Ashley Services Group Limited (ASX: ASH)
ABN: 92 094 747 510

ASHLEY SERVICES GROUP
TRAINING | RECRUITMENT | LABOUR HIRE

Appendix 4D:
Half Year Information
31 December 2015

Results for announcement to the market	$A'000
Revenues from ordinary activities	Down 7.5% to 144,267
Loss from ordinary activities after tax attributable to members	Down more than 100% to (66,656)
Net loss for the period attributable to members	Down more than 100% to (66,656)

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend for the half year ended 31 December 2015	0.0 cents	0.0 cents

Record date for determining entitlements to the dividend N/A

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item (s) of importance not previously released to the market:
Please refer attached Directors' Report and Interim Financial Statements for the half year ended 31 December 2015 and the attached press release.

The remainder of the information requiring disclosure to comply with listing rule 4.2A is contained in the attached Directors' Report and Interim Financial Statements for the half year ended 31 December 2015, the attached press release, and the additional information below.

The previous corresponding period is 1 July 2014 to 31 December 2014, except for the Consolidated Statement of Financial Position, where comparatives are balances as at 30 June 2015.

Additional Information		
Net Tangible Assets / (Liabilities) per ordinary share:	$0.11	(June 2015 $0.19)
Details of interests in significant joint ventures and associates:		None

R Hollands

Ron Hollands
Company Secretary
Sydney, 24th February 2016

Ashley Services Group Limited

ABN: 92 094 747 510

Interim Financial Statements

For the half year ended 31 December 2015

Ashley Services Group Interim Financial Statements for the half year ended 31 December 2015

Directors' Report

The Directors present their report together with the financial statements of the consolidated entity, being Ashley Services Group Limited and its controlled entities ("**Group**") for the half-year ended 31 December 2015.

DIRECTOR DETAILS

The names of the Directors in office at any time during, or since the end of the financial half-year are as follows:

Names	Appointed / Resigned
Mr Peter Turner	Appointed 21 July 2014 and resigned 1 October 2015
Mr Ross Shrimpton	Appointed 12 October 2000
Mr Simon Crean	Appointed 31 July 2014 and resigned 1 October 2015
Mr Vincent Fayad	Appointed 31 July 2014 and resigned 1 October 2015
Mr Marc Shrimpton	Appointed Alternative Director on 31 July 2014, then appointed Executive Director 1 October 2015
Mr Ian Pratt	Appointed 1 October 2015
Mr Stewart Cummins	Appointed 15 February 2016

The above named Directors held office since the start of the financial half-year to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

a. Earnings and result

Earnings

Net profit after tax ("**NPAT**") for the financial half-year of the Group was a loss of $66.7 million (2014: profit, $4.6 million). This loss includes a $63.3 million after tax expense for impairment of intangible assets, partially offset by $2.3 million after tax income arising from reassessment of the fair value of deferred consideration liabilities for future earn outs payable in relation to prior period acquisitions.

Other key elements within the result include:

Revenues

Revenue at $144.3 million decreased $11.7 million (8%) from the prior period. Acquisitions contributed an incremental $3.5 million (SILK $1.6 million, ASG Integracom $1.4 million and Cantillon $0.5 million). Excluding the impact of acquisitions, revenue declined $15.2 million (10%).

Labour hire revenues decreased $5.9 million (4%), driven by an unusually low Christmas peak for major retail logistics customers and reduced revenues with engineering customers.

Core Ashley training revenues decreased $9.3 million (54%). Total revenues from Queensland, South Australia, Western Australia and Tasmania declined $6.5 million, following the cessation of public funding in South Australia and Tasmania, changes in Queensland and Western Australia, and the impact of start-up delays in the Job Service Provider network, effective 1 July 2015. Also, a review of the Company's revenue recognition policy resulted in a $2.8 million adjustment to ensure consistency across all business units.

Directors' Report

Earnings before interest taxes depreciation and amortisation ("EBITDA")

Statutory EBITDA before impairment for the financial half year was a loss of $4.4 million (2014: profit of $7.4 million). The current period result includes a $2.3 million benefit from reassessment of the fair value of deferred consideration payable in relation to prior period acquisitions. The prior period included $4.2 million of Proforma adjustments:

	H1 FY16 $million	H1 FY15 $million
Statutory EBITDA*	**(4.4)**	**7.4**
Reassessment of value of deferred consideration liabilities	(2.3)	(0.2)
Pre acquisition EBITDA for Integracom and exclusion of Cantillon post acquisition loss	-	0.4
IPO and acquisition related costs taken to income statements	-	4.0
Net non-trading adjustments (Proforma adjustments in prior year)	**(2.3)**	**4.2**
Underlying EBITDA	**(6.7)**	**11.6**

* comprises profit / (loss) before income tax, excluding depreciation, amortisation, net interest (expense)/income. The total impairment of intangibles charge of $63.3 million is treated as amortisation and also excluded.

