Appendix 4D

Half Year Report

Name of Entity

Devine Limited

ABN	Reporting period ("2016)	Previous Corresponding period ("2015")
51 010 769 365	30 June 2016	30 June 2015

Results for announcement to the market

				$A'000
Revenue from operations	down	-22.1%	to	112,543
Loss after tax attributable to members	down	-3272.4%	to	(28,615)

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Refer to the attached consolidated interim financial report for the period ended 30 June 2016 and the Directors' Comments for the review of operations.

Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable	N/A
Record date to determine entitlements to the dividend (distribution) (i.e. on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHESS approved)	N/A
If it is a final dividend, has it been declared?	N/A

Dividends

		Amount per security	Franked amount per security at 30% tax
Final dividend:	Current year	**n/a**	**n/a**
	Previous year	-	-
Interim dividend:	Current year	**nil**	**nil**
	Previous year	-	-

The last date(s) for receipt of election notices for the dividend or distribution plans	**N/A**

Statement of Retained Earnings

	2016 $A'000	2015 $A'000
Retained losses at the beginning of the financial period	**(79,917)**	**(43,893)**
Net (loss)/profit attributable to members	**(28,615)**	**902**
Dividends and other equity distributions paid or payable	-	-
Retained losses at the end of the financial period	**(108,532)**	**(42,991)**

Net Tangible Assets per security (NTA)

	2016 $	2015 $
Basic NTA	**$ 1.14**	**$ 1.55**
Diluted NTA	**$ 1.14**	**$ 1.55**

Earnings per security (EPS)

	2016 cents	2015 cents
Basic EPS	**(18.0)cents**	**0.6 cents**
Diluted EPS	**(18.0)cents**	**0.6 cents**

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to the ASX.

Identify other standards used	**N/A**

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies, other than as disclosed

3 This report does/~~does not* (delete one)~~ give a true and fair view of the matters disclosed

4 This report is based on accounts to which one of the following applies.
(Tick one)

☐	The accounts have been audited.	**X**	The accounts have been subject to review.
☐	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* (delete one).

6 The entity has/~~does not have* (delete one)~~ a formally constituted audit committee.

Sign here: .... **Date: 10 August 2016**
(Company Secretary)

Print name: **Jamie Mackay**

Devine Limited ABN 51 010 769 365
Interim report - 30 June 2016

Lodged with the ASX under Listing Rule 4.2A
This information should be read in conjunction with the
31 December 2015 Annual Report

Contents

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

Devine Limited
Level 2, KSD1
485 Kingsford Smith Drive
Hamilton Queensland 4007

For queries in relation to our reporting please call (07) 3608 6300

Directors' report

Your directors submit their report for the half-year ended 30 June 2016.

Directors
The following persons held office as Directors of Devine Limited during the half-year and up to the date of this report and were in office for this entire period unless otherwise stated:

D P Robinson, (appointed Chairman 19 January 2016)
P J Dransfield (resigned as Chairman 18 January 2016)
G Sassine (appointed 18 January 2016)
A Howse (appointed alternate 18 January 2016 to G Sassine - resigned 29 April 2016)
J S Downes (resigned 18 January 2016)
J D Cummings (resigned 18 January 2016)
M C Gray (resigned 18 January 2016)

Chief Financial Officer and Company Secretary
J S L Mackay – appointed 18 February 2016
C G Bellamy – resigned 18 February 2016
M M Randall (Company Secretary) – resigned 4 February 2016

Dividends
There were no dividends declared or paid to members during or since the end of the half-year ended 30 June 2016.

Review of operations
The Directors' comments form an integral part of the Directors' report. Refer attached Directors' comments for the review of operations.

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 15.

Rounding of amounts
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) 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 Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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

P J Dransfield
Director

Brisbane
10 August 2016

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

	Notes	**30 June 2016 $'000**	30 June 2015 $'000
Continuing operations			
Revenue	2	**93,406**	96,329
Cost of sales	3(b)	**(95,008)**	(80,341)
Gross (loss) / profit		**(1,602)**	15,988
Other revenue	2	**602**	2,051
Expenses, excluding finance expenses	3(a)	**(19,162)**	(14,616)
Finance expenses		**(2,656)**	(2,454)
Share of net loss of joint ventures accounted for using the equity method	10	**(4,496)**	(39)
(Loss) / profit from continuing operations before income tax		**(27,314)**	930
Income tax (expense) / benefit	4	**(1,390)**	1,461
(Loss) / profit from continuing operations after income tax		**(28,704)**	2,391
Discontinued operations			
Profit/(loss) after tax from discontinued operations	9	**89**	(1,489)
(Loss)/profit for the half year		**(28,615)**	902
Items that may be reclassified subsequently to profit and (loss)			
Changes in the fair value of cash flow hedges/reserves, net of tax		**-**	(21)
Total comprehensive (loss) / income for the period		**(28,615)**	881

		Cents	Cents
Earnings per share Basic and diluted, (loss)/profit for the half year attributable to ordinary equity holders of the Company	8	**(18.0)**	0.6
Earnings per share from continuing operations Basic and diluted, (loss)/profit for the half year attributable to ordinary equity holders of the Company	8	**(18.1)**	1.5
Earnings per share from discontinued operations Basic and diluted, profit/(loss) for the half year attributable to ordinary equity holders of the Company		**0.1**	(0.9)

Note: The consolidated loss before tax of Devine Limited and its subsidiaries of $27,186,828 comprises a loss from continuing operations of $27,313,370 and profit from discontinued operations of $126,542. Refer also to note 7(b) segment information.

