1,149
Employee entitlements	1,342	1,230
Share-based payments	404	147
	14,881	14,558
Borrowing costs - Interest expenses	1,997	1,942
Bad & doubtful debts	2	-
Operating lease rentals	598	497
Provision/(release) of inventories obsolescence	(106)	-
Foreign exchange (gain)	(325)	(587)
Net loss on disposal of non-current assets	39	21

Notes to the Preliminary Final Report (continued)

5. Income Tax

The major components of income tax expenses for the year ended 30 June 2015 and 30 June 2014 are:

	Note	Consolidated Year ended **30 June 2015** $'000	Year ended 30 June 2014 $'000
Income Statement			
Current income tax			
Current income tax charge attributable to continuing operations		788	769
Adjustments in respect of current income tax of previous years		108	(213)
Deferred income tax			
Relating to origination and reversal of temporary differences		18	(45)
Income tax expense reported in the income statement		914	511
(b) Amounts charged or credited directly to equity			
Deferred income tax related to items charged or credited directly to equity			
Net (loss)/gain on cash flow hedges		1,098	(2,282)
Net gain on revaluation of buildings		892	873
Income tax expense/(benefit) reported in equity		1,990	(1,409)

(c) Numerical reconciliation between aggregate Tax expense recognised in the income statement and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	Note	2015 $'000	2014 $'000
Accounting profit before income tax		3,348	729
Profit before tax from discontinued operations	6	31,244	14,161
Accounting profit before income tax		34,592	14,890
At statutory income tax rate of 30% (2014: 30%)		10,378	4,467
Amortisation of intangibles		-	49
Entertainment expenses		37	36
Effect of higher rates of tax on overseas income		(23)	(23)
Share of profit /(loss) of joint venture		(236)	90
Utilisation of previously unrecognised capital losses		(6,748)	(1,950)
Other items		(70)	(30)
Amounts under/ (over) provided in prior years		108	(213)
Total income tax attributable to operating profit		**3,447**	**2,426**
Income tax reported in the consolidated income statement		914	511
Income tax attributable to a discontinued operation	6	2,533	1,915
		3,447	**2,426**

Notes to the Preliminary Final Report (continued)

6. Investment in Joint Venture

The Group has a 50% interest in PVH Brands Australia Pty Ltd, a jointly controlled entity, which commenced operations on 3 February 2014.

The Group's interest has been accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint venture and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	As at **30 June 2015** $'000	As at 30 June 2014 $'000
Current assets	56,000	12,661
Non-current assets	82,625	9,921
Current liabilities	23,104	5,980
Non-current liabilities	6,006	48
Equity	109,515	16,554
Portion of Group's ownership 50%	54,758	8,277
Carrying amount of investment:		
Opening	6,433	-
Investment	45,458	5,327
Capitalised costs		1,406
Share of profit	904	(300)
Elimination of unreaslised profit	(119)	
Other comprehensive income	101	-
Closing	52,777	6,433

Notes to the Preliminary Final Report (continued)

6. Investment in Joint Venture (continued)

Summarised statement of profit or loss of PVH Brands Australia Pty Limited:

	Year ended 30 June 2015 $'000	Year ended 30 June 2014 $'000
Sales revenue	83,669	14,281
Cost of sales	(31,885)	(5,594)
Gross profit	51,784	8,687
Other revenues	319	188
Selling and marketing expenses	(18,837)	(6,562)
Distribution expenses	(4,694)	(708)
Administration expenses	(25,382)	(2,354)
Profit before income tax	**3,190**	(749)
Income tax (expense)/benefit	(1,381)	150
Profit for the year	**1,809**	(599)
Group's share of profit/(loss) for the year	**904**	(300)
Elimination of unrealised profit	(119)	-
Share of profit/(loss) from joint venture in the income statement	**785**	**(300)**
Group's share of other comprensive income	101	-
Group's share of total comprensive income	**886**	**(300)**

The Group has an agreement with PVH Brands Australia Pty Limited that the profits of the joint venture will not be distributed until it obtains the consent from the two venture partners. The joint venture had no contingent liabilities or capital commitments as at 30 June 2015 or 30 June 2014.

Notes to the Preliminary Final Report (continued)

7. Earnings Per Share

The calculation of basic earnings per share is based on the profit after taxation and attributable to the members of the parent entity, and the weighted average number of shares on issue during the period.

The calculation of diluted earnings per share is based on the profit after taxation and attributable to the members of the parent entity, and the weighted average number of shares on issue during the period, adjusted to assume the full issue of shares under employee remuneration schemes, to the extent that they are dilutive.