Excluding these adjustments, underlying EBITDA for the current period was a $6.7 million loss (2014: profit of $11.6 million) comprising:

a. Labour hire. EBITDA of $3.1 million, which was $2.4 million below the prior period. The prior period margin benefited from lower workers compensation costs. Current period margin was 2.4%, driven lower due to competitive pressures.

b. Training. The EBITDA loss was $7.5 million (2014: $7.4 million profit). The revenue shortfall flowed to margin, because training cost reductions lagged the volume drop. Also, overheads increased significantly for the six months, due mainly to additional sales and marketing costs incurred to pursue growth initiatives and to utilise Smart and Skilled funding in NSW and VET FEE HELP funding nationally.

c. Corporate costs at $2.4 million were $1.1 million above the prior period, spread across IT, audit, tax and legal.

Statement of financial position

Net assets at $30.1 million have declined $72.8 million from 30 June 2015, primarily due to the impairment of intangibles ($63.3 million) and the net cash outflow for the six months. The Group had net debt of $5.8 million at 31 December 2015 (net cash of $12.4 million at 30 June 2015).

The Group has $17 million of facilities with Bankwest Limited, comprising a $15 million working capital facility, and $2 million in bank guarantee and credit card facilities. The bank has fixed and floating charges over the Group's assets.

As at 31 December 2015, the working capital facility was drawn down by $8 million (30 June 2015, nil).

Directors' Report

Operating Cash Flow

The operating cash flow for the half year period was an outflow of $9.2 million (2014: outflow of $12.2 million). The operating cash outflow slightly exceeded the $6.7 million underlying EBITDA loss, due to a net $4.4 million seasonal increase in working capital, partially offset by receipt of a $2 million income tax refund.

DIVIDEND

During the half-year ended 31 December 2015, the Group paid a final dividend of $6.15 million on 25 September 2015 which represents a payment of 4.1 cents per share. The Directors have not declared an interim dividend, due to the loss incurred in the current six month period.

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 7 of this financial report and forms part of this Directors Report.

ROUNDING OFF OF AMOUNTS

The Group is a Company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the consolidated financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors:

Ross Shrimpton

Director

Stewart Cummins

Managing Director

Sydney, 24 February 2016

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Auditor's Independence Declaration
To The Directors of Ashley Services Group Limited

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

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C F Farley
Partner - Audit & Assurance

Sydney, 24 February 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2015

	Note	6 months to 31 Dec 2015 $000	6 months to 31 Dec 2014 $000
Revenue		144,267	156,004
Other income		365	530
Employment costs		(142,281)	(140,044)
Depreciation and amortisation expense		(1,769)	(964)
Finance costs		(322)	(195)
Other expenses		(8,974)	(4,913)
IPO and acquisition related costs		-	(3,876)
Impairment of intangibles	6	(63,320)	-
Deferred vendor earn-out adjustment	10	2,315	-
Profit / (Loss) before income tax		**(69,719)**	**6,542**
Income tax benefit / (expense)		3,063	(1,907)
Profit / (Loss) for the period		**(66,656)**	**4,635**
Other comprehensive income		-	-
Total comprehensive income / (Loss) for the period		**(66,656)**	**4,635**
Basic earnings per share (cents)	11	**(44.44)**	**3.48**
Diluted earnings per share (cents)	11	**(44.44)**	**3.47**

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 31 December 2015

	Note	31 Dec 2015 $000	30 Jun 2015 $000
Assets			
Current assets			
Cash and cash equivalents		2,358	12,580
Trade and other receivables		38,708	37,737
Current tax receivable		103	1,974
Other assets		1,254	767
Total current assets		**42,423**	**53,058**
Non-current assets			
Property, plant and equipment		6,229	5,222
Deferred tax assets		4,757	3,873
Intangible assets	8	12,905	76,216
Total non-current assets		**23,891**	**85,311**
Total assets		**66,314**	**138,369**
Liabilities			
Current liabilities			
Trade and other payables		18,860	22,300
Borrowings	9	8,155	226
Other liabilities	10	2,416	-
Provisions		2,854	2,485
Total current liabilities		**32,285**	**25,011**
Non-current liabilities			
Other liabilities	10	-	4,660
Deferred tax liabilities		3,546	5,551
Provisions		413	271
Total non-current liabilities		**3,959**	**10,482**
Total liabilities		**36,244**	**35,493**
Net assets		**30,070**	**102,876**
Equity			
Share capital	12	149,929	149,929
Common control reserve		(57,687)	(57,687)
Retained earnings		(62,172)	10,634
Total Equity		**30,070**	**102,876**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2015