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

Devine Limited
Consolidated statement of financial position
As at 30 June 2016

	Notes	**30 June 2016 $'000**	31 December 2015 $'000
ASSETS			
Current assets			
Cash and cash equivalents	11	**579**	15,704
Receivables		**39,611**	40,277
Inventories		**93,290**	95,471
Prepayments		**839**	923
Total current assets		**134,319**	152,375
Non-current assets			
Inventories		**157,366**	170,242
Receivables		**15,383**	20,909
Investments accounted for using the equity method	10	**10,485**	19,124
Plant and equipment		**1,734**	2,082
Deferred tax assets	4	**-**	1,428
Intangible assets		**3,316**	3,316
Total non-current assets		**188,284**	217,101
Total assets		**322,603**	369,476
LIABILITIES			
Current liabilities			
Advances and other payables		**87,799**	101,518
Provisions		**2,979**	2,430
Interest bearing loans	11	**44,378**	49,334
Total current liabilities		**135,156**	153,282
Non-current liabilities			
Advances and other payables		**2,205**	2,199
Provisions		**1,091**	1,190
Total non-current liabilities		**3,296**	3,389
Total liabilities		**138,452**	156,671
Net assets		**184,151**	212,805
EQUITY			
Contributed equity		**292,367**	292,367
Reserves		**316**	355
Accumulated losses		**(108,532)**	(79,917)
Total equity		**184,151**	212,805

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

Devine Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2016

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2016	292,367	355	(79,917)	212,805
Loss for the half year	-	-	(28,615)	(28,615)
Other comprehensive income	-	-	-	-
Total comprehensive profit for the half year	**-**	**-**	**(28,615)**	**(28,615)**
Transactions with owners in their capacity as owners:				
Expense pursuant to employee incentive scheme	-	(39)	-	(39)
Balance at 30 June 2016	**292,367**	**316**	**(108,532)**	**184,151**

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2015	292,367	161	(43,893)	248,635
Profit for the half year	-	-	902	902
Other comprehensive income	-	(21)	-	(21)
Total comprehensive profit for the half year	**-**	**(21)**	**902**	**881**
Transactions with owners in their capacity as owners:				
Expense pursuant to employee incentive scheme	-	54	-	54
Balance at 30 June 2015	**292,367**	**194**	**(42,991)**	**249,570**

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

Devine Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2016

	Notes	**30 June 2016 $'000**	30 June 2015 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		127,176	161,927
Payments to suppliers and employees (inclusive of goods and services tax)		(135,167)	(127,017)
Interest and borrowing costs paid		(2,348)	(4,017)
Interest received		192	497
Net cash (outflow) / inflow from operating activities		(10,147)	31,390
Cash flows from investing activities			
Payments for plant and equipment		-	(124)
Proceeds from investments in joint ventures		68	26
Loans to joint ventures		(1,835)	(6,658)
Repayments of loans by joint ventures		4,500	1,451
Payments for investments in land inventory		(5,626)	(138)
Proceeds from sale of equity accounted investments		3,000	-
Proceeds from sale of subsidiary		-	1,430
Net cash inflow / (outflow) from investing activities		107	(4,013)
Cash flows from financing activities			
Proceeds from borrowings		28,216	7,190
Repayment of borrowings		(33,301)	(34,900)
Net cash outflow from financing activities		(5,085)	(27,710)
Net (decrease) / increase in cash and cash equivalents		(15,125)	(333)
Cash and cash equivalents at the beginning of the reporting period		15,704	18,122
Cash and cash equivalents at end of period		579	17,789

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

1 Summary of significant accounting policies

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 Devine Limited during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

(a) Basis of preparation of half-year financial report

(i) Basis of Accounting

The half-year ended financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporation Act 2001*, AASB 134 *Interim Financial Reporting*, and other mandatory professional reporting requirements.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(ii) Going Concern

The financial statements have been prepared on the basis of a going concern, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the half year ended 30 June 2016, the Group incurred a net loss before tax of $27.2m (2015: net loss before tax of $1.2m) and generated net cash outflows from operating activities of $10.1m (2015: net cash inflows $31.4m). As at 30 June 2016, the Group had net assets of $184.2m (December 2015: $212.8m) and current liabilities (including the Senior ANZ Bank Multi Option Facility (ANZ MOF) balance) exceeded current assets by $0.8m.