	Consolidated	
	Year ended **30 June 2015** $'000	Year ended 30 June 2014 $'000
Net Profit / (Loss) attributable to ordinary equity holders of the parent from continuing operations	2,434	218
Profit attributable to ordinary equity holders of the parent from discontinuing operations	28,711	12,246
Earnings used in calculating basic and diluted earnings per share	**31,145**	**12,464**

	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share and diluted earnings	57,769,289	57,659,729
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**57,769,289**	**57,659,729**

There are no share options outstanding at 30 June 2015 or 30 June 2014.

The Group did not buy back shares during the reporting period (2014: $1,503,000).

Notes to the Preliminary Final Report (continued)

8. Dividends

	Amount per share	Total amount $'000	Franked amount per share	Date of payment
2015				
2014 final - ordinary	**11 cents**	**6,356**	**11 cents**	**2 October 2014**
2015 interim - ordinary	**6 cents**	**3,466**	**6 cents**	**2 April 2015**
Total amount	**18 cents**	**9,822**	**18 cents**	
2014				
2013 final - ordinary	11 cents	6,356	11 cents	2 October 2013
2014 interim - ordinary	7 cents	3,460	7 cents	2 April 2014
Total amount	18 cents	9,816	18 cents	

Subsequent events
Since the end of the financial year, the Directors declared the following dividend:

2015 final - ordinary	8 cents	4,622	8 cents	2 October 2015

The financial effect of the final dividend for June 2015 has not been brought to account in the financial statements for the year ended 30 June 2015 and will be recognised in subsequent financial reports.

Dividend Reinvestment Plan

The company's dividend reinvestment plan will not apply to the final dividend.

Dividend franking account

The balance of the franking account of Gazal Corporation Limited as at 30 June 2015 is $11,347,000 (2014: $14,773,000) after adjusting for franking credits/(debits) that will arise from:

- the payment/refund of the amount of the current tax liability; and
- before taking into account the franking credits associated with payment of the final dividend declared subsequent to year end.

9. Net tangible assets

	30 June 2015	30 June 2014
Net tangible asset backing per ordinary share	1.55	1.04

Notes to the Preliminary Final Report (continued)

10. Contingent Liabilities

The parent entity has given guarantees in relation to a number of controlled entities' retail shop leases.

The parent entity has entered into a Deed of Cross Guarantee in accordance with a class order issued by the Australian Securities and Investments Commission. The parent entity, and all the controlled entities which are a party to the Deed, have guaranteed the payment of all current and future creditors in the event any of these companies are wound up.

There are no other contingent liabilities at 30 June 2015 (30 June 2014: nil).

11. Notes to the Statements of Cash Flows

(a) Reconciliation of cash
For the purpose of the statement of cash flows, cash includes cash on hand and in banks and short term deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	As at 30 June 2015	As at 30 June 2014
	$'000	$'000
Cash at bank and on hand	19,348	6,163
	19,348	**6,163**

(b) There were no non-cash items included in the statement of cash flows.

12. Events Occurring After Reporting Date

The Trade Secret operations were sold in July 2015 to The TJX Companies based in Framingham, Massachusetts, USA. Following completion, proceeds from the planned sale will be used initially to provide for the payment of capital gains tax and to reduce debt. Subject to there being no adverse developments, the balance of surplus proceeds estimated to be in the range of AUD$37 million to AUD$41 million are proposed to be distributed to shareholders.

On 21 August 2015, the directors declared a full year dividend of 8 cents per share fully franked (2014: 11 cents per share fully franked). The record date for determining the shareholders' entitlement for the full year is 17 September 2015 and the full year dividend is payable on 2 October 2015.

There are no other matters or circumstances that have arisen since 30 June 2015 that have significantly affected or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

Commentary on Results

Gazal Corporation Limited has posted a 149.9% rise in Profit After Tax from $12.5 million last year to $31.1 million for the 12 months ended 30th June 2015.

The after-tax profit includes profit from ongoing operations, as well as the profit resulting from the sale of businesses during the period.

As previously announced, the Board and Management are viewing FY2015 and FY2016 as an important time to focus on the Group's future strategy. With the changes occurring to the Australian retail landscape, the Group is reviewing opportunities to leverage global relationships, assess the strategic fit of existing businesses and consider other opportunities to grow shareholder value for the long term.

Wholesale Group

The continuing operations of the wholesale group are made up primarily of the workwear and corporate uniforms business. In FY15, wholesale revenue improved by 11.6% as a result of the introduction of new products during the year. Although the wholesale business incurred increased costs as a result of the new product development, these costs were largely offset by the higher sales in the second half. While Gazal does hedge against the currency risks, we were also slightly impacted by the drop in the Australian dollar which is expected to continue into the 2016 financial year.

