Appendix 4D

Half-Year Report

Name of entity

Ausenco Limited

ABN or equivalent company reference		Half year ended
31 114 541 114	Current reporting period	30 June 2016
	Previous corresponding period	30 June 2015

Results for announcement to the market

Extracts from this report for announcement to the market. **$A'000**

				Current period
Revenues from ordinary activities	Decreased	35.46%	To	87,224
Loss from ordinary activities after tax attributable to members	Increased	346.35%	To	74,090
Net loss for the period attributable to members	Increased	346.35%	To	74,090

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Interim dividend declared subsequent to 30 June 2016	0.0 cents	0.0 cents
Previous corresponding period – interim dividend paid in respect of the half-year ended 30 June 2015	0.0 cents	0.0 cents
Date the interim dividend is payable	N/A	
Record date for determining entitlements to the interim dividend	N/A	
Conduit Foreign Income	N/A	

Dividend reinvestment plan
N/A

NTA backing	**Current period**	**Previous corresponding period December 2015**
Net tangible asset backing per ordinary security	($0.24)	$0.01

The group did not gain or lose control of any entities during the reporting period.

Ausenco Limited
Interim financial report
For the half-year ended 30 June 2016

ABN 31 114 541 114

Ausenco Limited ABN 31 114 541 114

Interim financial report – 30 June 2016

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This interim financial 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 31 December 2015 and any public announcements made by Ausenco Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Ausenco Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2016.

Directors

The following persons were Directors of Ausenco Limited during the whole of the financial period and up to the date of this report:

George Lloyd
Zimi Meka
Mary Shafer-Malicki
Bob Thorpe
Hank Tuten
Peter Gregg

Principal activities

During the period the principal continuing activities of the Group consisted of the provision of engineering, construction and project management services to the resources and energy markets. The Group provides full project lifecycle solutions to clients in the minerals processing, pipelines, transportation systems, ports and terminals, infrastructure, oil & gas, power, renewable energy and alternative energy sectors.

Safety

The Group's safety performance for the 12 months to 30 June 2016 reflected a Lost Time Injury Frequency Rate (LTIFR) of 0.76 (2015: 0.19) and a Total Recordable Injury Frequency Rate (TRIFR) of 0.76 (2015: 1.38) per million hours worked. Ausenco total recordable injury frequency rate (TRIFR) has improved 45%, the lowest TRIFR in the company's history. We continue to strive for our goal of zero harm and it is worth noting that we were recently recognised as the Silver Recipient winner in 2015 in the category of Mining and Natural Resources for Canada's Safest Employers Award and as a finalist in the 2015 Best Continuous Improvement of a Workplace Health and Safety Management System from the National Safety Council of Australia (NSCA) Foundation, National Safety Awards of Excellence.

Scheme of Arrangement

On 14 June 2016 Ausenco announced that it had entered into an agreement with Resource Capital Fund VI L.P. ("RCF") under which it was proposed that RCF acquire control of Ausenco through a Scheme of Arrangement ("Scheme") for cash consideration of $0.40 per share.

Ausenco formed an Independent Board Committee ("IBC") to consider RCF's proposal. Following consideration of the proposal and negotiations with RCF, the IBC unanimously recommended that, subject to an independent expert determining that the Scheme was in the best interests of shareholders, Ausenco shareholders vote in favour of the Scheme.

Ausenco appointed Lonergan Edwards & Associates as the independent expert to opine on whether the Scheme is in the best interests of shareholders and to provide an independent expert's report. The independent expert concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Ausenco shareholders, in the absence of a superior proposal, the independent expert assessed the full underlying value of Ausenco at between $0.27 and $0.37 per Ausenco share. The Scheme consideration of $0.40 is above this range.

A shareholder meeting to consider and vote on the Scheme was held on Thursday 25 August 2016 whereby eligible shareholders approved the Scheme (refer to note 14 of the Interim financial report for further details).

Review of operations

The Group's first half performance was adversely impacted by project delays, stagnant commodity prices, reduced customer spending, increased competition, extended payment terms imposed by some clients and internal business restructuring costs. Revenue and underlying EBITA[1] results for the half-year reflected the continuing soft economic conditions in the global resources sector.

These project delays and the economic conditions in the global resources sector have also affected the five year outlook for the Group and therefore the likely recoverability of the Company's goodwill balances. As a result of the proposed Scheme, goodwill and intangibles with an infinite life are tested for impairment on a "fair value" basis whereby the net assets of Ausenco must not exceed the fair value of the Scheme consideration, consequently the Company has made a number of non-cash adjustments to profit, including impairment of goodwill balances, impairment of deferred tax asset balances, provisions for doubtful debts and the creation of further onerous lease provisions. These non-cash adjustments resulted in a charge of $40.2 million in the half-year result.

While trading conditions continued to be challenging during the half-year ended 30 June 2016, highlights include the commencement of a $91 million EPC contract with Atlantic Gold Corporation to deliver the Moose River Consolidated Gold Project in Nova Scotia, Canada, the award of the Isaac Plains coal mine contract operations in Queensland, appointment as Lead Engineer for European Metals Holding Limited for the Cinovec Lithium/Tin Project in Czech Republic and Minbos Resources Limited appointed the Group to deliver the Bankable Feasibility Study for the Cabinda Rock Phosphate Project in Angola, West Africa.

