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ABN: 65 143 613 478

19 February 2016

The Manager, Listings
Australian Securities Exchange
ASX Market Announcements
Level 14, Exchange Centre
20 Bridge Street
Sydney NSW 2000

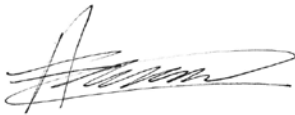
Dear Sir,

Results for announcement to the market – half year ended 31 December 2015

The following are attached:

1. Half Year Report (ASX Appendix 4D) in accordance with ASX Listing Rules 4.2A and 4.2B; and
2. Interim Report - 31 December 2015.

Yours faithfully



Alexander Feldman
amaysim | General Counsel and Company Secretary



amaysim

amaysim Australia Limited
and its controlled entities
(ABN: 65 143 613 478)

Appendix 4D (rule 4.2A.3)

Preliminary final report for the half year ended 31 December 2015. This Appendix 4D should be read in conjunction with our Interim Report for the same period.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to year ended 31 December 2014)

	\$'000	Up/down	Movement %
Revenues from ordinary activities	117,287	up	17.9%
Profit after tax from ordinary activities	681	down	(96.0%) ¹
Net profit attributable to members	681	down	(96.0%) ¹
Underlying profit after tax ²	7,560	up	306%

COMMENTS

- 1: The corresponding HY14 result incorporated initial recognition of deferred tax asset. Refer to the Consolidated statement of comprehensive income.
- 2: Underlying profit after tax has been calculated from statutory data after excluding the impact of IPO expenses, acquisition related expenses and the income tax adjustments on these items.

DIVIDEND INFORMATION	Amount per share (cents)	Franking Status
Final 2015 dividend per share	nil	n/a
Interim 2016 dividend per share	3.0	Unfranked

Interim dividend dates

Ex-dividend date	23 March 2016
Record date	24 March 2016
Payment date	14 April 2016

NET INTANGIBLE ASSETS	31 Dec 2015	31 Dec 2014
Net tangible assets per security	(\$0.05)	(\$0.19)

Additional Appendix 4D disclosure requirements can be found in the director's report and the 31 December 2015 Interim financial statements and accompanying notes (as set out in the Interim Report).

This Appendix 4D report is based on the consolidated financial statements which have been reviewed by PricewaterhouseCoopers.



amaysim

amaysim Australia Limited

ABN 65 143 613 478

**Interim report
for the half-year ended
31 December 2015**

amaysim Australia Limited

Interim report - 31 December 2015

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

amaysim Australia Limited
Level 6
17-19 Bridge Street
Sydney NSW 2000

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 at our Shareholders' Centre on our website: www.amaysim.com.au

amaysim Australia Limited

Directors' report

Directors' report

The directors of amaysim Australia Limited (amaysim) present their report together with the financial report of amaysim Australia Limited and the entities it controlled (the group) at the end of, or during, the half-year 31 December 2015.

Directors

The directors of amaysim during the period and up to the date of this report are shown below.

Andrew Reitzer	Independent Non-executive Chairman
Julian Ogrin	Chief Executive Officer and Managing Director
Rolf Hansen	Non-executive Director
Thorsten Kraemer	Independent non-executive Director
Maria Martin	Independent non-executive Director
Peter O'Connell	Non-executive Director
Jodie Sangster	Independent non-executive Director

The company secretary of the group was Maik Retzlaff up until 20 August 2015. Alexander Feldman was subsequently appointed as the company secretary on 20 August 2015.

Dividends

Consistent with the dividend policy included in the Prospectus, the directors declared an interim dividend on ordinary shares in respect of 1H16. The dividend will be 3 cents per share and unfranked with payment on or around 14 April 2016. This is amaysim's first dividend.

No dividends were paid during the half year.

Depending on available profits and the financial position of amaysim, it is the current intention of the Board to target a dividend payout ratio of between 60%-80% of amaysim's underlying NPATA (Net Profit after adding back the tax effected amortisation expense related to acquired intangibles, IPO expenses and acquisition integration and transaction costs). The payment of a dividend by amaysim is at the discretion of the directors and will be a function of a number of factors, including the general business environment, the operating results and financial condition of amaysim, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by amaysim, and any other factors the directors may consider relevant.

