Asaleo Care Limited ABN 61 154 461 300
Ailsa Street, PO Box 117 Box Hill Victoria, 3128
www.asaleocare.com

25 August 2016

Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Electronic lodgement via ASX Online

Asaleo Care Limited (AHY) – Appendix 4D for the half year ended 30 June 2016

In accordance with ASX Listing Rule 4.2A.3, please find attached the Appendix 4D for the half year ended 30 June 2016 for immediate release. The Appendix 4D incorporates the Interim Financial Report.

Yours sincerely,

James Orr
Company Secretary

Appendix 4D Rule 4.2A.3

Half year report

Asaleo Care Limited
ABN 61 154 461 300

1. Details of reporting period and the previous corresponding period

Reporting Period:	half year ended 30 June 2016
Previous Corresponding Period:	half year ended 30 June 2015

2. Results for announcement to the market

Key information	**30 June 2016**				**30 June 2015**
Statutory results*					
2.1 Revenue from ordinary activities (thousands)	292,704	Down	4%	from	305,897
2.2 Net profit after tax for the period attributable to members (thousands)	24,937	Down	23%	from	32,476
2.3 Basic earnings per share (cents)	4.4	Down	19%	from	5.4
2.4 Diluted earnings per share (cents)	4.4	Down	19%	from	5.4
Underlying results*					
2.1 Revenue from ordinary activities (thousands)	292,704	Down	4%	from	305,897
2.2 Net profit after tax for the period attributable to members (thousands)	27,116	Down	17%	from	32,476
2.3 Basic earnings per share (cents)	4.8	Down	11%	from	5.4
2.4 Diluted earnings per share (cents)	4.8	Down	11%	from	5.4

Dividends	**Amount per security**	**Franked amount per security**
Current Period		
2.5 Interim franked dividend (1)	4.0 cents	50%
2.5 Final unfranked dividend (in respect of prior year) (1)	6.0 cents	Nil
Previous corresponding period		
2.5 Interim unfranked dividend	4.0 cents	Nil
2.5 Final unfranked dividend	5.4 cents	Nil

2.6 Ex-dividend date	Interim dividend – 7 September 2016
2.6 Record date for determining entitlements to the dividend	Interim dividend – 8 September 2016

	30 June 2016	30 June 2015
2.7 Net tangible asset backing per ordinary security (cents per share) (2)	21.6	30.7

(1) The Conduit Foreign Income component on the interim dividend is 1.6 cents per share (final dividend 3.0 cents per share)

(2) Since the implementation of the on-market share buy-back program in October 2015, 43,328,798 shares have been acquired for a consideration of $74.0 million. The on-market share buy-back is the driver for the decrease in the net tangible asset backing as at 30 June 2016 against the comparative period.

For explanation of the figures reported above or other item(s) of importance not previously released to the market, please refer to the attached Interim Financial Report (which incorporates the Directors' Report and Financial Statements.

*** Supplementary comments**

As required for statutory reporting purposes, the statutory financial information for Asaleo Care Limited (the Company) and its controlled entities (collectively referred to as the Asaleo Care Group) has been presented for the financial period ended 30 June 2016 and for the comparative period ended 30 June 2015.

A reconciliation between the 2016 Underlying financial information and Asaleo Care Group's statutory financial information is included in Note 3(c) of the Interim Financial Report.

The statutory results in this Report are based on the Interim Financial Report which has been reviewed by PwC.

James Orr
Company Secretary

Date: 25 August 2016

Asaleo Care Limited
ABN 61 154 461 300

Interim Financial Report
for the half year ended
30 June 2016

Asaleo Care Limited ABN 61 154 461 300
Interim Financial Report - 30 June 2016

Contents

Directors' Report

Your Directors present their Report on the consolidated entity (referred to hereafter as the Group) consisting of Asaleo Care 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 Asaleo Care Limited during the half year ended 30 June 2016:

Harry Boon	Independent Non-Executive Director	
Peter Diplaris	Chief Executive Officer and Managing Director	
Mats Berencreutz	Non-Executive Director (nominee of SCA)	
Nils Lindholm	Non-Executive Director (nominee of SCA)	retired 26 April 2016
Robert Sjöström	Non-Executive Director (nominee of SCA)	appointed 26 April 2016
Sue Morphet	Independent Non-Executive Director	
JoAnne Stephenson	Independent Non-Executive Director	

Review of operations

A review of operations of the Group during the half year, and the results of those operations is contained in Asaleo Care Limited's media release to the Australian Securities Exchange and the Investor Results Release dated 25 August 2016.