	Share Capital $000	Common Control Reserve $000	Retained Earnings $000	Total $000
For the half year ended 31 December 2015				
Balance at 1 July 2015	149,929	(57,687)	10,634	102,876
Profit/(Loss) for the period	-	-	(66,656)	(66,656)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**(66,656)**	**(66,656)**
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(6,150)	(6,150)
Balance at 31 December 2015	**149,929**	**(57,687)**	**(62,172)**	**30,070**
For the half year ended 31 December 2014				
Balance at 1 July 2014	3	-	31,068	31,071
Profit for the financial period	-	-	4,635	4,635
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**4,635**	**4,635**
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(30,660)	(30,660)
Common control business combination	57,687	(57,687)	-	-
Repayment of capital	(11,902)	-	-	(11,902)
Shares issued prior to initial public offering	10,000	-	-	10,000
Shares issued through initial public offering	94,141	-	-	94,141
Balance at 31 December 2014	**149,929**	**(57,687)**	**5,044**	**97,286**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2015

	Note	6 months to 31 Dec 2015 $000	6 months to 31 Dec 2014 $000
Cash flows from operating activities			
Receipts from customers		158,026	159,680
Payments to suppliers and employees		(168,923)	(166,744)
Interest received		37	255
Finance costs paid		(323)	(216)
Income tax received / (paid)		1,996	(5,223)
Net cash outflow from operating activities		**(9,187)**	**(12,248)**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,032)	(657)
Proceeds from sale of property plant and equipment		16	-
Payments for intellectual property		(798)	(309)
Payments for businesses acquired		-	(31,378)
Net cash outflow from investing activities		**(2,814)**	**(32,344)**
Cash flows from financing activities			
Net proceeds from external borrowings		7,929	640
Net proceeds of related party borrowings		-	487
Dividend paid		(6,150)	(30,660)
Net proceeds from issue of shares		-	82,239
Net cash inflow from financing activities		**1,779**	**52,706**
Net cash increase / (decrease) in cash and cash equivalents		**(10,222)**	**8,114**
Cash and cash equivalents at beginning of period		12,580	1,215
Cash and cash equivalents at the end of the period		**2,358**	**9,329**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

The interim financial statements were approved and authorised for issue by the Board of Directors on 23 February 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

3. ESTIMATES

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group’s last annual financial statements for the year ended 30 June 2015, unless otherwise stated.

4. SIGNIFICANT EVENTS AND TRANSACTIONS

There have been no significant events and transactions which occurred during the half year ended 31 December 2015, other than those already disclosed in the Interim Financial Statements.

5. BUSINESS COMBINATION

There have been no business combination transactions in the six months to 31 December 2015.

During the six months, management completed the fair value accounting for the acquisition of SILK. Identifiable intangible assets totalling $1 million for brand names ($0.84 million) and amortisable intangible assets ($0.16 million) were recognised, with a corresponding $1 million reduction in the goodwill provisionally recorded in the financial statements as at 30 June 2015.

Notes to the Financial Statements

6. IMPAIRMENT

a. Impairment tests for goodwill and other intangibles

The consolidated entity tests whether goodwill and other intangible assets have suffered any impairment on an annual basis, or more frequently, if required. As a result of the decrease in profitability within the Group, a detailed impairment review has been performed at 31 December 2015.

The recoverable amounts of the cash-generating units ("CGUs") were determined based on value-in-use calculations, covering detailed forecasts for up to three years, followed by an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

Long term growth rates and discount rates used were as follows:

	Growth rates		Pre tax discount rates	
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
Training	2%	2%	16.9%	16.9%
Labour Hire	0%	2%	18.7%	18.7%

The growth rates reflect management's view of longer-term average growth rates for the respective sectors. The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each unit.

b. Cash flow assumptions for the detailed forecast

Training division

The recoverable amount of the Training division has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial forecasts approved by management covering a three-year period (FY16 to FY18), and a pre-tax discount rate of 16.9 per cent. Cash flows beyond that period have been extrapolated using a 2 per cent growth rate. This growth rate does not exceed the Reserve Bank of Australia's long-term average growth rate for Australia.