Review of operations

amaysim is a leading Australian online-led Mobile Services Provider (or MSP), with approximately 764,000 subscribers as at 31 December 2015. Since launching, amaysim has become one of Australia's fastest growing MSPs and is the fourth largest independent MSP in Australia by number of subscribers.

The mobile services industry is a dynamic industry with new entrants and increasing competition from traditional carriers. This fast industry requires management to continually focus on product relevance and change to keep pace with competitors and new entrants to the market.

On 2 November 2015 - amaysim added to and refreshed its suite of highly competitive, sustainable and amazingly simple UNLIMITED mobile plans. These 'one-decision' plans simplify the purchase decision by focusing on the amount of data required by the consumer. Unlimited standard national talk and text is included across all plans in the refreshed UNLIMITED suite.

The competitive nature of the mobile market has caused some pressure on ARPU and Revenue. Forecast FY16 EBITDA is expected to continue to be supported by the combination of rising online customer engagement, focused product plans and operational gearing benefits.

The Group invested \$1,557k in product development and this level of investment is expected to continue to remain competitive. The current carrying value of product development assets is \$3,925k.

amaysim Australia Limited Directors' report

(continued)

Review of operations (continued)

On 10 November 2015 - amaysim announced the promotions of Mr Julian Dell to the position of Chief Operations Officer and Mr Andrew Balint to the position of Chief Commercial Officer. These new roles demonstrate amaysim's commitment to executing on the growth potential and delivering market leading customer satisfaction. These promotions highlight the depth and quality of our leadership team and the strength of our culture. Julian and Andrew have been senior managers within the company since 2010 and have been an integral part of amaysim's team, culture and subsequent commercial success. Both Julian and Andrew were issued options as part of their remuneration packages (number of options 1,111,660 in total).

Analysis of results

The statutory profit after tax for the group amounted to \$681k (31 December 2014: \$17,061k).

The underlying business growth remains strong, with the statutory profit after tax impacted by costs associated with listing of amaysim on the Australian Securities Exchange (ASX) in July 2015 ('listing') and the acquisition costs for Vaya Pty Ltd (Vaya) completed on 1 January 2016. Refer to Additional financial performance information and Reconciliation of underlying results to statutory results below for an analysis of underlying earnings.

A summary of the statutory financial and operating results for 31 December 2015 are detailed below:

\$'000 (unless stated)		1H16	1H15	Growth %
Net revenue	(i)	117,287	99,479	17.9
Gross profit		35,634	25,683	38.7
Gross profit margin %	(ii)	30.4%	25.8%	4.6
Net profit after tax (NPAT)	(iii)	681	17,061	(96.0)
Cash & security deposits		23,944	7,882	203.8
ARPU \$		\$26.34	\$25.17	4.6
Closing subscribers ('000)		764	679	12.5

Net Revenue is total revenue, excluding interest income.

Gross Profit is total net revenue less network related expenses.

NPAT is Profit/(loss) after tax from continuing operations.

ARPU is calculated as statutory net revenue for the financial half year divided by average subscribers for the period and expressed on a monthly basis.

- (i) Net revenue for the period of \$117,287k grew 17.9% compared to the prior period. This was driven by a combination of increase in subscribers and ARPU. The increase in ARPU was the result of an increase in the Unlimited category.
- (ii) Gross profit margin increased from 25.8% to 30.4% during the period driven by significant changes in the revenue structure on 1 September 2014 and improved wholesale terms.
- (ii) NPAT reduced by \$16,380k compared to the prior period. The significant movements are related to IPO expenses, acquisition expenses and income tax expenses/benefits. Refer to Reconciliation of underlying results to statutory results below for details.

amaysim's operating expenses (excluding Network related expenses, IPO expenses and acquisition expenses) increased \$2,764k in the 6 months to 31 December 2015, mainly from the following items:

- Employee benefit expenses increased \$600k due to hiring additional senior staff throughout the business to support the growth strategy.
- Depreciation and amortisation expenses increased \$459k due to increased amortisation expenses on capitalised software development, and;
- Other expenses increased \$1,559k due to higher expenses related to being a listed company (audit, insurance, consulting and advisory fees), rental expenses for additional floor space at Bridge St headquarters and additional variable expenses to support the increased customer base.

amaysim Australia Limited Directors' report

(continued)

Review of operations (continued)

Additional financial performance information

Given the change in structure and one-off transactions also included in the statutory results, the directors are of the opinion that underlying financial information provides useful information about the financial performance of the group. This information should be considered as supplements to the consolidated statement of comprehensive income that has been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have the same definitions, and the way amaysim has calculated these measures may differ from similarly titled measures used by other companies. Readers should not place undue reliance on these non-IFRS financial measures.