Revenue of $87.2 million from continuing operations for the first half of 2016 was down 35% on revenue of $135.2 million for the previous corresponding period. The Group reported a $74.1 million net loss after tax for the period, which included the non-cash adjustments of $40.2 million, compared to a $16.6 million loss after tax for the previous corresponding period. This has resulted in a loss per share of 39.7 cents compared to a loss of 9.9 cents per share for the previous corresponding period. The net loss before tax was $65.3 million, increasing from the net loss before tax of $12.4 million for the previous corresponding period.

Major reasons for the increased loss were the $47.9 million reduction in revenues, compared to the half-year ended 30 June 2015, which adversely impacted gross margins, and the following non-cash adjustments: $25.1 million for impairment of goodwill, $7.5 million of onerous lease provisions, a higher income tax expense of $6.5 million due to deferred tax asset write downs, and $1.1 million in doubtful debt provisions. The Group also incurred $2.3 million in redundancy costs for the internal business restructuring.

Underlying EBITDA[1] for the period was a $19.9 million loss compared to a $3.4 million underlying loss for the first half of 2015.

The Group's underlying EBITDA margin[1] was (22.8)% compared to (2.5)% in the previous corresponding period and the after tax margin of (84.9)% was lower than the (12.3)% margin reported for the six months to 30 June 2015.

Net operating cash outflow was $25.7 million, compared to an outflow of $8.8 million in the previous corresponding period; both are largely attributable to the operational losses in the respective periods. Cash outflow from investing activities was $0.2 million, $0.8 million lower than for the previous corresponding period. Net cash from financing activities was an inflow of $23.2 million for the first half of the current year, which included $15.0 million drawn on a cash facility provided by RCF and $9.1 million also provided by RCF for a convertible note, compared to an outflow of $6.4 million for the first half of 2015.

[1] *This performance measure is discussed in detail in page 31*

The Group's gross cash position at 30 June 2016 was $6.1 million ($8.7 million at 31 December 2015). The Group's gross borrowings have increased from $61.8 million at 31 December 2015 to $83.6 million at 30 June 2016 reflecting the RCF cash facility and the convertible note. The net gearing ratio has increased from 20.7% at 30 June 2015 to 49.4% at 30 June 2016.

Business Line Performance

The Group measures business line performance by reference to revenue and EBITA[1], with 2016 and 2015 first half performances summarised as follows:

	Segment revenues		EBITA	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
APAC/Africa	17,931	33,625	(8,265)	(2,854)
North America	40,100	48,693	(3,961)	(1,671)
South America	27,922	51,508	(4,910)	1,182
All other Segments	801	756	(15,472)	(5,312)
Total	86,754	134,582	(32,608)	(8,655)

APAC/Africa

The APAC/Africa business line's operating revenue was down 47% to $17.9 million for the half-year (1HY15: $33.6 million). The corresponding reported EBITA was a loss of $8.3 million (1HY15: loss $2.9 million).

The Australian market was dominated by a continued lack of confidence in the resources sector, with opportunites adversely impacted by weak commodity prices and reduced demand for coal and iron ore. However we are noticing improved opportunities to export Ausenco's services to Africa and the cross-selling of APAC/Africa specific services to other areas of the Group.

Recent activity has seen APAC/Africa awarded the Isaac Plains coal mine contract operations in Queensland and we have also identified some near term EPC opportunities in APAC/Africa in our current pipeline.

North America

The North America business line's operating revenue was down 18% to $40.1 million for the half-year (1HY15: $48.7 million). The reported EBITA loss was $4.0 million compared to a loss of $1.7 million in 2015.

During the half-year trading conditions were challenging with low oil prices and weak commodity prices, this led customers to react with reduced capital and operating budgets, project cancellations and deferrals. The financial performance of the North American business line was adversely impacted in the first half by the following items: declining margins due to increased pricing pressures, the decision by Hudbay to suspend the EPCM development of the Rosemont Project in Tucson USA, and the delayed commencement of the EPC contract with Atlantic Gold Corporation for the Moose River Gold Project in Nova Scotia, Canada.

The Moose River EPC project commenced in June 2016 and is expected to be completed by the fourth quarter 2017. Ausenco will deliver the project's 2 MTPA gold processing plant and related infrastructure for CA$86.3 million (AU$91 million) under a fixed price EPC contract.

[1] *This performance measure is discussed in detail in page 31*

South America

The South America business line operating revenue of $27.9 million decreased 46% compared to $51.5 million in the corresponding period last year, resulting in a reduction in reported EBITA from $1.2 million profit to a $4.9 million loss for the six months to 30 June 2016.

The Constancia Copper Project in Peru was completed in the first half of 2015. The business has continued to focus efforts on replacing this lost revenue base. However, market conditions remained challenging during the six months dominated by subdued commodity prices across the resources sector leading to project delays and cost pressures. The business has restructured to reduce its cost base and enable customer penetration by a more competitive offering.

Corporate & Regional services

The reported net cost of the corporate and regional service teams increased from $5.3 million in 1HY15 to $15.5 million for 1HY16, which includes $9.1 million due to onerous lease provisions, restructuring costs, entity wind ups and additional costs associated with the Scheme of Arrangement.

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 Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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

George Lloyd
Director

Zimi Meka
Director

Brisbane
29/08/2016

Auditor's Independence Declaration

As lead auditor for the review of Ausenco Limited for the half-year ended 30 June 2016, 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 Ausenco Limited and the entities it controlled during the period.