Direct to Consumer Group

At 30 June, the Direct to Consumer group was totally represented by the off-price retail channel Trade Secret. As noted above, the Trade Secret operations were sold subsequent to the year end and are therefore no longer disclosed as "Continuing Operations".

PVH Brands Australia Joint Venture ("JV")

As previously announced, the JV gives the Company a unique partnership with one of the world's leading apparel powerhouses in PVH Corp. As a JV partner, Gazal recognises a 50% share of the JV's profits, as well as revenue from the provision of corporate services and logistics support.

The JV, which commenced operations on 3 February 2014, initially brought together the Calvin Klein Underwear and Calvin Klein Jeans businesses in Australia and New Zealand. Following the most recent acquisition of Heritage Brands and Tommy Hilfiger, the JV now has a robust stable of key brands which are poised to grow further in the Australian market.

In FY2015, the JV focussed on the integration of the Heritage Brands and Tommy Hilfiger operations into the overall Gazal shared services and logistics platform. A key focus was also the development of new product categories, including Calvin Klein White Label Handbags, Casual Sportswear, Active Sportswear and women's accessories.

Revenue in the JV increased by 486% due to a full 12 months of operations for Calvin Klein Underwear and Calvin Klein Jeans (5 months in 2014) as well as the introduction of Heritage Brands and Tommy Hilfiger in February 2015. In addition, the JV has acquired and opened 21 new stores and closed 8 stores during the year.

Commentary on Results (continued)

Operating margins have been maintained despite the impact of the deteriorating Australian dollar due to higher underlying margins in the new businesses and the mix of overall sales. As a result, of the higher sales and good cost control, the operating profit after tax has improved to $1.8 million (FY2014 $0.6m loss).

Sale of Midford Schoolwear division

In February 2015, Gazal announced it had entered into an agreement to sell its Midford Schoolwear business to schoolwear specialist Georges Apparel and associated entities. The business was formally transferred to Georges Apparel on 30 June 2015 and Gazal received sale proceeds of $10.5 million.

Sale of Trade Secret – Subsequent event

In July 2015, Gazal announced that it had signed an agreement to sell its Trade Secret off-price retail business to The TJX Companies, Inc. Based in Framingham, Massachusetts, USA, TJX is the leading off-price retailer of apparel and home fashions in the U.S. and worldwide.

The Trade Secret operations are also an off-price retailer, offering branded apparel for women, men and children, as well as footwear, accessories and home fashions. Trade Secret opened its first store in 1992 and has grown to a 35 store chain with locations in New South Wales, Victoria, Queensland and the Australian Capital Territory.

Gross proceeds from the planned sale of shares of the Trade Secret entity are expected to be $80 million on a cash and debt free basis. Completion of the deal is subject to customary closing conditions, and is targeted to close by the end of calendar 2015.

Proposed Distribution to Shareholders

As part of the Trade Secret sale announcement in July, we informed shareholders that following settlement, surplus proceeds from the sale after providing for the payment of capital gains tax and reducing debt, estimated to be in the range of $37 million to $41 million, are proposed to be distributed to shareholders. Management and the Board are working with its advisors to determine the most effective and efficient method for the distribution. Once this work is completed, further details of the proposed distribution will be communicated to shareholders.

Final Dividend

The directors declared a final dividend of 8 cents per share fully franked in line with earnings compared to the FY2014 final dividend of 11 cents per share fully franked.

The record date for determining the shareholders' entitlement for the full year is 17 September and the full year dividend is payable on 2 October, 2015.

Outlook

In FY16, the results of the Gazal Group will reflect the continuing wholesale operations comprising of work-wear and corporate uniforms, the share of the JV profit and revenue from providing corporate services and logistics support.

Commentary on Results (continued)

Although overall retail trading conditions remain patchy in line with current economic indicators, both the JV and wholesale operations have traded ahead of plan for July. At this stage, the Directors believe it is too early to give shareholders any guidance on the half or full year earnings. However, it is expected that a trading update will be provided at the AGM in November 2015.

As noted above, in FY16 the Board will continue to review opportunities to assess the strategic fit of existing businesses and consider other opportunities to grow shareholder value for the long term.

COMPLIANCE STATEMENT

7.1 The financial report is in the process of being audited.

7.2 The company has a formally constituted audit committee.

ANNUAL GENERAL MEETING

The annual meeting will be held as follows:

Place	3-7 McPherson Street, Banksmeadow NSW
Date	19 November 2015
Time	11:30am
Approximate date the annual report will be available	20 October 2015

P.J. Wood.

Signed: ………………………………………. **Date:** 27 August 2015

Company Secretary