December Half Year Ended A\$'000		1H16 Underlying	1H15 Pro forma	Growth %
EBITDA	(i)	12,583	4,600	173.5%
NPATA	(ii)	7,960	2,300	246.1%
Underlying EPS (cents per share)	(iii)	4.6	1.4	228.6%

EBITDA is the Profit/Loss before income tax excluding interest income, depreciation and amortisation expense.

NPATA is the NPAT adding back amortisation of acquired intangibles other than software.

Underlying EPS is calculated as NPAT divided by weighted average number of shares on issue.

- (i) Underlying EBITDA growth of 174% driven by net revenue growth of 17.9% and increasing operational leverage.
- (ii) Underlying NPATA growth of 246% driven by growth in underlying EBITDA adjusted for income tax adjustment and amortisation of brand name (refer to Reconciliation of underlying results to statutory results below).
- (iii) Underlying EPS growth of 229% is broadly in line with the growth in NPATA.

Reconciliation of underlying results to statutory results

The table below reconciles the statutory financial information to underlying financial information.

Half Year Ended December 2015 A\$'000		EBITDA	NPAT	NPATA
Statutory results		2,604	681	681
Add back/(deduct):				
IPO expenses	(i)	8,279	8,279	8,279
Acquisition expenses	(ii)	1,700	1,700	1,700
Income tax adjustment	(iii)	-	(3,100)	(3,100)
Amortisation of brand name	(iv)	-	-	400
Underlying results		12,583	7,560	7,960

- (i) IPO expenses relate to one off expenses incurred when the Company listed on the Australian Securities Exchange
- (ii) Acquisition expenses relate to transaction expenses incurred in the process of acquiring Vaya and related entities
- (iii) Income tax adjustment is the tax impact of the underlying NPAT adjustments calculated using the estimated average annual tax rate of 31.8%.
- (iv) Amortisation of brand name is the adding back of amortisation of acquired intangibles other than software.

amaysim Australia Limited Directors' report

(continued)

Review of operations (continued)

Review of financial position

As a result of the group's strong financial performance and capital raising during the IPO, the group has net assets of \$11,127k (30 June 2015: net deficiency of \$2,612k).

During the period Trade and other payables decreased by \$9,005k, principally due to early payments made by amaysim to key supplier accounts to take advantage of early settlement discount. This has directly reduced cash flows from operating activities during the period by a similar amount.

As at 31 December 2015, the group's current liabilities exceeded the current assets by \$13,583k. Current liabilities include deferred revenue of \$10,409k for which there are no future cash outflows. Also the group has a history of generating positive operating cashflows, and fixed repayment terms with major creditors, and accordingly the financial statements are prepared on a going concern basis.

Significant changes in the state of affairs

amaysim Australia Limited was admitted to the Official List of Australian Securities Exchange Limited ('ASX') on 15 July 2015 with the ASX code: AYS.

As part of the process of listing the company, and as detailed in the group's prospectus, the following events were finalised:

(a) Share split

Each Share (and Share Right) prior to the listing was subdivided into 145 Shares. The Share split ensured that the number of Shares acquired by Successful Applicants under the Offer (as contained in the prospectus), and on issue on Completion, equalled the equivalent numbers of Shares referred to in the group's Prospectus (and that the number of Share Rights was appropriately adjusted to take account of the Share split).

(b) Employee share rights plan

In line with the successful listing, tranche 1 of the employee share rights were converted into ordinary shares and consistent with the share split each right was subdivided into 145 shares. Consistent with the rules of the rights plan the remaining tranches will vest 50% upon the release of the FY2016 and 50% upon the release of the FY2017 financial results.

(c) Long term incentive plan

As set out in the prospectus the Chief Executive Officer and Chief Financial Officer were issued options. After the listing the Chief Operating Officer and Chief Commercial Officer were also issued options under the Long term incentive plan. Each option converts to one ordinary share and consistent with the rules of the plan the options vest in 3 tranches upon the release of the FY18, 19 and 20 financial results.

