

To COMPANY ANNOUNCEMENTS

Company ASX

Date 26 February 2016

From Paul Wylie

Subject: **APPENDIX 4D**

BY ELECTRONIC LODGEMENT

Please see attached for Beyond International Limited (ASX-BYI) for the 6 months ended 31 December 2015:

- (a) Appendix 4D – Half Yearly Report to 31 December 2015
- (b) Review of Operations
- (c) Directors Report
- (d) Financial Statements including Auditors Report

The functional currency is Australian dollars.

Rules 4.1, 4.3
Appendix 4D

Half Yearly Report

Introduced 1/1/2003.

Name of Entity	Beyond International Limited
ACN	003 174 409
Half Year Interim Financial Report	31 DECEMBER 2015
Previous Corresponding Reporting Period	31 DECEMBER 2014

Results for Announcement to the Market

	\$000's	Percentage increase /(decrease) over previous corresponding period
Revenues from ordinary activities	55,866	Up 15%
Profit from ordinary activities after tax attributable to members	4,724	Down 0.3%
Net profit for the period attributable to members	4,724	Down 0.3%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend (paid 16 Oct 2015)	5 cents	N/A
Interim Dividend	5 cents	N/A
Previous corresponding period	5 cents	N/A
Record date for determining entitlements to the dividends (if any)	21 March 2016	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer attached release cover sheet		

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

Dividends

Date the dividend is payable	21 April 2016
Record date to determine entitlement to the dividend	21 March 2016
Amount per security	5 cents
Total dividend	\$3,066,848
Amount per security of foreign sourced dividend or distribution	5 cents
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset per security	\$0.67	\$0.67

Control Gained Over Entities Having Material Effect

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

Loss of Control Gained Over Entities Having Material Effect

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

Details of Associates and Joint Venture Entities

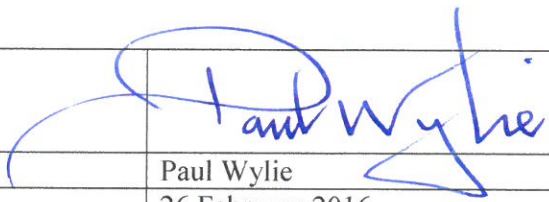
Name of Entity	Percentage Held		Share of Net Profit/(Loss)	
	Current Period	Previous Period	Current Period	Previous Period
7Beyond Media Rights Ltd	50%	50%	(\$323k)	(\$337k)
Aggregate Share of Net Profits			(\$323k)	(\$337k)

Audit/Review Status

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

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	ASX Announcement
2	Interim Financial Report

Signed By (Director/Company Secretary)	
Print Name	Paul Wylie
Date	26 February 2016

BEYOND INTERNATIONAL LIMITED
PROFIT AND LOSS FOR THE SIX MONTHS TO DECEMBER 31 2015

	SIX MONTHS TO DEC 15 \$,000	SIX MONTHS TO DEC 14 \$,000	Variance \$,000	Variance %
Operating Revenue	55,866	48,567	7,299	15.0%
Expense	(49,897)	(43,791)	(6,106)	13.9%
EBIT	5,969	4,776	1,193	25.0%
Net Interest Income	28	108	(80)	(74.1%)
Profit Before Tax	5,997	4,884	1,113	22.8%
Tax Expense	(1,273)	(144)	(1,129)	784.0%
Profit After Tax	4,724	4,740	(16)	(0.3%)
Additional Information				
EPS (Cents per Share)	7.70	7.73	(0.03)	(0.3%)
Dividends per Share (cents)	5.00	5.00	-	-
NTA (cents)	67.29	67.15	0.14	0.2%

FINANCIAL PERFORMANCE FOR THE SIX MONTHS TO 31ST DECEMBER 2015
COMPARED TO THE PRIOR CORRESPONDING PERIOD

- Operating Revenue for the six months increased by 15% to \$55,866,000;
- EBIT for the period has increased by 25% to \$5,969,000;
- Net profit after tax decreased 0.3% to \$4,724,000;
- Earnings Per Share has declined by 0.3% to 7.70 cents;
- Net cash flows from operating activities for the six months decreased by \$1,294,000 compared to the prior corresponding period;
- Net cash decreased by \$6,710,000 to \$3,693,000 from June 30 2015 to December 31 2015;
- The interim dividend has been maintained at 5c per share; and
- The Company has no bank debt.