Timothy J Allman
Partner
PricewaterhouseCoopers

Brisbane
29 August 2016

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Ausenco Limited
Consolidated statement of comprehensive income
For the half-year ended 30 June 2016

	Notes	**Half-year ended 30 June 2016 $'000**	Half-year ended 30 June 2015 $'000
Revenue from continuing operations		**87,224**	135,154
Other income		**3,628**	5,768
Staff and contractors' costs		**(78,553)**	(107,097)
Directly attributed project costs		**(16,779)**	(18,555)
Office and administration costs		**(24,856)**	(20,407)
Other expenses		**(1,007)**	(651)
Depreciation and amortisation expense		**(3,872)**	(4,058)
Impairment of goodwill	8	**(25,105)**	-
Change in fair value of derivative financial instruments	11	**(2,451)**	-
Finance costs		**(3,136)**	(2,161)
Share of loss from joint ventures		**(388)**	(396)
Loss before income tax		**(65,295)**	**(12,403)**
Income tax expense	5	**(8,795)**	(4,196)
Loss for the half-year		**(74,090)**	**(16,599)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences arising during the year		**2,832**	(1,325)
Net investment hedge		**259**	(1,217)
Other comprehensive loss for the period, net of tax		**3,091**	(2,542)
Total comprehensive income loss for the half-year		**(70,999)**	**(19,141)**
Loss for the half-year attributable to the ordinary equity holders of the Company:			
Owners of Ausenco Limited		**(74,090)**	(16,599)
		(74,090)	**(16,599)**
Total comprehensive loss for the half-year is attributable to the ordinary equity holders of the Company:			
Owners of Ausenco Limited		**(70,999)**	(19,141)
		(70,999)	**(19,141)**
		Cents	Cents
Loss per share attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share (cents per share) attributable to the ordinary equity holders of the Company:		**(39.7)**	(9.9)

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

Ausenco Limited
Consolidated balance sheet
As at 30 June 2016

	Notes	30 June 2016 $'000	31 December 2015 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	**6,098**	8,690
Trade and other receivables	7	**38,273**	27,431
Unbilled revenue		**19,184**	19,226
Current tax receivables		**5,442**	6,815
Other current assets		**2,361**	4,735
Total current assets		**71,358**	**66,897**
Non-current assets			
Investments in joint ventures and associates		**3,977**	4,557
Derivative financial instruments	11	**713**	-
Property, plant and equipment		**9,041**	10,518
Intangible assets	8	**125,420**	148,879
Deferred tax assets		**30,431**	36,788
Other non-current assets		**5**	6
Total non-current assets		**169,587**	**200,748**
Total assets		**240,945**	**267,645**
LIABILITIES			
Current liabilities			
Trade and other payables		**27,690**	27,049
Billings in advance		**16,098**	5,743
Borrowings	10	**76,765**	60,954
Current tax liabilities		**1,501**	1,188
Provisions	9	**14,637**	14,261
Other current liabilities		**1,678**	1,774
Total current liabilities		**138,369**	**110,969**
Non-current liabilities			
Borrowings	10	**6,822**	814
Derivative financial instruments	11	**5,617**	-
Deferred tax liabilities		**589**	421
Provisions	9	**7,867**	3,101
Other non-current liabilities		**2,161**	2,522
Total non-current liabilities		**23,056**	**6,858**
Total liabilities		**161,425**	**117,827**
Net assets		**79,520**	**149,818**
EQUITY			
Contributed equity	12	**258,078**	**256,946**
Other reserves		**(36,991)**	**(39,651)**
Retained earnings / (Accumulated Losses)		**(141,567)**	**(67,477)**
Total equity		**79,520**	**149,818**

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

	Notes	Ordinary shares $'000	Reserves $'000	Retained earnings / (Accumulated losses) $'000	Total equity $'000
Balance at 1 January 2015		246,181	(37,986)	18,578	226,773
Total comprehensive loss for the period		-	(2,542)	(16,599)	(19,141)
Transactions with owners in their capacity as owners:					
Employee share options and performance rights		-	71	-	71
Shares vested to employees		173	-	-	173
		173	71	-	244
Balance at 30 June 2015		**246,354**	**(40,457)**	**1,979**	**207,876**

	Notes	Ordinary shares $'000	Reserves $'000	Retained earnings / (Accumulated losses) $'000	Total equity $'000
Balance at 1 January 2016		256,946	(39,651)	(67,477)	149,818
Total comprehensive loss for the period		-	3,091	(74,090)	(70,999)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	12	544	-	-	544
Employee share options and performance rights		-	(431)	-	(431)
Shares vested to employees		588	-	-	588
		1,132	(431)	-	701
Balance at 30 June 2016		**258,078**	**(36,991)**	**(141,567)**	**79,520**

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

	Notes	**Half-year ended 30 June 2016 $'000**	Half-year ended 30 June 2015 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**97,942**	163,377
Payments to suppliers and employees (inclusive of GST)		**(121,347)**	(169,749)
		(23,405)	**(6,372)**
Interest received		**82**	176
Borrowing costs paid		**(3,136)**	(2,161)
Income taxes paid		**779**	(409)
Net cash outflow from operating activities		**(25,680)**	**(8,766)**
Cash flows from investing activities			
Payments for property, plant and equipment		**(151)**	(167)
Payments for intangibles		**-**	(835)
Net cash outflow from investing activities		**(151)**	**(1,002)**
Cash flows from financing activities			
Proceeds from borrowings		**27,642**	1,349
Repayment of borrowings		**(4,445)**	(7,734)
Net cash inflow (outflow) from financing activities		**23,197**	**(6,385)**
Net decrease in cash and cash equivalents		**(2,634)**	(16,153)
Cash and cash equivalents at the beginning of the financial period		**8,690**	22,497
Effects of exchange rate changes on cash and cash equivalents		**42**	463
Cash and cash equivalents at end of period	6	**6,098**	**6,807**

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

1 Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2016 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial 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 31 December 2015 and any public announcements made by Ausenco 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, except as set out below:

(a) Going Concern

The Group's working capital position at 30 June 2016 was a deficit of $67.0 million. This reflects the classification of the Group's secured debt ($60.3 million) and working capital loan "Bridge Debt" ($15.0 million) as current liabilities.