(d) Capital raising

The Company and amaysim SaleCo Pty Limited (a special purpose vehicle established to sell shares acquired from existing shareholders of the Company prior to IPO) successfully raised \$207,000k pursuant to the prospectus dated 29 June 2015. The 'prospectus' refers to the document lodged by the Company and amaysim SaleCo Pty Limited with Australian Securities and Investment Commission on 29 June 2015.

The broker firm offer closed on 9 July 2015, and shares commenced trading on a deferred settlement basis on 15 July 2015. Share settlement occurred on 13 July 2015. New shares issued by the Company on 14 July 2015 resulted in proceeds of \$12,880k.

Funds raised from the Initial Public Offering ('IPO') amounting to \$194,200k were utilised by amaysim SaleCo Limited to acquire 107.9 million shares from selling shareholders. These shares were transferred to new shareholders on 14 July 2015. These shares commenced trading on a normal settlement basis from 16 July 2015.

amaysim Australia Limited Directors' report

(continued)

Acquisition of Vaya Pty Limited

On 1 January 2016 amaysim Australia Limited acquired 100% of the issued shares in Vaya Pty Limited, a mobile virtual network operator based in Brisbane, Australia. Further details of the acquisition are set out in note 9 on page 15 to the consolidated financial statements.


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 page 6.

Rounding of amounts

The amounts contained in this report and in the financial report have been rounded under the option available to the group under ASIC Class Order 98/100. The group is an entity to which the Class Order applies, and in accordance with the Class Order, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar in accordance with that Class Order.

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



Andrew Reitzer
Chairman
Sydney



Julian Ogrin
Chief Executive Officer and Managing Director
Sydney
18 February 2016



Auditor's Independence Declaration

As lead auditor for the review of amaysim Australia Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to read "S Prakash", with a horizontal line extending to the right.

S Prakash
Partner
PricewaterhouseCoopers

Sydney
18 February 2016

amaysim Australia Limited
Consolidated statement of comprehensive income
For the half-year 31 December 2015

	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Notes		
REVENUE		
Service revenue	112,026	96,962
Other revenue	5,261	2,517
Interest income	216	124
Total revenue	<u>117,503</u>	<u>99,603</u>
EXPENSES		
Network related expenses	(81,653)	(73,796)
Employee benefit expenses	(9,962)	(9,362)
Marketing expenses	(6,442)	(6,296)
Depreciation and amortisation expenses	(1,814)	(1,355)
Finance expenses	-	(125)
IPO expenses	(8,279)	(306)
Acquisition expenses	(1,700)	-
Other expenses	(6,647)	(5,088)
Total expenses	<u>(116,497)</u>	<u>(96,328)</u>
Profit before income tax	<u>1,006</u>	<u>3,275</u>
Income tax (expenses)/benefits	4 (325)	13,786
Profit after tax	<u>681</u>	<u>17,061</u>
Other comprehensive income for the year net of tax	-	-
Total comprehensive income/(loss) for the half year attributable to members of amaysim Australia Ltd	<u>681</u>	<u>17,061</u>
Profit is attributable to:		
Owners of amaysim Australia Limited	<u>681</u>	<u>17,061</u>
	Cents	Cents
Earnings per share:		
Basic earnings per share	0.4	10.4
Diluted earnings per share	0.4	10.0

The above Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

amaysim Australia Limited
Consolidated balance sheet
As at 31 December 2015

	31 Dec 2015 \$'000	30 Jun 2015 \$'000
Notes		
CURRENT ASSETS		
Cash and cash equivalents	16,604	15,021
Trade and other receivables	11,690	12,572
Other current assets	758	949
Total current assets	<u>29,052</u>	<u>28,542</u>
NON-CURRENT ASSETS		
Property, plant and equipment	559	609
Intangible assets	8,045	7,955
Deferred tax assets	12,534	12,752
Security deposits	7,340	3,124
Total non-current assets	<u>28,478</u>	<u>24,440</u>
TOTAL ASSETS	<u>57,530</u>	<u>52,982</u>
CURRENT LIABILITIES		
Trade and other payables	41,983	50,988
Provisions	652	633
Total current liabilities	<u>42,635</u>	<u>51,621</u>
NON-CURRENT LIABILITIES		
Other liabilities	3,315	3,593
Other provisions	453	380
Total non-current liabilities	<u>3,768</u>	<u>3,973</u>
TOTAL LIABILITIES	<u>46,403</u>	<u>55,594</u>
NET ASSETS / (LIABILITIES)	<u>11,127</u>	<u>(2,612)</u>
EQUITY		
Contributed equity	48,082	35,521
Equity compensation reserve	2,326	1,829
Accumulated losses (prior years)	(63,971)	(63,971)
Retained profits	24,690	24,009
TOTAL EQUITY	<u>11,127</u>	<u>(2,612)</u>