REVIEW OF OPERATIONS FOR THE 6 MONTH PERIOD TO 31 DECEMBER 2015

The increase in net profit before tax was a pleasing result, with strong trading performances for Production & Copyright, Distribution and Home Entertainment segments. The result was negatively impacted by impairments of assets totalling \$688,000. The impairments related to program assets that are no longer valuable. Excluding the impairments, underlying EBIT increased by 39% compared to the prior corresponding period.

The after tax result was slightly below that for the corresponding period last year. Tax expense for December 2014 benefitted from a higher level of tax credits generated by producer offsets reducing the tax expense for that year compared to December 2015. The stronger performance of the Home Entertainment division also had an impact on increasing tax expense for the six month period.

Cash flows from operating activities fell by \$1,294,000 compared to the previous corresponding six month period. The timing of Distribution and Home Entertainment sales were heavily weighted in November and December 2015, with receipts for these sales due in 2016.

A final dividend of \$3,067,000 was paid in October 2015.

The Company had cash balances of \$3,693,000 at December 31 2015 and no bank debt.

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

REVIEW OF OPERATIONS BY SEGMENT FOR THE 6 MONTH PERIOD TO 31 DECEMBER 2015

1. Television Productions and Copyright Segment

Segment revenue reduced by \$1,118,000 to \$16,112,000 (-6.5%) compared to the prior corresponding six-month period. Copyright revenues were up by \$875,000 as a result of strong distribution sales of programs produced in prior periods, while production revenues declined by \$1,993,000. This was due to the mix and timing of titles in production compared to the prior six month period. Total costs decreased by \$2,178,000 to \$10,607,000 also reflecting the mix and timing of projects in production.

This resulted in a segment EBIT of \$5,089,000 (2014: \$4,108,000) – an increase of 23.9% over the previous corresponding period. The increase was due to the positive contribution of distribution sales to copyright revenues from the sale of finished programs.

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

US broadcast commissions produced during the period include *Deadly Women series 9* and the 11th and final season of *Mythbusters*. In addition, the 7Beyond joint venture saw its first commissioned project, *My Dream Lottery Home*. Pre-production has also commenced on a

ten part Netflix commissioned factual series, with production based in Los Angeles and Sydney.

Australian program commissions during the period include season 9 of *Selling Houses Australia*, *Tiny House Nation* and *Shaynna 101*. The period also saw the Company working with 360 degree virtual reality technology, with a project completed for the Maritime Museum in Sydney. In addition, production continued on two animated series, *Beat Bugs* for Seven Network and Netflix, *Fanshaw & Crudnut* for the Nine Network, and the production work for the Tour Down Under bicycle race in Adelaide was secured for a further 3 years.

2. Home Entertainment Segment (BHE)

Revenue increased by 43% to \$16,932,000 (2014: \$11,821,000) compared to the corresponding six-month period due to the focus on delivering new content, innovative packaging and well known brands to our key customers which includes specialist retailers JB Hi-Fi, Sanity and mass merchant retailers Kmart, Target and Big W. New content released in the period includes the Australian Football League (AFL), The Network 7 series 800 Words and Peter Allen: Not The Boy Next Door.

The segment EBIT increased by 46% points to \$2,197,000 (2014: \$1,505,000). BHE continues to reduce its fixed cost base as the home entertainment industry evolves.

The total Australian physical media market (DVD/Blu-Ray) contracted 1% during the period under review. BHE continues to broaden its digital distribution channels, to complement its physical media business.

In the period under review BHE performed strongly within its strategic market categories. The business continues to gain market share in its target genres and as at 31 December 2015 held: -

- Number one market share in sport;
- Number one market share in factual television;
- Number one market share in stand-up comedy;
- Number two market share in documentary content; and
- Number three market share in children's.

Across the Australian home entertainment market for the period under review BHE improved its market share to 5.5% of the total market (2014: 3.8%).

3. Distribution TV and Film Segment

Revenue increased by \$3,103,000 or 24% to \$16,033,000 compared to the corresponding 6 month period.

Period EBIT before impairment adjustments improved to \$2,102,000 compared to \$1,803,000 in the corresponding 2014 period.

As a % of total revenue, the contribution of product sourced from third party producers was the same as the corresponding period last year at 52%. The division continues to focus on securing and acquiring product from external producers to complement the programs produced internally.

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

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

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

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

4. Digital Marketing Segment

In the 6 months to 31 December 2014 Beyond D revenues were \$6,452,000, 4% up on last years total of \$6,197,000.