The Group made a change to its go-to-market pricing strategy in the Tork Professional Hygiene division in New Zealand at the beginning of 2016. As a result of this change it became apparent that the Group had not adequately provided for future price support claims from contracted customers.

Due to the consistent revenue growth and increase in the proportion of contracted sales in the Tork Professional Hygiene and Healthcare divisions, the unrecognised accrual has gradually increased over many years. Accordingly, the Group is of the opinion that adjusting the opening 1 January 2015 retained earnings position is more appropriate than recognising the full adjustment to the provision in the Income Statement for period ending 30 June 2016. Refer to Note 6 for detail of the restatement.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial period were as follows:

- Nils Lindholm retired as a Director on 26 April 2016.
- Robert Sjöström was appointed as a Director on 26 April 2016.

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 2.

Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This Directors' Report is made in accordance with a resolution of Directors.

Harry Boon
Director

Dated this 24th day of August 2016

Auditor's Independence Declaration

As lead auditor for the review of Asaleo Care 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 Asaleo Care Limited and the entities it controlled during the period.

Alison Tait
Partner
PricewaterhouseCoopers

Melbourne
24 August 2016

PricewaterhouseCoopers, ABN 52 780 433 757
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	Notes	Consolidated entity 30 June 2016 $'000	 30 June 2015 $'000
Revenue from continuing operations			
Sale of goods	3	**292,704**	305,897
Other revenue from ordinary activities		**383**	511
		293,087	306,408
Other income		**79**	732
Expenses			
Cost of sales of goods		**(177,021)**	(179,448)
Other expenses from ordinary activities			
Distribution		**(37,144)**	(36,968)
Sales and administration		**(32,401)**	(36,495)
Other		**(6,075)**	(3,026)
Finance costs		**(5,370)**	(5,483)
Profit before income tax	3	**35,155**	45,720
Income tax expense		**(10,218)**	(13,244)
Profit for the period		**24,937**	32,476
Item that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges	9	**(5,060)**	687
Exchange differences on translation of foreign operations	9	**3,156**	(15,962)
Income tax relating to these items		**1,014**	2,937
Other comprehensive (loss) for the period, net of tax		**(890)**	(12,338)
Total comprehensive income for the period		**24,047**	20,138
Total comprehensive income for the period attributable to:			
Owners of Asaleo Care Limited		**24,047**	20,138
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	4	**4.4**	5.4
Diluted earnings per share	4	**4.4**	5.4

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.

Asaleo Care Limited
Consolidated Balance Sheet
As at 30 June 2016

	Notes	Consolidated entity 30 June 2016 $'000	Restated* 31 December 2015 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**38,832**	35,153
Trade receivables	6	**17,677**	16,832
Inventories		**172,036**	159,369
Derivative financial instruments		**523**	3,085
Current tax receivables		**355**	-
Other current assets		**4,774**	5,470
Total current assets		**234,197**	219,909
Non-current assets			
Property, plant and equipment		**360,123**	360,111
Intangible assets		**190,339**	189,531
Total non-current assets		**550,462**	549,642
Total assets		**784,659**	769,551
LIABILITIES			
Current liabilities			
Trade payables		**65,928**	62,113
Other payables		**23,067**	24,619
Current tax liabilities		**43**	2,044
Derivative financial instruments		**8,736**	3,994
Employee provisions		**21,328**	21,058
Total current liabilities		**119,102**	113,828
Non-current liabilities			
Borrowings	7	**319,638**	294,591
Deferred tax liabilities		**33,773**	27,196
Employee provisions		**710**	636
Other non-current provisions		**-**	186
Total non-current liabilities		**354,121**	322,609
Total liabilities		**473,223**	436,437
Net assets		**311,436**	333,114
EQUITY			
Contributed equity	8	**286,344**	298,226
Other reserves	9	**33,408**	34,153
Retained (losses) / earnings		**(8,316)**	735
Total equity		**311,436**	333,114