On 26 May 2016 Resource Capital Fund VI (RCF) acquired the rights, title and interest in the secured debt. The Bridge Debt was also provided by RCF. On 14 June 2016 Ausenco announced that it had entered into a Scheme Implementation Agreement (Scheme), under which, subject to shareholder and court approval RCF will acquire control of Ausenco.

On 25 August 2016 Ausenco shareholders voted in favour of the Scheme. In accordance with, the Scheme Implementation Agreement, Ausenco and RCF have agreed to, as soon as practical following the Implementation Date, do all things necessary or convenient (including by entering into all such documents and giving all such notices or instruments as may be requested by Ausenco or RCF):

- To convert the secured debt (including any interest and fees on the secured debt) into 97,000,000 Ausenco shares; and
- If RCF elects by giving written notice to Ausenco at any time prior to the conversion of the secured debt, to convert part or all of the Bridge Debt into Ausenco shares at a price of $0.40 per Ausenco share.

With the conversion of secured debt to equity and, at RCF's election, the Bridge Debt, the working capital position of the Group will be significantly improved. During the first half of 2016 the Group had net negative cash flows from operating activities of $25.7 million.

In June 2016 a business restructure was undertaken in APAC/ Africa and South America to right-size the business for the market and drive a significant reduction in overhead costs. Overhead costs will be further reduced with the Group operating as an unlisted public company with reduced listing, compliance and corporate costs.

During the half-year secured work improved significantly for the North American operating segment with work commencing on the Moose River Gold Project during June 2016 ($91 million project value for the Group).

The Group has prepared detailed cash flow forecasts for the next 12 months to evaluate funding requirements. With the privatisation of the Group the Directors are of the opinion that the Group will continue as a going concern and be able to realise it assets and settle its' liabilities in the ordinary course of business. The financial statements have been prepared on a Going Concern basis.

1 Basis of preparation of half-year report (continued)

(b) New and amended standards adopted by the Group

A number of new and amended standards became applicable to the current reporting period. However, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(c) Impact of standards issued but not yet applied to the Group

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. The standard is not applicable until 1 January 2018 but is available for early adoption.

AASB 15 Revenue from contracts with customers - effective 1 January 2018
The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

Management are in the process of working through the potential impacts on the business given the significant number of contracts that the business has. The impact on the business will differ depending on the nature of the contracts that are in place at the time of adopting the new standard.

AASB 16 Leases - effective 1 January 2019
The AASB has issued a new standard for the recognition of leases. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals is recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. The Group has not yet assessed the extent to which their operating lease commitments will result in the recognition of an asset and liability, and how this will affect the Group's profit and classification of cash flows.

AASB 10 Consolidated Financial Statements and AASB 128 Investments in associates and joint ventures - effective 1 January 2018
The AASB has made limited scope amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in associates and joint ventures. The IASB has deferred the application date to 1 January 2018 until it has finalised its research project on the equity method.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor’s interest in the associate or joint venture. The amendments apply prospectively.

AASB 2016-2 AASB Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107 effective 1 January 2017
The amendment to AASB 107 Cash Flow Statements introduces additional disclosures to help financial statement users evaluate changes in liabilities arising from financing activities. The amendment requires the disclosure of changes arising from cash flows (such as drawdowns and repayments of borrowings), and non-cash changes (such as acquisitions, disposals and unrealised exchange differences). The Group does not foresee any issue in doing this.

2 Critical accounting estimates and judgements

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.

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Critical accounting estimates and assumptions

(i) Goodwill carrying value review

On 14 June 2016 Ausenco announced that it had entered into a Scheme Implementation Agreement under which, subject to shareholder and court approval, RCF will acquire control of Ausenco.

As a result of the proposed Scheme, goodwill was tested for impairment on a "fair value" basis whereby the net assets of the Group must not exceed the fair value of the Scheme consideration. Based on the assessment of fair value as at 30 June 2016, an impairment loss of $25.1 million has been recognised.

Further details of the impairment testing are provided in note 8.

(ii) Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. The Group estimates its tax liabilities based on the Group's understanding of the applicable tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Deferred tax assets for unused losses are recognised only if it is probable that future taxable amounts will be available to utilise the losses. This assessment is based on consideration of earnings outlined in Board approved budgets and five year plans.

(iii) Trade and other receivables

The measurement of impairment of debtors requires management's best estimate of recoverable balances at reporting date. The estimates and judgments are continually evaluated and are based on historical factors and expectations of future events, which are believed to be reasonable under the circumstances.

(iv) Onerous leases

The Group has recognised a provision for onerous operating leases. This is based on the present cost of unutilised leased space less the anticipated sub-lease revenue.

3 Segment information

(a) Description of segments

The Ausenco Group provides engineering, construction and project management services in a number of markets and across a wide span of geographic regions.