Despite the revenue growth, EBIT for the 6 months declined to a loss of \$29,000 against a profit of \$136,000 for the corresponding period last year. Market pressures, particularly in New Zealand, saw margins fall and the cost of acquiring lead generation members increase, leading to a decline in the number of active members in the database.

The decline in members and the cost of acquisition is being addressed via a Friend get Friend social media campaign incentivised with more regular cash prize draws, with expectations that the business will return to profit in the coming months. The division is also utilizing virtual reality technology, with a significant contribution expected in the second half of the 2016 financial year.

In addition, the technology platform that drives the lead generation business has been sub-licenced by a competitor, delivering a new revenue stream to the business.

FOREIGN EXCHANGE – IMPACT ON RESULTS

There continued to be volatility in the currency markets during the reporting period, with the Australian dollar ranging from a high of \$0.769 to a low of \$0.686 against the US dollar. This volatility is reflected in the different business segments in the 2015 and 2016 reporting periods.

The total foreign exchange gain for the six-month period is \$262,226 (2014: gain \$278,209). This gain is allocated to the operating segments as follows: -

Item	Segment	Dec-15	Dec-14	Movement	
		\$	\$	\$	%
Realised gain / (loss)	Distribution / TV	94,749	80,408	14,341	(18%)
Unrealised gain / (loss)	Distribution / TV	45,901	134,625	(88,724)	66%
Mark To Market revaluation of Currency Hedges (Loss)	Other*	(1,684)	(74,726)	73,042	98%
Unrealised gain	Other	123,260	137,902	(14,642)	11%
Net Total (gain) / Loss		262,226	278,209	(15,983)	(6%)

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

DIVIDEND

The Directors have determined to maintain the 2016 (financial year) interim dividend to 5 cents (unfranked) per share. Shareholders registered on the books on 21 March 2016 will be entitled to this dividend, which will be paid on 21 April 2016.

A 5 cent per share (unfranked) 2015 Final Dividend was paid on 16 October 2015 making the total dividend for the 2015 financial year 10 cents per share (unfranked).

OUTLOOK TO 30TH JUNE 2016

The Company is using the cash flow from operations for dividend payments and to accumulate cash reserves for working capital and potential strategic acquisitions.

Management continues to evaluate complementary businesses for acquisition to accelerate the Company's growth and to further diversify income streams.

Subject to no further material negative currency fluctuations or deterioration in the broadcast, digital advertising or retail markets the Company expects earnings per share for the 2016 financial year to remain at the level achieved in the 2015 financial year.


 Mikael Borglund
 CEO & Managing Director
 26 February 2016

ABOUT BEYOND

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

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

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

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

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

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

All enquiries should be directed to:

Mr Mikael Borglund, Managing Director, Beyond International Limited
Telephone 02 9437 2000 or email investor_relations@beyond.com.au

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2015.

Directors

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

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

Review of Operations

Revenue for the six months increased by 15.0% to \$55,866,000.

EBIT has increased by 25% to \$5,969,000.

Earnings per share declined slightly to 7.70 cents from 7.73 cents.

Net cash flows from operating activities decreased by \$1,294,000 to an out flow of \$1,194,000 compared to the previous corresponding period.

The Company has no bank debt.

Television Production and Copyright Segment

Television production revenue decreased by \$1,993,000 or 15% compared to the prior corresponding period.

Copyright income has increased by \$875,000 or 22% compared to the corresponding six-month period.

EBIT for the segment is \$5,089,000 compared to EBIT of \$4,108,000 in 2014

Home Entertainment Segment (BHE)

BHE operating revenue increased by 43% to \$16,932,000 compared to the corresponding six-month period.

EBIT increased by 46% to \$2,197,000 compared to the corresponding prior period.

TV and Film Distribution Segment (Beyond Distribution)

Revenue has increased by 24% to \$16,033,000 compared to the corresponding period to December 2014.

EBIT for the segment is \$1,751,000 compared to \$1,804,000 in 2014, a decrease of 3%.

Digital Marketing Segment (Beyond D)

Revenue has increased by \$255,000, or 4%, to \$6,452,000 compared to the corresponding period to last year.

The segment reported an EBIT loss of \$29,000 compared to an EBIT profit of \$136,000 for the corresponding period last year.

Dividends

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

Shareholders registered on the books on 21 March 2016 will be entitled to this dividend, which will be paid on 21 April 2016.

A 5 cent (unfranked) Final Dividend per share was paid on 16 October 2015.