*Refer to Note 6 for detail of the restatement

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

	Notes	Attributable to owners of Asaleo Care Limited			
		Contributed equity $'000	**Reserves $'000**	**Retained earnings $'000**	**Total equity $'000**
Balance at 1 January 2015		360,405	41,646	(14,218)	387,833
Adjustment for voluntary restatement	6(a)	-	(106)	(3,947)	(4,053)
Restated total equity at the beginning of the financial period		**360,405**	**41,540**	**(18,165)**	**383,780**
Profit for the period		-	-	32,476	32,476
Other comprehensive (loss)		-	(12,338)	-	(12,338)
Total comprehensive income / (loss) for the period		**-**	**(12,338)**	**32,476**	**20,138**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	5	-	-	(32,587)	(32,587)
Balance at 30 June 2015		**360,405**	**29,202**	**(18,276)**	**371,331**
Balance at 1 January 2016		298,226	34,153	735	333,114
Profit for the period		-	-	24,937	24,937
Other comprehensive (loss)		-	(890)	-	(890)
Total comprehensive income / (loss) for the period		**-**	**(890)**	**24,937**	**24,047**
Transactions with owners in their capacity as owners:					
Buy-back of shares, net of transaction costs and tax	8	(11,882)	-	-	(11,882)
Dividends provided for or paid	5	-	-	(33,988)	(33,988)
Share-based payments		-	145	-	145
		(11,882)	145	(33,988)	(45,725)
Balance at 30 June 2016		**286,344**	**33,408**	**(8,316)**	**311,436**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

	Notes	**Consolidated entity** **30 June 2016 $'000**	30 June 2015 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**323,063**	336,377
Payments to suppliers and employees (inclusive of goods and services tax)		**(275,049)**	(282,585)
		48,014	53,792
Income taxes paid		**(5,018)**	(5,748)
Interest received		**153**	228
Borrowing costs		**(5,298)**	(9,550)
Net cash inflow from operating activities		**37,851**	38,722
Cash flows from investing activities			
Payments for property, plant and equipment		**(13,528)**	(8,644)
Proceeds from sale of property, plant and equipment		**35**	41
Net cash (outflow) from investing activities		**(13,493)**	(8,603)
Cash flows from financing activities			
Proceeds from borrowings	7	**50,000**	45,000
Payments for shares bought back	8	**(11,878)**	-
Share buy-back transaction costs		**(57)**	-
Repayment of borrowings	7	**(25,000)**	(50,000)
Dividends paid to company's shareholders	5	**(33,988)**	(32,587)
Debt raising costs		**(25)**	(175)
Net cash (outflow) from financing activities		**(20,948)**	(37,762)
Net increase in cash and cash equivalents		**3,410**	(7,643)
Cash and cash equivalents at the beginning of the financial year		**35,153**	35,379
Effects of exchange rate changes on cash and cash equivalents		**269**	(1,711)
Cash and cash equivalents at end of period		**38,832**	26,025

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these Consolidated Interim Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Interim Financial Statements are for the consolidated entity consisting of Asaleo Care Limited and its subsidiaries.

(a) Basis of preparation of Interim Report

This Condensed Consolidated Interim Financial Report for the half year ended 30 June 2016 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Condensed Consolidated Interim Financial Report does not include all of the information required for a full Annual Financial Report and should be read in conjunction with the Annual Report of the consolidated entity as at and for the year ended 31 December 2015 and any public announcements made by Asaleo Care Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied by the consolidated entity in this Condensed Consolidated Interim Financial Report are consistent with those applied in the Annual Report for the year ended 31 December 2015.

This Financial Report is presented in Australian dollars with all values rounded to the nearest thousand dollars or where the amount is $500 or less, zero, unless otherwise stated. This relief was previously provided by the Australian Securities and Investments Commission Class Order 98/100, however has been replaced with the relief in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191.