In keeping with the requirements of AASB 8 the operating segments of the Group are:

- North America
- South America
- APAC/Africa

(b) Segment information provided to the Chief Decision Makers

The segment information provided to the Chief Decision Makers for the reportable segments for the half-year 30 June 2016 is as follows:

Half-year 2016	**North America** $'000	**South America** $'000	**APAC/ Africa** $'000	**All other segments*** $'000	**Total** $'000
Total segment revenue	40,665	28,685	21,561	2,356	93,267
Inter-segment revenue	(565)	(763)	(3,630)	(1,555)	(6,513)
Revenue from external customers	**40,100**	**27,922**	**17,931**	**801**	**86,754**
Reportable Segment EBITA	**(3,961)**	**(4,910)**	**(8,265)**	**(15,472)**	**(32,608)**
Total segment assets	**96,353**	**34,909**	**26,889**	**1,388**	**159,539**

Half-year 2015	**North America** $'000	**South America** $'000	**APAC/ Africa** $'000	**All other segments*** $'000	**Total** $'000
Total segment revenue	50,667	54,850	36,756	1,888	144,161
Inter-segment revenue	(1,974)	(3,342)	(3,131)	(1,132)	(9,579)
Revenue from external customers	48,693	51,508	33,625	756	134,582
Reportable Segment EBITA	(1,671)	1,182	(2,854)	(5,312)	(8,655)
Total segment assets**	104,228	71,078	44,007	2,003	221,316

* All other segments relate to Corporate and Regional Services that are not directly allocatable to a segment.
** Half-year 2015 segment assets have been adjusted to include goodwill.

3 Segment information (continued)

(c) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Chief Decision Makers is measured in a manner consistent with that in the income statements.

Segment revenue reconciles to total revenue from continuing operations as follows:

	Half-year ended 30 June 2016 $'000	Half-year ended 30 June 2015 $'000
Total segment revenue	**93,267**	144,161
Inter-segment revenue	**(6,513)**	(9,579)
Interest revenue	**82**	176
Less share of loss from joint arrangements included in segment revenue	**388**	396
Total revenue from continuing operations	**87,224**	**135,154**

(ii) Segment EBITA

The Chief Decision Makers assess the performance of the operating segments based on a measure of segment EBITA.

A reconciliation of adjusted EBITA to operating profit before income tax is provided as follows:

	Half-year ended 30 June 2016 $'000	Half-year ended 30 June 2015 $'000
Segment EBITA	**(32,608)**	(8,655)
Interest income	**82**	176
Finance cost	**(3,136)**	(2,161)
Change in fair value of derivative financial instrument	**(2,451)**	-
Amortisation of intangibles	**(2,077)**	(1,763)
Goodwill impairment	**(25,105)**	-
Loss before income tax from continuing operations	**(65,295)**	(12,403)

(iii) Segment assets

The amounts provided to the Chief Decision Makers with respect to total assets include only trade receivables, unbilled revenue and goodwill. These assets are allocated based on the operations of the segment and the physical location of the asset.

4 Loss for the half year

	Half-year ended 30 June 2016 $'000	Half-year ended 30 June 2015 $'000
Loss for the half-year includes the following specific items:		
Other income		
Rents and sub-lease rental income	**2,227**	2,904
Foreign exchange gains (net)	**769**	2,386
Expenses		
Depreciation of property, plant and equipment	**1,795**	2,295
Amortisation of intangibles		
Software	**2,077**	1,763
Total depreciation and amortisation expense	**3,872**	**4,058**
Operating lease rentals	**14,416**	10,413
Employee benefits expense		
Defined contribution superannuation expense	**2,943**	4,242

5 Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	Half-year ended 30 June 2016 $'000	Half-year ended 30 June 2015 $'000
(Loss) / profit from continuing operations before income tax expense	**(65,295)**	(12,403)
Tax at the Australian tax rate of 30.0% (2015 - 30.0%)	**(19,589)**	(3,721)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Goodwill impairment	**7,532**	-
Amortisation of intangibles	**-**	(162)
International exempt income	**(697)**	(162)
Entertainment	**25**	8
Unrealised foreign exchange losses	**1,425**	(365)
Other	**764**	344
Non-assessable income recognised in accounting profit	**(309)**	-
Non-deductible expenses recognised in accounting profit	**505**	1,755
	(10,344)	**(2,303)**
International tax rate differential *	**(948)**	(53)
Current period losses not recognised	**14,057**	5,825
Adjustments in relation to previously recognised temporary differences	**(494)**	(138)
Derecognition of previously recognised deferred tax assets in relation to tax losses	**4,845**	2,987
Derecognition of withholding tax (i)	**665**	94
Derecognition of current tax (liability)/asset (ii)	**1,014**	(2,216)
Income tax expense	**8,795**	**4,196**

* Represents net increase/(reduction) for foreign tax differential

(i) Withholding tax not recoverable in this income year
(ii) Current tax (liabilities)/assets of prior years determined as not payable/recoverable

6 Cash and cash equivalents

	As at 30 June 2016 $'000	As at 31 December 2015 $'000
Cash and cash equivalents		
Cash at bank and in hand	**5,665**	7,158
Deposits at call	**433**	1,532
	6,098	8,690

7 Trade and other receivables

	As at 30 June 2016 $'000	As at 31 December 2015 $'000
Current		
Trade receivables	**43,011**	32,425
Provision for impairment of receivables	**(8,719)**	(9,192)
	34,292	23,233
GST/VAT receivables	**965**	1,365
Other receivables	**3,016**	2,833
Total trade and other receivables	**38,273**	27,431