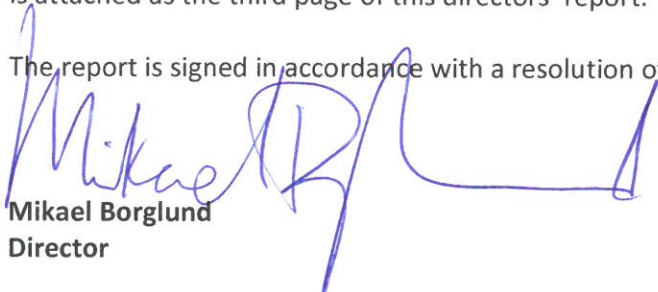
Rounding of Amounts

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

Auditors

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

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


Mikael Borglund
Director

Dated: 26 February 2016



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Sydney NSW 2000

Australia

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

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

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

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

Craig Maxwell
Partner

BDO East Coast Partnership

Sydney, 26 February 2016

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	31-Dec 2015 \$000's	31-Dec 2014 \$000's
Revenue from continuing operations	55,528	48,178
Other income	378	513
Royalty expense	13,623	8,849
Production costs	11,929	13,485
Home entertainment direct costs	6,389	4,044
Digital marketing direct costs	4,401	4,244
Administration	2,832	2,757
Employee benefits expense	7,168	7,061
Finance costs	12	16
Provisions	770	577
Depreciation and amortisation expense	2,462	2,437
Share of loss of joint venture accounted for using the equity method	323	337
Profit before income tax	5,997	4,884
Income tax expense	(1,273)	(144)
Profit for the half-year	4,724	4,740
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Changes in the fair-value of available-for-sale financial assets	9	(1)
Foreign currency translation	(1)	8
Other comprehensive income for the half-year, net of tax	8	7
Total comprehensive income for the half-year	4,732	4,747
Profit is attributable to:		
Owners of Beyond International Limited	4,724	4,740
Non-controlling interest	-	-
	4,724	4,740
Total comprehensive income for the half-year is attributable to:		
Owners of Beyond International Limited	4,732	4,747
Non-controlling interest	-	-
	4,732	4,747
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic and diluted earnings per share	7.70	7.73

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

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	<i>Note</i>	31-Dec 2015 \$000's	30-Jun 2015 \$000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,693	10,403
Trade and other receivables		38,215	29,603
Inventories		3,350	3,069
Other current assets	4	18,033	16,770
TOTAL CURRENT ASSETS		63,291	59,845
NON-CURRENT ASSETS			
Trade and other receivables		4,203	1,831
Financial assets	5	13	4
Property, plant and equipment		2,177	1,850
Intangible assets	6	5,883	6,062
Deferred tax assets		3,222	3,437
Other non-current assets	4	432	518
TOTAL NON-CURRENT ASSETS		15,930	13,703
TOTAL ASSETS		79,221	73,548
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		6,952	6,025
Employee benefits		3,002	2,902
Financial liabilities	5	93	91
Current tax liabilities		552	134
Other current liabilities	7	12,516	10,946
TOTAL CURRENT LIABILITIES		23,115	20,097
NON-CURRENT LIABILITIES			
Deferred tax liabilities		6,847	6,663
Employee benefits		469	588
Other non-current liabilities	7	1,633	710
TOTAL NON-CURRENT LIABILITIES		8,949	7,961
TOTAL LIABILITIES		32,064	28,058
NET ASSETS		47,157	45,490
EQUITY			
Issued capital		33,867	33,867
Reserves		(95)	(103)
Retained earnings		13,385	11,727
TOTAL EQUITY		47,157	45,490

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

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	31-Dec-2015	31-Dec-2014
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	44,809	42,684
Payments to suppliers and employees	(45,575)	(42,583)
Interest received	40	124
Finance costs paid	(12)	(16)
Income tax paid	(455)	(109)
Net cash (used in) / provided by operating activities	(1,194)	100
Cash flows from investing activities		
Distribution guarantees paid	(1,058)	(647)
Distribution guarantees recouped	645	407
Prepaid royalties	(885)	(1,384)
Prepaid royalties recouped	755	1,599
Purchase of property, plant and equipment	(760)	(378)
Payments for intangibles	(151)	(421)
Proceeds from sale of property, plant and equipment	2	14
Payment for investments & JV	(460)	(11)
Investment in development projects	(524)	(528)
Net cash used in investing activities	(2,437)	(1,349)
Cash flows from financing activities		
Dividend paid	(3,079)	(3,479)
Net cash used in financing activities	(3,079)	(3,479)
Net decrease in cash and cash equivalents	(6,710)	(4,728)
Cash and cash equivalents at beginning of period	10,403	10,985
Cash and cash equivalents at end of period	3,693	6,257