The above Consolidated balance sheet should be read in conjunction with the accompanying notes.

amaysim Australia Limited
Consolidated statement of changes in equity
For the half-year 31 December 2015

	Attributable to owners of amaysim Australia Limited			
	Contributed equity \$'000	Equity compensation reserve \$'000	Retained earnings / (Accumulated losses) \$'000	Total \$'000
Balance at 1 July 2014	32,017	-	(63,971)	(31,954)
Profit for the period	-	-	17,061	17,061
Total comprehensive income for the period	-	-	17,061	17,061
Transactions with owners in their capacity as owners:				
Value of conversion rights on convertible notes	3,504	-	-	3,504
Employee share schemes - value of employee services	-	1,393	-	1,393
	3,504	1,393	-	4,897
Balance at 31 December 2014	35,521	1,393	(46,910)	(9,996)
Balance at 1 July 2015	35,521	1,829	(39,962)	(2,612)
Profit for the period	-	-	681	681
Total comprehensive income for the period	-	-	681	681
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax	12,561	-	-	12,561
Employee share schemes - value of employee services	-	207	-	207
Long term incentive plan	-	290	-	290
	12,561	497	-	13,058
Balance at 31 December 2015	48,082	2,326	(39,281)	11,127

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

amaysim Australia Limited
Consolidated statement of cash flows
For the half-year 31 December 2015

	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Cash flows from operating activities		
Receipts from customers (incl. of GST)	127,097	107,382
Payments to suppliers and employees (incl. of GST)	(126,621)	(104,946)
Finance expenses	-	(125)
Interest received	216	124
Income taxes paid	(5)	-
Net cash inflows from operating activities	<u>687</u>	<u>2,435</u>
Cash flows from investing activities		
Payments for acquisition of subsidiary	(123)	-
Payments for property, plant and equipment	(188)	(101)
Payments for intangible assets	(1,557)	(3,479)
Net cash (outflows) from investing activities	<u>(1,868)</u>	<u>(3,580)</u>
Cash flows from financing activities		
Payments for IPO expenses	(10,116)	-
(Repayment) from redemption of convertible notes	-	(151)
Repayment of leases	-	(224)
Proceeds from IPO	12,880	-
Net cash inflows/(outflows) from financing activities	<u>2,764</u>	<u>(375)</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,583</u>	<u>(1,520)</u>
Cash and cash equivalents at the beginning of the financial year	15,021	7,403
Cash and cash equivalents at the end of the period	<u>16,604</u>	<u>5,883</u>

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

1 Summary of significant accounting policies

(a) Basis of preparation (interim report)

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

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

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

(i) Working capital

As at 31 December 2015, the group's current liabilities exceeded the current assets by \$13,583k. Current liabilities include deferred revenue of \$10,409k for which there are no future cash outflows. Also the group has a history of generating positive operating cashflows, and fixed repayment terms with major creditors, and accordingly the financial statements are prepared on a going concern basis.

(b) Critical accounting estimates and judgements

The group may make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Assumptions made at each balance date are based on best estimates at that date.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Income taxes

The group is subject to income taxes in Australia. Significant judgement is required in determining the income tax expense. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax based on the group's understanding of the tax law, including the assumption that it will both generate sufficient future taxable profits and continue to satisfy the Continuity of Ownership and/or Same Business tests in future periods'. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences could impact the availability of booked tax assets in future periods in which any determination is made.

(ii) Employee share rights

The group issued share rights to certain eligible employees. The cost of the plan recognised in the group's financial statements is an estimation of the fair value of the share rights at grant date. This requires judgement in respect of the valuation methodology adopted and the valuation assumptions embedded within the methodology. The group has utilised the Monte-Carlo simulation valuation methodology as it is a highly flexible valuation technique and commonly used in valuing share rights plans.