8 Intangible assets

Consolidated	**Goodwill $'000**	**Software $'000**	**Total $'000**
Half-year ended 30 June 2016			
Opening net book amount	123,472	25,407	148,879
Amortisation charge	-	(2,077)	(2,077)
Impairment charge	(25,105)	-	(25,105)
Exchange differences	3,715	8	3,723
Closing net book amount	102,082	23,338	125,420
At 30 June 2016			
Cost	189,988	47,557	237,545
Accumulated amortisation and impairment including foreign exchange differences	(87,906)	(24,219)	(112,125)
Net book amount	102,082	23,338	125,420

Consolidated	**Goodwill $'000**	**Software $'000**	**Total $'000**
Year ended 31 December 2015			
Opening net book amount	157,818	28,518	186,336
Additions	-	1,272	1,272
Disposals	-	(8)	(8)
Amortisation charge	-	(4,177)	(4,177)
Impairment charge	(30,697)	-	(30,697)
Exchange differences	(3,649)	(198)	(3,847)
Closing net book amount	123,472	25,407	148,879
At 31 December 2015			
Cost	189,988	47,503	237,491
Accumulated amortisation and impairment including foreign exchange differences	(66,516)	(22,096)	(88,612)
Net book amount	123,472	25,407	148,879

(a) Goodwill allocation

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

The CGUs of the business are aligned with the operating segments and are therefore defined on a geographical basis. A CGU is the smallest group of assets which generate independent cash flows due to shared resourcing and management structures.

8 Intangible assets (continued)

(a) Goodwill allocation (continued)

Goodwill is allocated to CGUs as follows:

	Goodwill at 30 June 2016	Goodwill at 31 December 2015
	$'000	$'000
APAC/Africa	**8,741**	24,634
North America	**76,898**	73,837
South America	**16,443**	25,001
	102,082	**123,472**

(b) Testing for impairment

The Group tests property, plant and equipment, intangibles and goodwill for impairment:

- at least annually for indefinite life intangibles and goodwill, and
- where there is an indication that the asset may be impaired (which is assessed at least each reporting date).

If the asset does not generate independent cash inflows and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the CGU to which it belongs.

Assets are impaired if their carrying value exceeds their recoverable amount.

(c) Impairment calculations and charge

On 14 June 2016 Ausenco announced that it had entered into a Scheme Implementation Agreement under which, subject to shareholder and court approval, Resource Capital Fund VI L.P (RCF) would acquire control of Ausenco.

As a result of the proposed Scheme, goodwill was tested for impairment on a "fair value" basis whereby the net assets of the Group must not exceed the fair value of the Scheme consideration. Based on the assessment of fair value as at 30 June 2016, an impairment loss of $25.1 million has been recognised.

In allocating the fair value assessment to the various CGU's, the Group's cash flow projections were utilised, the projections are based on Ausenco's corporate plans and business forecasts prepared by management and approved by the Board.

The impairment charge has been allocated to the cash generating units as follows:

	Half-year ended 30 June 2016
	$'000
APAC/Africa	**15,893**
South America	**9,212**
Total goodwill impairment charge	**25,105**

8 Intangible assets (continued)

(c) Impairment calculations and charge (continued)

The recoverable amount of each CGU has been determined using fair value, which is categorised as level 3 within the fair value hierarchy.

9 Provisions

	As at 30 June 2016 $'000	As at 31 December 2015 $'000
Current		
Employee benefits	**10,216**	11,440
Onerous leases	**3,841**	1,673
Other current provisions	**580**	1,148
	14,637	14,261
Non-Current		
Employee benefits	**370**	370
Make-good provision	**1,172**	1,067
Onerous leases	**6,325**	1,664
	7,867	3,101
Total provisions	**22,504**	17,362

10 Borrowings

	Notes	As at 30 June 2016 $'000	As at 31 December 2015 $'000
Current			
Secured loans		**60,323**	58,421
Other unsecured loans		**16,442**	2,533
		76,765	60,954
Non-current			
Convertible note	10(b)	**6,421**	-
Other unsecured loans		**401**	814
		6,822	814
Total borrowings		**83,587**	61,768

(a) Secured Loans

Secured loans at 30 June 2016 amounted to $60.3 million. Ausenco announced on 1 February 2016 that Ausenco and it financiers, ANZ and NAB, had entered into a Standstill and Moratorium Agreement extendable to 30 June 2016, upon certain milestones being achieved during that period, with a view to RCF considering a refinancing of Ausenco's current bank borrowings. In order to facilitate refinancing discussions, the agreement provided for RCF to complete due diligence, for the banks to waive breaches of covenants and for a standstill of actions arising out of loan agreements with the banks.

On 15 April 2016, Ausenco announced that RCF would replace ANZ and NAB as Ausenco's sole and primary secured lender and that ANZ and NAB had agreed to the assignment of Ausenco's existing bank borrowings and the transition of bonding facilities to RCF. Ausenco also announced that RCF had advised that it intended to advance discussions with Ausenco in an effort to favorably extend the terms and conditions of the facility agreements on a basis that is sustainable for Ausenco's long term success. RCF acquired the rights, title and interest in the secured debt on the 26 May 2016.