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

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Issued capital	Reserves	Retained earnings	Total	Non controlling interest	Total equity
	S'000	S'000	S'000	S'000	S'000	S'000
Balance at 1 July 2015	33,867	(103)	11,727	45,491	-	45,491
Profit after income tax expense for the period	-	-	4,724	4,724	-	4,724
Available-for-sale financial assets	-	9	-	9	-	9
Foreign currency translation	-	(1)	-	(1)	-	(1)
Total comprehensive income for the period	-	8	4,724	4,732	-	4,732
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(3,067)	(3,067)	-	(3,067)
Balance at 31 December 2015	33,867	(95)	13,384	47,157	-	47,157
	Issued capital	Reserves	Retained earnings	Total	Non controlling interest	Total equity
	S'000	S'000	S'000	S'000	S'000	S'000
Balance at 1 July 2014	33,775	(111)	11,975	45,639	-	45,639
Profit after income tax expense for the period	-	-	4,740	4,740	-	4,740
Available-for-sale financial assets	-	(1)	-	(1)	-	(1)
Foreign currency translation	-	8	-	8	-	8
Total comprehensive income for the period	-	7	4,740	4,747	-	4,747
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(3,066)	(3,066)	-	(3,066)
Balance at 31 December 2014	33,775	(103)	13,650	47,322	-	47,322

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

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

NOTE 1: CORPORATE INFORMATION

The financial report of Beyond International Limited and controlled entities for the half-year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on 26 February 2016.

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

NOTE 2: BASIS OF PREPARATION

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

The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, it is recommended that the half-year financial report should be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Beyond International Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

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

Rounding of amounts

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

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

NOTE 3: Dividends Paid

A final unfranked dividend for the financial year 30 June 2015 of 5 cents per share, totalling \$3,066,848 was paid during the half-year on ordinary shares (2014: 5 cents per share totalling \$3,066,848).

Subsequent to 31 December 2015, an interim unfranked dividend of 5 cents per share, totalling \$3,066,848 has been declared, payable on 21 April 2016 (2014: 5 cents per share totalling \$3,066,848). In accordance with Australian Accounting Standards this has not been provided for in the interim financial report to 31 December 2015.

	31-Dec	30-Jun
	2015	2015
	\$000's	\$000's

NOTE 4: Other assets

Current

Capitalised Development Costs	2,073	1,659
Less: Deferred Revenue	(1,215)	(909)
	858	750

Distribution Advances	5,552	5,387
Less: Provision for impairment	(3,225)	(3,878)
	2,327	1,509

Prepaid Royalties	6,707	6,577
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Capitalised Production Costs	6,444	7,085
Prepayments & other assets	1,697	849
	8,141	7,934

	18,033	16,770
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Non-current

Distribution Advances	2,059	1,241
Less: Provision for impairment	(1,627)	(723)
	432	518

NOTE 5: Financial assets & liabilities

Recurring fair value measurements

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

Available-for-sale financial assets:

- Listed equity securities - Level 1	13	4
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Derivative liabilities

- Foreign currency forward contracts - Level 2	(93)	(91)
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**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

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

Fair value hierarchy

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

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

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

Transfers

During the half-year ended 31 December 2015, there were no transfers of available-for-sale equity securities or derivatives between levels 1 and 2 of the fair value hierarchy.

During the half-year ended 31 December 2015, the consolidated entity had no level 3 financial instruments.

Valuation techniques used to derive level 2 fair values

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

Fair values of financial instruments not measured at fair value

The following financial instruments are not measured at fair value in the statement of financial position. These had the following fair values at 31 December 2015:

	Carrying Amount \$'000	Fair Value \$'000
NON-CURRENT ASSETS		
Trade and other receivables	4,203	3,938
	<u>4,203</u>	<u>3,938</u>
NON-CURRENT LIABILITIES		
Other non-current liabilities	1,633	1,530
	<u>1,633</u>	<u>1,530</u>

Due to their short-term nature, the carrying amounts of cash and cash equivalents, current receivables and current trade and other payables are assumed to approximate their fair value. A discount rate of 6.72% has been applied to all non-current trade and other receivables and other non-current liabilities to determine fair value.