Management's key assumption is that revenues for the Training division will grow 6%-7% per annum for FY17 and FY18, from the FY16 forecast, as a result of an increase in student numbers combined with a diversification of revenue streams.

Labour hire

The recoverable amount of the Labour Hire division has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial forecasts approved by management covering a two-year period (FY16 to FY17), and a pre-tax discount rate of 18.7 per cent. Cash flows beyond that period have been held constant, reflecting the competitive nature of the industry.

Management's key assumption is that revenues for the Labour Hire division will fall in FY17, reflecting the net impact of recent customer wins and losses. Also, EBITDA margin will hold steady at approximately 2.5% (before corporate overhead allocations).

Notes to the Financial Statements

c. Sensitivity analysis

Management has also run various sensitivity scenarios, primarily reviewing sensitivity of outcomes to FY17 EBITDA forecasts, long term growth rates and discount rates. In respect of reasonably possible changes in the key assumptions, major sensitivities are summarised as follows:

Change in Value in use valuation	Labour hire CGU $'000	Training CGU $'000
Sustainable EBITDA; +/- $0.5 million each CGU	+/-2,500	+/-2,200
1% increase or decrease in long term growth rate	+/-1,000	+/-1,100
1% increase or decrease in pre tax discount rate	+/-900	+/-1,300

d. Impairment charge

As a result of the base case and scenario analysis, an impairment charge totalling $63.3 million has been recorded in the 1H FY16 results, split by CGU as follows:

	Goodwill $000	Other Intangibles $'000	Total $'000
Training	52,361	3,492	55,853
Labour Hire	7,467	0	7,467
Total impairment charge as at 31 December 2015	**59,828**	**3,492**	**63,320**

These movements have reduced the net carrying amount of goodwill and other intangibles to $12.9 million as presented in note 8.

Notes to the Financial Statements

7. SEGMENT REPORTING

Management identifies its operating segments based on the Group's service lines, which represent the main products and services provided by the Group. The Group's management has identified two operating segments, Labour Hire and Training.

During the six month period to 31 December 2015, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

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

6 months to 31 December 2015	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	129,407	14,860	144,267
Segments revenue	**129,407**	**14,860**	**144,267**
Other income	303	24	327
Employment costs	(124,801)	(16,246)	(141,047)
Depreciation and amortisation expense	(169)	(1,589)	(1,758)
Finance costs	(9)	(84)	(93)
Other expense	(1,771)	(6,104)	(7,875)
Impairment of intangibles	(7,467)	(55,853)	(63,320)
Deferred vendor earn-out adjustment		2,315	2,315
Segment Profit / (Loss)	**(4,507)**	**(62,677)**	**(67,184)**
Other unallocated items			(2,535)
Profit / (Loss) before tax			**(69,719)**
Unallocated income tax			3,063
Profit / (Loss) after tax			**(66,656)**

6 months to 31 December 2014	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	135,282	20,722	156,004
Segments revenue	**135,282**	**20,722**	**156,004**
Other income	178	93	271
Employment costs	(127,416)	(11,858)	(139,274)
Depreciation and amortisation expense	(217)	(661)	(878)
Finance costs	(53)	(13)	(66)
Other expense	(2,444)	(1,940)	(4,384)
Segment Profit	**5,330**	**6,343**	**11,673**
IPO and acquisition related costs			(3,876)
Other unallocated items			(1,255)
Profit before tax			**6,542**
Unallocated income tax			**(1,907)**
Profit after tax			**4,635**

Notes to the Financial Statements

8. INTANGIBLE ASSETS

The following table shows movements in intangible assets:

6 months to 31 December 2015	Goodwill $000	Customer Relationships $000	Licences $000	Intellectual Property $000	Total $000
Balance at 1 July 2015	66,174	753	442	8,847	76,216
Purchased	82	-	-	716	798
Reclassification; SILK fair value accounting	(1,000)	-	-	1,000	-
Amortisation	-	(65)	(50)	(674)	(789)
Impairment of intangibles (note 6)	(59,828)	-	(392)	(3,100)	(63,320)
Balance at 31 December 2015	**5,428**	**688**	**-**	**6,789**	**12,905**

9. BORROWINGS

	31 Dec 2015 $000	30 Jun 2015 $000
Current		
Secured liabilities	-	-
Finance leases (a)	155	226
Working capital facility (b)	8,000	-
	8,155	**226**

a. Finance leases

The Group has finance leases on motor vehicles.

b. Working capital facility

The group has $17 million of facilities with Bankwest Limited, comprising a $15 million working capital facility, and $2 million in bank guarantee and credit card facilities. The bank has fixed and floating charges over the Group's assets.