(iii) Long term incentive plan

The group has issued options to certain key management personnel. The cost of the plan recognised in the group's financial statements is an estimation of the fair value of the options at grant date. This requires judgement in respect of the valuation methodology adopted and the valuation assumptions embedded within the methodology. The group has obtained an external valuation to value the options.

1 Summary of significant accounting policies (continued)

(b) Critical accounting estimates and judgements (continued)

(iv) Accounting for IPO expenses

During both 2015 and 2014 financial periods, the group incurred costs in preparation for listing on the Australian Securities Exchange. The Directors' have determined consistent with AASB 132 that costs related to existing shareholders will be expensed in the Consolidated statement of comprehensive income; costs related to the issuance of new shares will be capitalised and recognised as a reduction in equity.

The costs related to the IPO cannot be easily allocated to either the existing or new shares. Total costs have been apportioned between expenses and equity based on the percentage of new shares issued in the IPO out of the total number of shares in amaysim. As outlined in the prospectus 95.91% of the share register will be made up of up existing shares (169m shares), and 4.09% of the share register will be made up of new shares (7.2m shares).

(c) New and amended accounting standards adopted by the group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is that they either do not apply to the group or if they do apply will not materially impact the financial reports.

2 Segment information

(a) Description of segments

Operating segments have been identified based on separate financial information that is regularly reviewed by the Chief Operating Decision Maker (CODM). The term CODM refers to the role performed by the Chief Executive Officer, in assessing performance and determining the allocation of resources.

The CODM considers the business as having only one operating segment and assesses the performance of the operating segment based on a measure of EBITDA. Additionally, service revenue is a key performance measure used by the CODM used in assessing performance and determining the allocation of resources.

As there is only the one deemed operating segment the revenue and profit information is consistent with the consolidated statement of comprehensive income.

The group only operates in Australia and as such only has one operational geography.

3 Dividends

The group has not provided for or paid dividends during the half-year.

Dividends not recognised at the end of the reporting period

	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Since the end of the half-year, the directors declared an interim dividend of 3 cents per share. This dividend will be paid on 14 April 2016 and will be unfranked	5,285	-

4 Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the half year to 31 December 2015 is 31.8%, compared to 32.8% for the six months ended 31 December 2014.

(a) Income tax expense

	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Deferred tax	218	(13,786)
Amount recognised directly in equity	102	-
Prior year under provision	5	-
Total income tax expense / (benefit)	325	(13,786)

(b) Reconciliation of income tax expense to prima facie tax payable

Profit before income tax expense	1,006	3,275
Tax at 30% (2015 - 30%)	302	983
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Amortisation of intangibles	109	103
Research and development expenditure	(181)	-
Entertainment	27	59
Share-based payments	149	418
Acquisition costs	465	-
Prior year under provision	5	-
Sundry items	(551)	194
Subtotal	23	774
	325	1,757
Recognition of research and development tax credit	-	(684)
Recognition of tax losses	-	(14,859)
Income tax expense	325	(13,786)

5 Trade and other payables

Trade and other payables

Trade creditors	5,138	13,474
Optus activation fee liability	9,030	9,668
Deferred revenue	10,409	10,125
Other creditors	17,406	17,721
	41,983	50,988

6 Fair value measurements

As at 31 December 2015 the group holds no assets or liabilities that require fair value measurements, other than the Share based payments outlined in Note 7 on page 14. The fair values of all financial instruments held on the balance sheet as at 31 December 2015 approximate the carrying amount.

7 Share-based payments

(a) Employee share rights

During the half year, 16,151 employee share rights converted to 2,341,938 amaysim ordinary shares on 14 July 2015. Further details of the number of employee share rights outstanding at 31 December 2015 can be found in Note 8.

(b) Long term incentive plan (LTIP)

The establishment of amaysim's Long term incentive plan occurred upon listing on the Australian Securities Exchange (ASX) in July 2015. The plan is designed to provide an incentive to key management personnel if they achieve the group performance targets. Under the plan, participants are granted options to ordinary shares which only vest if certain performance hurdles are met. Participation in the plan is at the group's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The options vest in three tranches and convert into either ordinary shares or cash payment at the option of the company, subject to achieving EPS performance hurdles and the retention conditions. As settlement is at the discretion of the company the options are treated as an equity-settled share based payment. The fair value of the options has been recognised in the financial statements for the half year ended 31 December 2015. The fair value is reflected as an increase in employee benefit expenses in the Consolidated statement of comprehensive income and in Equity compensation reserve in the Consolidated statement of financial position.