31-Dec 2015 \$000's	30-Jun 2015 \$000's
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NOTE 6: Intangible assets

Goodwill	4,600	4,600
Trademarks and patents	150	150
Websites and databases	1,133	1,312
	<u>5,883</u>	<u>6,062</u>

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

31-Dec	30-Jun
2015	2015
\$000's	\$000's

NOTE 7: Other liabilities

Current (unsecured)

Producer share payable	9,735	7,332
Deferred revenue	2,163	3,419
GST payable	470	195
Other	147	-
	<u>12,516</u>	<u>10,946</u>

Non-current (unsecured)

Producer share payable	<u>1,633</u>	710
	<u>1,633</u>	<u>710</u>

NOTE 8: Contingent Assets and Liabilities

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

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

NOTE 9: Subsequent Events

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

NOTE 10: Segment Information

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

TV production and copyright

Production of television programming and ownership of television product copyright.

Film and Television distribution

International distribution of television programmes and feature films.

Home Entertainment

Distribution in Australia and New Zealand of DVDs.

Digital Marketing

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

Unallocated corporate benefit/(expense)

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

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED 31 DECEMBER 2015

NOTE 10 - Segment Information (Cont'd)

Financial Results at December 2015

Operating Segment	TV Production	Distribution	Home	Digital	Inter Segment	Consolidated
	& Copyright S'000	TV & Film S'000	Entertainment S'000	Marketing S'000	Eliminations S'000	
Revenue						
External revenues excluding fx	16,112	16,033	16,932	6,452	-	55,528
Other segments	4,182	39	-	111	(4,332)	-
Total revenue	20,294	16,072	16,932	6,563	(4,332)	55,528
Result before fx, interest and D&A	6,819	1,769	2,440	324	-	11,352
Depreciation & amortisation	1,730	18	243	353	-	2,344
Result before interest, fx & other expense	5,089	1,751	2,197	(29)	-	9,008
Net Interest Income						28
Foreign exchange gain						262
Corporate expense						(3,301)
Profit before income tax						5,997
Income Tax Expense						(1,273)
Profit after income tax						4,724

Financial Results at December 2014

Operating Segment	TV Production	Distribution	Home	Digital	Inter Segment	Consolidated
	& Copyright S'000	TV & Film S'000	Entertainment S'000	Marketing S'000	Eliminations S'000	
Revenue						
External revenues excluding fx	17,230	12,930	11,821	6,197	-	48,178
Other segments	3,687	65	-	136	(3,888)	-
Total revenue	20,917	12,995	11,821	6,333	(3,888)	48,178
Result before fx, interest and D&A	5,818	1,812	1,805	164	-	9,599
Depreciation & amortisation	1,711	8	301	28	-	2,048
Result before interest, fx & other expense	4,108	1,804	1,505	136	-	7,553
Net Interest Income						107
Foreign exchange gain/(loss)						278
Unallocated corporate expense						(3,055)
Profit before income tax						4,884
Income Tax Expense						(144)
Profit after income tax						4,740

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

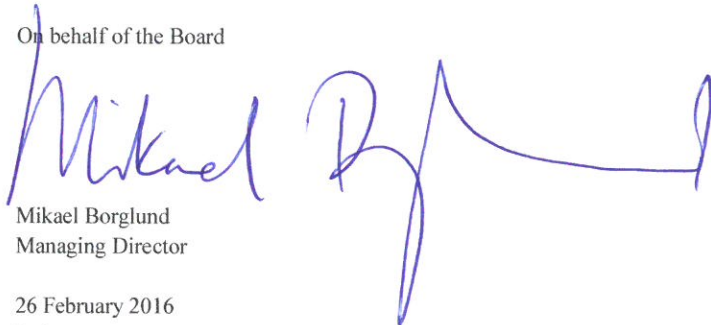
In accordance with a resolution of the directors of Beyond International Limited, we state that:

In the opinion of the directors:

- (a) the accompanying financial statements and notes of the consolidated entity as set out on pages 13 to 22 are in accordance with the Corporations Act 2001 and;
 - (i) give a true and fair view of the financial position at 31 December 2015 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

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

On behalf of the Board

A handwritten signature in blue ink, appearing to read 'Mikael Borglund', with a long horizontal flourish extending to the right.

Mikael Borglund
Managing Director

26 February 2016
Sydney



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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Beyond International Limited

Report on the Half-Year Financial Report

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

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 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 Beyond International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Beyond International Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 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*.

BDO East Coast Partnership

BDO

A handwritten signature in black ink that reads 'Craig Maxwell'.

Craig Maxwell
Partner

Sydney, 26 February 2016