(b) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not yet been applied in the Financial Statements. The Group's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 *Financial Instruments* simplifies the model for classifying and recognising financial instruments and aligns hedge accounting more closely with common risk management practices. Changes in own credit risk in respect of liabilities designated at fair value through profit or loss shall now be presented within Other Comprehensive Income; this change can be adopted early without adopting AASB 9.

AASB 9's new impairment model is a move away from AASB 139's incurred credit loss approach to an expected credit loss model. Earlier recognition of impairment losses is likely to result and for entities with significant lending activities, an overhaul of related systems and processes will be needed.

The new accounting standard is mandatory for the Group's 31 December 2018 Consolidated Financial Statements. The potential effect of the new and amending standards on the financial results of the consolidated entity upon adoption has yet to be fully determined.

AASB 15 *Revenue from contracts with customers* is the new standard for revenue recognition. This will replace AASB 118, which covers contracts for goods and services, and AASB 111, which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards.

The new accounting standard is applicable for the Group's 31 December 2018 Consolidated Financial Statements with early adoption permitted. Management is currently assessing the impact of the new rules and has not identified any major components of revenue that are likely to be affected. At this stage, the Group is not able to estimate the impact of the new rules on the Group's Financial Statements. Management will make more detailed assessments of the impact over the next twelve months.

AASB 16 *Leases* eliminates the classification of leases as either operating leases or finance leases and requires entities to recognise assets and liabilities on the balance sheet for the majority of leases. The new accounting standard is effective for annual periods starting on or after 1 January 2019. The impact of the new standard has not yet been assessed by management.

1 Summary of Significant Accounting Policies

(b) New accounting standards and interpretations (continued)

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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

(i) Estimated impairment of goodwill and brands

Assessment of the recoverable value of goodwill and brands require management judgement and are reassessed at each reporting date. The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations. These calculations require the use of assumptions for each CGU.

In light of the recent ASX announcement of the forecast reduction in the full year result for the year ended 31 December 2016, management has re-performed the impairment assessment effective 30 June 2016. In considering impairment, management has considered relevant cash flow forecasts and the appropriateness of the discount rate used in the calculation.

This assessment highlighted a reduction in the overall headroom for the Tissue - Australia CGU, however no impairment is identified as at 30 June 2016.

(ii) Indefinite useful lives of brands

Management have determined that all of the Group's brands have indefinite useful lives. These assets have no legal or contractual expiry date and are integral to the future of revenue generation. Management intends to continue to promote, maintain and defend the brands to the extent necessary to maintain their value for the foreseeable future.

No factors have been identified in the period that would alter the Group's assumption of indefinite useful life for the brands.

(iii) Income taxes

The Group is subject to income taxes in Australia and foreign jurisdictions. The calculation of the Group's tax charge involves a degree of estimation and judgement. There are transactions and calculations for which the ultimate tax determination is uncertain.

The Group has recognised deferred tax assets relating to carried forward tax offsets. The assumptions regarding future realisation of deferred tax assets may change due to future operating performance and other factors.

3 Segment Information

(a) Description of segments

Asaleo Care is a leading Personal Care and Hygiene Company that manufactures, markets, distributes and sells essential everyday consumer products across the Feminine Care, Incontinence Care, Baby Care, Consumer Tissue and Professional Hygiene product categories.

The consolidated entity is organised on an international basis into the following reporting segments:

Reporting Segment	Description
Tissue	This segment manufactures and markets personal toilet tissue, paper towel, facial tissue, napkins and other tableware products within Australia, New Zealand and Pacific Islands. All Pacific Islands product sales are recognised in the Tissue segment.
Personal Care	This segment manufactures and markets personal hygiene products and nappies within Australia and New Zealand.

Reporting segments and their related results below are consistent with the Group's internal reporting provided to the chief operating decision makers, being the Chief Executive Officer, Chief Financial Officer and other Executives (senior management). These Asaleo Care Executives provide strategic direction and management oversight of the entity in terms of monitoring results and approving strategic planning for the business.