The options vest in the following three tranches:

- (1) 50% of options granted will be tested at the completion of a performance period commencing on 1 July 2015 and ending on 30 June 2018.
- (2) 25% of options granted will be tested at the completion of a performance period commencing on 1 July 2015 and ending on 30 June 2019.
- (3) 25% of options granted will be tested at the completion of a performance period commencing on 1 July 2015 and ending on 30 June 2020.

Options granted under the plan do not carry any dividend or voting rights.

Set out below are details of the options granted and unvested under the plan:

Grant Date	Tranche #	Vesting Date	Fair Value	Share rights
15 July 2015	1	FY 2018 Release Date	\$0.40	1,412,500
15 July 2015	2	FY 2019 Release Date	\$0.42	706,250
15 July 2015	3	FY 2020 Release Date	\$0.43	706,250
30 October 2015	1	FY 2018 Release Date	\$0.83	555,830
30 October 2015	2	FY 2019 Release Date	\$0.83	277,915
30 October 2015	3	FY 2020 Release Date	\$0.83	277,915
Total				<u>3,936,660</u>

7 Share-based payments (continued)

(b) Long term incentive plan (LTIP) (continued)

(iv) Fair value of options granted

The fair value at grant date was independently determined using a Monte-Carlo simulation valuation. The key assumptions used in the fair value are:

Grant date	15/07/2015	30/10/2015
Option consideration	\$0.00	\$0.00
Exercise price	\$1.80 per option	\$1.80 per option
Share price at grant date	\$1.80 per share	\$2.53 per option
Expected price volatility of the company's shares	34%	34%
Expected dividend yield	4.4%	4.4%
Risk-free interest rate	1.925% - 2.940%	1.740% - 2.610%

8 Contributed equity

(a) Ordinary shares

	Number of shares
Opening balance at 1 July	1,149,435
Share split (145 new shares per one existing share)	165,518,640
Exercise of employee share rights	2,341,938
New shares issued during IPO	7,155,657
Closing balance at 31 December	176,165,670

(b) Employee share rights

	Number of rights
Opening balance at 1 July	48,454
Share split (145 new shares per one existing share)	6,977,376
Rights vesting	(2,341,938)
Rights forfeited	(234,418)
Closing balance at 31 December	4,449,474

(c) Long term incentive plan

	Number of options
Opening balance at 1 July	-
Options granted 10 July	2,825,000
Options granted 30 October	1,111,660
Closing balance at 31 December	3,936,660

9 Events occurring after the reporting period

(a) Acquisition of Vaya Pty Ltd

On 1 January 2016 amaysim Australia Limited acquired 100% of the issued shares in Vaya Pty Limited (Vaya), a mobile virtual network operator, for consideration of \$20,000k. In addition to the purchase consideration the amaysim group assumed a total of approximately \$50,000k of liabilities to Optus, payable over two years.

Management is currently assessing the fair value of assets and liabilities acquired.

The operating results and assets and liabilities of Vaya will be consolidated from 1 January 2016.

9 Events occurring after the reporting period (continued)

(b) Other events

Other than the declaration of dividend per Note 3 and the acquisition of Vaya Pty Ltd no matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial periods.

amaysim Australia Limited
Directors' declaration

In the opinion of the directors' of amaysim Australia Limited:

- (a) the interim financial statements and notes set out on pages 7 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the groups financial position as at 31 December 2015 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that amaysim Australia Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Andrew Reitzer
Chairman
Sydney



Julian Ogrin
Chief Executive Officer and Managing Director
Sydney
18 February 2016



Independent auditor's review report to the members of amaysim Australia Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of amaysim Australia Limited (the company), which comprises the consolidated balance sheet as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for amaysim Australia Limited (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 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of amaysim Australia 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*.

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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 amaysim Australia Limited is not in accordance with the *Corporations Act 2001* including:

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

PricewaterhouseCoopers

PricewaterhouseCoopers



S Prakash
Partner

Sydney
18 February 2016