(b) Convertible Note

On 1 February 2016, the Group issued a US$6.5 million (AU$9.1 million) convertible note to RCF. The convertible facility requires quarterly interest payments at an interest rate of 10% per annum, which are satisfied by converting the interest owing to Ausenco shares (unless RCF elects to receive payment in cash); the facility expires 31 December 2018. The facility also entitles RCF to convert its principal entitlement to shares in Ausenco at a conversion price of AU$0.31 per share.

On 29 March 2016, Ausenco Shareholders approved the RCF conversion rights as part of a Convertible Facility Agreement.

(i) Accounting treatment

The conversion feature of the convertible note represents an embedded derivative financial liability (note 11) in a host liability. There is also an embedded derivative financial asset for the ability to repay early (note 11). The embedded derivatives are recognised and measured separately from the host liability. On initial recognition the embedded derivatives were measured at fair value, with the residual face value of the convertible note assigned to the host liability. Subsequently, the embedded derivatives are measured at fair value through profit and loss, and the host liability is measured at amortised cost using the effective interest rate method. The host liability is presented in the balance sheet as follows:

10 Borrowings (continued)

(b) Convertible Note (continued)

(i) Accounting treatment (continued)

	Notes	**As at 30 June 2016 $'000**
Face value of convertible note issued		**9,127**
Less embedded derivative liability	11	(3,236)
Less embedded derivative asset	11	783
Less transaction costs		(303)
Non-current liability at inception		**6,371**
Movements:		
Effective interest expense		637
Interest converted into shares		(360)
Movements in exchange rate		(227)
Non-current liability at period end		**6,421**

Interest expense is calculated by applying the effective interest rate of 24.37% to the host liability component.

(c) Other loans

Other loans include a $15.0 million Bridge Debt from RCF and $1.8 million in other loans drawn for the financing of insurance and Microsoft licenses. The Bridge Loan was established in April 2016 due to working capital requirements. $15.0 million has been drawn against this facility at 30 June 2016 (limit at 30 June 2016 was $20.0 million).

(d) Other facilities

While bank secured loans were assigned to RCF, the Group still holds bank guarantee and letter of credit facilities with ANZ and NAB totaling $30.0 million. $20.3 million was drawn down on these facilities at 30 June 2016. RCF provides backing arrangements for these facilities.

RCF have also provided further bank guarantee and letter of credit facilities totaling US$20.0 million. US$5.0 million was utilised on these facilities at 30 June 2016.

(e) Repayment of the bridge debt and secured debt

Under the Scheme Implementation Agreement, RCF and Ausenco have agreed to, as soon as practicable following the Implementation Date, do all things necessary or convenient (including entering into all such documents and giving all such notices or instruments as may be requested by Ausenco or RCF):

• to convert the secured debt (including any interest and fees on the secured debt) into 97 million Ausenco shares; and
• if RCF elects by giving written notice to Ausenco at any time prior to the conversion of the secured debt, to convert part or all of the Bridge Debt into Ausenco shares at a price of $0.40 per Ausenco share.

The Scheme meeting was held on 25 August 2016 whereby eligible shareholders voted in favour of the Scheme. For further details refer to note 14.

11 Derivative financial instruments

The embedded conversion feature of the convertible note (note 10) is measured and recognised separately as a derivative financial liability. The embedded feature that allows early repayment is also measured and recognised separately as a financial asset. The derivative financial instruments are shown in the balance sheet as follows:

	As at 30 June 2016 $'000
At inception of convertible note:	
Non-current asset	
Derivative financial instrument	(783)
Non-current liability	
Derivative financial instrument	3,236
Net derivative financial instruments at inception	**2,453**
Movements:	
Change in fair value of derivative financial instruments	2,451
At period end:	
Non-current asset	
Derivative financial instrument	(713)
Non-current liability	
Derivative financial instrument	5,617
Net derivative financial instruments at period end	**4,904**

To value the embedded derivative financial asset and liability a binomial option pricing model was utilised. The significant inputs to the separate models are detailed below:

Embedded financial derivative asset:
Volatility: 10.5%
Risk free rate: 1.5%
FX yield: 0.7%

Embedded financial derivative liability:
Volatility: 66.6%
Risk free rate: 1.5%
FX yield: 0.1%
Exercise Price: AU$0.31
Market Price: AU$0.37

To provide an indication of the reliability of the inputs used in determining fair value, the three levels prescribed under AASB 13 Fair Value Measurement are listed and explained below. As the valuation technique utilised for the embedded derivative asset and embedded derivative liability contains unobservable inputs, the fair value used is considered to be a level 3 of the Fair Value hierarchy.

Level 1: The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used is the current bid price. These instruments are included in level 1.

11 Derivative financial instruments (continued)

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Where all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

12 Contributed equity

(a) Share capital

	Notes	**As at 30 June 2016 $'000**	As at 31 December 2015 $'000
Balance at 1 January		**256,946**	246,181
Shares issued		**325**	10,685
Accrued interest on convertible note	10(b)	**219**	-
Transaction costs (net of tax)		**-**	(91)
Shares issued to employees		**588**	171
		258,078	**256,946**

(b) Movements in ordinary share capital

	Notes	**As at 30 June 2016 Shares**	As at 31 December 2015 Shares
Balance at 1 January		**186,257,886**	168,449,799
Shares issued		**1,433,055**	17,808,087
Accrued interest on convertible note	10(b)	**577,312**	-
Total contributed equity		**188,268,253**	**186,257,886**

13 Contingencies

(a) Guarantees

	As at 30 June 2016 $'000	As at 31 December 2015 $'000
The consolidated entity is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability where the entity concerned fails to perform its contractual obligations. Bank guarantees outstanding at the balance date in respect of commitments for expenditure	**27,100**	16,582

(b) Litigation

(i) Actions initiated against the Group

One of the Group's wholly owned subsidiary companies remains an incorrectly named co-defendant to a court action in Ontario, Canada. The claim related to services that were provided by a company which is not, and has not at any time been, related to the Group. In April 2014 the Ontario lower court confirmed that the lawsuit will proceed in Ontario. The parties have yet to agree to a proposed timetable to progress the action and consequently no court dates have been confirmed. The named subsidiary continues to vigorously defend the claim and take appropriate steps to have it removed as a defendant in the matter.