(b) Segment information provided to senior management

Reportable segment information provided to senior management for the half year ended 30 June is as follows:

2016	**Tissue**	**Personal Care**	**Total**
	$'000	$'000	$'000
Revenue from external customers	205,306	87,398	292,704
EBITDA	**27,668**	**30,885**	**58,553**
Total segment assets as at 30 June 2016	549,740	234,041	783,781
Total segment liabilities as at 30 June 2016	84,374	21,213	105,587

2015			
	$'000	$'000	$'000
Revenue from external customers	207,417	98,480	305,897
EBITDA	**30,424**	**34,770**	**65,194**
Total segment assets as at 31 December 2015 - Restated	546,705	219,761	766,466
Total segment liabilities as at 31 December 2015	78,110	23,243	101,353

(c) EBITDA

Senior management assess the performance of the operating segments based on a measure of EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, the Nappy machine relocation and machine upgrade and finance charges. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

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

	Consolidated entity	
	30 June 2016 $'000	30 June 2015 $'000
Underlying EBITDA	**58,553**	65,194
Finance costs	**(5,370)**	(5,483)
Interest received	**153**	228
Depreciation	**(15,231)**	(14,219)
Amortisation	**(11)**	-
Restructuring costs	**(655)**	-
Nappy machine relocation upgrade	**(1,425)**	-
Non-recurring manufacturing expenses	**(859)**	-
Statutory profit before income tax from continuing operations	**35,155**	45,720

(d) Segment assets

Segment assets are allocated based on the operations of the segment and the physical location of the asset. They are measured in a manner consistent with that of the financial statements.

All assets are allocated to reportable segments except for derivative financial instruments and tax assets.

(e) Segment liabilities

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Consolidated entity	
	30 June 2016 $'000	Restated 31 December 2015 $'000
Segment liabilities	**105,587**	101,353
Unallocated:		
Current tax liabilities	**43**	2,044
Accrued interest on borrowings - current	**794**	793
GST Payable	**4,652**	6,466
Derivative financial instruments	**8,736**	3,994
Deferred tax liabilities	**33,773**	27,196
Borrowings - non current	**319,638**	294,591
Total liabilities as per the consolidated balance sheet	**473,223**	436,437

4 Earnings Per Share

(a) Earnings per share

	Consolidated entity	
	30 June 2016 Cents	30 June 2015 Cents
Basic earnings per share	**4.4**	5.4
Diluted earnings per share	**4.4**	5.4

(b) Weighted average number of shares used as denominator

	Consolidated entity	
	2016 Number	2015 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**563,645,428**	603,469,434
Adjustments for calculation of diluted earnings per share:		
Share rights	**374,586**	-
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**564,020,014**	603,469,434

5 Dividends

Ordinary shares

	Consolidated entity	
	30 June 2016 $'000	30 June 2015 $'000
2015 final dividend at 6.0 cents per share (2014: 5.4 cents per share)	**33,988**	32,587

Dividends not recognised at the end of the reporting period

Since period end the Directors have recommended the payment of a final dividend of 4.0 cents per fully paid ordinary share, the dividend will be partially franked as the Group does not currently have sufficient Australian franking credits available to fully frank the distribution. The aggregate amount of the proposed dividend expected to be paid on 28 September 2016 out of the dividend appropriation reserve at 30 June 2016, but not recognised as a liability at period end, is $22.406 million.

Franking account

The interim dividend for 2016 is 50% franked (2015: final dividend unfranked, interim dividend unfranked). The Company is of the opinion that sufficient franking credits will arise from tax instalments expected to be paid in the year ending 31 December 2016.

6 Trade Receivables

	Consolidated entity	
		Restated
	30 June 2016 $'000	31 December 2015 $'000
Trade receivables	**17,704**	16,862
Provision for impairment of receivables	**(27)**	(30)
	17,677	16,832

(a) Voluntary restatement

The Group made a change to its go-to-market pricing strategy in the Tork Professional Hygiene division in New Zealand at the beginning of 2016. As a result of this change, it became apparent that the Group was not adequately provided for future price support claims relating to our contracted customers' stock on hand balance.

Due to the consistent revenue growth and increase in the proportion of contracted sales in the Tork Professional Hygiene and Healthcare divisions, the unrecognised accrual has gradually increased over many years. Accordingly, the Group is of the opinion that adjusting the opening 1 January 2015 retained earnings position is more appropriate than recognising the full adjustment to the provision in the Income Statement for period ending 30 June 2016.