As at 31 December 2015, the working capital facility was drawn down by $8 million.

Notes to the Financial Statements

10. OTHER LIABILITIES

	31 Dec 2015 $000	30 Jun 2015 $000
Current		
Vendor earn-out liability (a)	2,416	-
Non-Current		
Vendor earn-out liability (a)	-	4,660

a. Vendor earn-out liability

The vendor earn-out liability comprises the fair value of estimated consideration payments which are payable to vendors in relation to prior period business acquisitions. The amount is payable within the next twelve months.

During the six months ended 31 December 2015, the fair value of vendor earn-out liabilities in relation to the Integracom and Cantillon acquisitions were re-assessed. This resulted in a $1.85 million reduction in the vendor earn-out liability, with no earn-outs now estimated as payable in relation to these acquisitions. Expected payments in relation to the acquisition of SILK were also re-assessed, resulting in a reduction in this vendor earn-out liability of $0.45 million.

11. EARNINGS PER SHARE

Both the basic and diluted earnings per share have been calculated using the profit attributable to the Group as the numerator:

	6 months to 31 Dec 15 $000	6 months to 31 Dec 14 $000
Net (loss) / profit after tax	(66,656)	4,635
Weighted number of ordinary shares outstanding during the year used in calculating basic earnings per share (EPS)	150,000,000	133,734,159
Basic earnings per share (cents)	(44.44)	3.48
Diluted earnings per share (cents)	(44.44)	3.47

Performance rights are non-dilutive at 31 December 2015, due to the loss in the period.

12. SHARE CAPITAL

The Group does not have any share options on issue as at the date of this report. Details of share capital of the group are as follows:

	31 Dec 2015 $000	30 Jun 2015 $000
150,000,000 (Jun-15: 150,000,000) fully paid ordinary shares	149,929	149,929
	31 Dec 2015 Number of rights	**30 Jun 2015 Number of rights**
Performance rights	1,942,455	380,787

Notes to the Financial Statements

Ordinary shares confer on their holders the right to participate in dividends declared by the Board. Ordinary shares confer on their holders an entitlement to vote at any general meeting of the Company.

At 30 June 2015, the Group had issued 380,787 Performance Rights. During the six months to 31 December 2015, the Group issued 1,561,688 Performance Rights to employees. The terms of the Performance Plan have been outlined in the Company's 2015 Annual Report.

13. DIVIDENDS

During the half-year ended 31 December 2015, the Group paid a final dividend of $6.15 million on 25 September 2015 which represents a payment of 4.1 cents per share.

14. CONTINGENT LIABILITES

The Group has no contingent liabilities as at 31 December 2015.

IMF Bentham Limited ("IMF") has made a release to the ASX dated 17 August 2015 in which it announces that it proposes to fund claims of certain ASH shareholders against the Group with respect to alleged misstatements in, or omissions from, ASH's prospectus dated 7 August 2014 in connection with ASH's acquisition of Integracom.

The Group denies any liability in respect of the alleged claims and believes they lack any proper foundation. The Group will vigorously defend any claim that is filed. The financial effect, if any, is unable to be quantified at this time.

15. EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial half-year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

Directors' Declaration

1. In the opinion of the Directors of Ashley Services Group Limited:

   a. the consolidated financial statements and notes of Ashley Services Group Limited and its controlled entities are in accordance with the *Corporations Act 2001*, including:

      i. giving true and fair view of its financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

      ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and

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

Signed in accordance with a resolution of the Directors:

R Shrimpton

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Ross Shrimpton
Director

Sydney, 24 February 2016

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Independent Auditor's Review Report
To the Members of Ashley Services Group Limited

We have reviewed the accompanying half-year financial report of Ashley Services Group Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Ashley Services Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Ashley Services Group Limited 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

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Corporations Regulations 2001. As the auditor of Ashley Services Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ashley Services Group Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

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

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GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C F Farley
Partner - Audit & Assurance

Sydney, 24 February 2016