One of the Group's wholly owned subsidiary companies is the defendant in an action filed in Ontario, Canada, by a contractor on a project completed in 2014 in which engineering and construction management services were performed. Ausenco has filed pleadings along with a Statement of Defense and Crossclaim with the Court. No timetable for consideration of the issues has been agreed or released by the courts.

(ii) Actions initiated by the Group

In December 2014, arbitration proceedings were initiated against a client following the non-payment of variation claims following the completion of a project in Africa. The directors have not disclosed an estimation of the amount or timing of possible cash inflows and recoveries to the Group related to the action as they do not want to prejudice the position of the Group in this recovery action.

In October 2015, arbitration proceedings were initiated in Chile to resolve the non-payment of invoices and a dispute as to the quantum of variation claims with regards services performed and costs incurred on a project in Chile. Following procedural delays the arbitration is progressing and is now expected to be completed in the first quarter of 2017. The directors have not disclosed an estimation of the amount or timing of possible cash inflows and recoveries to the Group related to the action as they do not want to prejudice the position of the Group in this proceeding.

14 Events occurring after the reporting period

As announced to the market on 22 August 2016 Resource Capital Fund VI L.P. (RCF) have agreed to extend the Bridge Debt to $27 million to support Ausenco's working capital requirements.

On 25 August 2016 eligible shareholders voted in favour of the proposal by RCF to acquire control of Ausenco through a Scheme of Arrangement (Scheme) for a cash consideration of $0.40 per share.

The second court hearing was held on 29 August 2016 where the Supreme Court of New South Wales approved the Scheme. Implementation date is scheduled for 15 September 2016 when Scheme consideration will be dispatched to eligible Scheme shareholders.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

In the Directors' opinion:

(a) the interim financial statements and notes set out on pages 7 to 27 are in accordance with the *Corporations Act 2001*, including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year on that date, and

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

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

George Lloyd
Director

Zimi Meka
Director

Brisbane
29/08/2016

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ausenco Limited (the company), which comprises the consolidated balance sheet as at 30 June 2016, 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 Ausenco 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 30 June 2016 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 Ausenco 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*.

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

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date;

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Timothy J Allman
Partner

Brisbane
29 August 2016

Alternative performance measures

In addition to using profit as a measure of the Group and its segments' financial performance, Ausenco uses EBITDA, EBITA, underlying EBITDA, net debt, net gearing ratio and underlying EBITDA to total financing costs ratio. These measures are not defined under IFRS and are, therefore, termed "Non-IFRS" measures.

Adjusted EBITA is defined as Group profit before net interest, tax and amortisation (excluding amortisation of other intangible assets), while EBITDA is Group profit before net interest, tax, depreciation and amortisation. These measures are considered to be useful measures of our operating performance because they approximate the underlying operating cash flow by eliminating depreciation and/or amortisation.

Net debt consists of borrowings (both current and non-current) less cash and cash equivalents. Net gearing ratio is defined as Net debt divided by Shareholders Equity plus Net debt. Net debt and Net gearing ratio are measures of the Group's indebtedness and provides an indicator of the balance sheet strength.

Underlying EBITDA to total financing costs ratio is defined as underlying EBITDA divided by interest expense and is useful because it demonstrates the ability of the Group to pay interest expenses to external financiers in compliance with funding facilities.

These above-mentioned measures are commonly used by management, investors and financial analysts to evaluate companies' performance.

A reconciliation of these non-IFRS measures and specific items to the nearest measure prepared in accordance with IFRS is included in the table below. The non-IFRS financial information contained within this Directors' Report and Notes to the Financial Statements has not been audited in accordance with Australian Auditing Standards.

	Notes	**Half-year Ended 30-Jun-16 $'000**	**Half-year Ended 30-Jun-15 $'000**
Profit before income tax		**(65,295)**	**(12,403)**
Finance costs		3,136	2,161
Interest income		(82)	(176)
EBIT		**(62,241)**	**(10,418)**
Amortisation of intangibles	4	2,077	1,763
Change in fair value of financial derivative	11	2,451	-
Goodwill impairments	8	25,105	-
EBITA		**(32,608)**	**(8,655)**
Depreciation	4	1,795	2,295
EBITDA		**(30,813)**	**(6,360)**
Redundancy costs		2,255	2,950
Provision for bad debts		1,152	-
Onerous leases		7,521	-
Underlying EBITDA		**(19,885)**	**(3,410)**

		Half-year Ended 30-Jun-16 $'000	**Half-year Ended 30-Jun-15 $'000**
Borrowings - Current	10	(76,765)	(17,989)
Borrowings - Non-Current	10	(6,822)	(43,133)
Total Borrowings		**(83,587)**	**(61,122)**
Cash and cash equivalents	6	6,098	6,807
Net Debt		**(77,489)**	**(54,315)**