The price support provision within Trade Receivables has been restated for the comparative line items within the Consolidated Balance Sheet that were affected as set out below:

	31 December 2015 $'000	**Increase/ (Decrease) $'000**	**(Restated) 31 December 2015 $'000**
Consolidated Balance Sheet (extract)			
Trade receivables	22,578	(5,746)	16,832
Deferred tax liabilities	(28,889)	1,693	(27,196)
Net assets	**337,167**	**(4,053)**	**333,114**
Retained earnings	(4,682)	3,947	(735)
Foreign currency translation reserve	(19,404)	106	(19,298)
Total equity	(337,167)	4,053	(333,114)

The Group has determined that the impact on the 2015 profit and loss was immaterial in relation to the net impact as well as the overall adjustment and therefore not restated in these Financial Statements. The impact on the 2015 profit and loss before tax has been calculated to be approximately $993,000 (net profit after tax: $691,000).

Basic and diluted earnings per share for the year ended 31 December 2015 were also immaterially impacted by the adjustment to net profit after tax. No restatement has been made in these financial statements.

7 Borrowings

	Consolidated entity	
	30 June 2016 $'000	31 December 2015 $'000
Unsecured		
Bank loans	**320,000**	295,000
Capitalised borrowing costs	**(362)**	(409)
Total unsecured non-current borrowings	**319,638**	294,591

(a) Refinancing arrangements

On 21 June 2016, the Group extended its existing syndicated finance facility. Borrowings that were due to be repaid on 30 June 2017 have been extended until 30 September 2017, maturity dates are as follows:

Facility	Facility limit $'000	Drawn Amount $'000	Maturity date
A	157,500	157,500	30 September 2017
B	157,500	129,000	30 June 2019
C	35,000	33,500	30 September 2017

(b) Financial undertakings

As at 30 June 2016, the Group was compliant with all financial undertakings of the syndicated facility agreement.

8 Contributed Equity

(a) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$'000
1 January 2015	Opening balance	603,469,434	-	360,405
Oct – Dec 2015	Share buy-back	(36,997,236)	$1.68	(62,084)
	2014 transaction costs tax effect true-up	-	-	(8)
	Transaction costs on share buy-back	-	-	(124)
	Deferred tax credit directly in equity	-	-	37
31 December 2015		566,472,198		298,226
Mar – Jun 2016	Share buy-back	(6,331,562)	$1.88	(11,878)
	Transaction costs on share buy-back	-	-	(6)
	Deferred tax credit recognised directly in equity	-	-	2
30 June 2016	Closing balance	560,140,636		286,344

(b) Share buy-back

The Group announced on 26 August 2015 that it would undertake an on-market share buy-back as part of its ongoing capital management strategy. The shares were acquired at an average price of $1.88 for the six months to 30 June 2016 (2015: $1.68 per share), with prices ranging from $1.72 to $2.05 (2015: $1.52 to $1.85). The total cost of $11,882,000 including $4,000 of after-tax transaction costs, was deducted from contributed equity in the six months to 30 June 2016.

9 Reserves

	Consolidated entity	
		Restated
	30 June 2016 $'000	31 December 2015 $'000
Movements:		
Cash flow hedges		
Opening balance	**(1,311)**	3,727
Revaluation - gross	**(5,060)**	(7,129)
Deferred tax	**1,453**	2,091
	(4,918)	(1,311)
Share-based payments		
Opening balance	**16,166**	15,861
Share plan expense	**145**	305
	16,311	16,166
Foreign currency translation		
Opening balance	**19,298**	21,952
Currency translation differences arising during the year	**3,156**	(3,167)
Deferred tax	**(439)**	513
	22,015	19,298

10 Events Occurring After the Reporting Period

There were no subsequent events after the reporting period.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 3 to 14 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 ended 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.

Note 1 confirms that the Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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.

Harry Boon
Chairman

Dated this 24th day of August 2016

Independent auditor's review report to the members of Asaleo Care Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Asaleo Care Limited (the company), which comprises the 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 Asaleo Care 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 Asaleo Care 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 Asaleo Care 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

Alison Tait
Partner

Melbourne
24 August 2016