As at 30 June 2016 the Group had drawn debt of $48.6m (including bank guarantees) under the Senior ANZ MOF finance facility, which has been classified as a current liability due to its maturity being 31 October 2016. Testing of financial covenants of the ANZ MOF Agreement has been deferred until 31 October 2016. The current $63.8m net exposure of Devine to ANZ in relation to the MOF is secured by assets of the Company which are in excess of the debt amount. The Directors note that, based on internal projections, they do not expect the Group to be compliant with the covenants of the ANZ MOF Agreement as at the 31 October 2016 covenant compliance testing date. As this date is also the current maturity date under the terms of the ANZ MOF Agreement, a breach of a financial covenant, which entitles ANZ to request repayment of the facility on demand, adds no additional potential outcomes than already exist without the covenant testing.

In the event that the ANZ MOF Facility is not extended, the Group currently does not have the immediate capacity to repay the facility in full nor does it currently have readily available alternate sources of liquidity. As a result, currently there is uncertainty in regard to whether the Group can continue to operate as a going concern to realise assets and discharge liabilities in the ordinary course of business and at the amounts stated in the financial report.

In the period since March 2016, the Group has undertaken and is achieving a planned asset realisation program which is consistent with its representations to ANZ.

In preparing the financial statements on a going concern basis, the Directors have had regard to the current strategic review of the Devine business and the Group's ongoing discussions with the ANZ Bank regarding refinance of the ANZ MOF. The Directors note that the $30.05m proceeds from the Eden's Crossing englobo sale will be available for ANZ MOF reduction before 31 October 2016. The Directors also note that the ANZ Bank has continued to work closely with Devine Limited and its major shareholder, CIMIC Group Ltd. On the basis of the discussions with ANZ bank, the strategic review jointly conducted with Devine's major shareholder, the successful asset realisation program undertaken in conjunction with a renewed focus on cash and liquidity by management, and the continued support of Devine's major shareholder, the Directors expect to be able to negotiate a renewed finance facility which will enable the Group to continue its business in an orderly manner and enable the Group to meet its debts as and when due for the next 12 months.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation of half-year financial report (continued)

(ii) Going Concern (continued)

In addition to the above senior facility, included within current interest bearing liabilities

- is an amount of $2.0m relating to a project debt facility of a joint operation which is due to expire 31 August 2016. This facility maturity is currently being negotiated and is expected to be extended. Proceeds from future settlements will be used to pay down the facility by December 2016.

- is an amount of $1.7m for housing construction in the Edenbrook project which expires in February 2017. This facility is expected to be paid down over the coming months as the final houses are completed and settled on this project.

Accordingly, no adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(b) New accounting standards and interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual report for the financial year ended 31 December 2015.

(c) Comparatives

The comparative information is for the six month period ended 30 June 2015 and balance sheet information as at 31 December 2015. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosure.

2 Revenue from continuing operations

	30 June 2016 $'000	30 June 2015 $'000
Revenue		
Revenue from property development	**34,187**	42,928
Revenue from construction activities	**50,717**	47,059
Revenue from related joint ventures	**8,502**	6,342
	93,406	96,329
Other revenue		
Rent received	**182**	-
Interest received	**238**	647
Sundry income*	**182**	1,404
	602	2,051
Total revenue	**94,008**	98,380

* Included in sundry income for June 2015 is $1.3m for sale of 50% interest in a subsidiary.

3 Expenses from continuing operations

	30 June 2016 $'000	30 June 2015 $'000
(a) Expenses, excluding finance expenses, included in the statement of comprehensive income:		
Marketing and selling costs	**4,330**	5,303
Occupancy	**1,265**	1,122
Administration	**7,380**	5,543
Other **	**4,806**	1,013
Land holding expenses	**1,381**	1,220
Restructure expenses*	**-**	415
	19,162	14,616

* Relates to costs incurred in the Corporate segment as a result of the restructure of the detached housing business (Refer to Note 7 for further information).
** June 2016 includes loan forgiveness of $2.1 million to a related joint venture and loss on sale of 50% interest in equity accounted investment $0.8 million.

	30 June 2016 $'000	30 June 2015 $'000
(b) Inventory write-downs/ write-backs, impairments		
Write-down of inventory included in cost of properties sold	**5,774**	-

4 Income tax expense / (benefit)

(a) Income tax expense / (benefit)	**30 June 2016 $'000**	30 June 2015 $'000
Current tax expense/(benefit):		
Current year charge	**-**	**-**
Adjustments in respect of prior periods	**-**	**-**
Deferred tax expense / (benefit):		
Origination and reversal of temporary differences	**1,428**	(333)
- Recognition of previously unrecognised tax losses	**-**	(1,766)
Income tax expense/ (benefit) reported in the consolidated statement of comprehensive income	**1,428**	(2,099)

(b) Numerical reconciliation of income tax expense / (benefit) to prima facie tax payable

	30 June 2016 $'000	30 June 2015 $'000
(Loss) / profit from continuing operations before income tax expense	**(27,314)**	930
Profit / (loss) from discontinuing operations before income tax expense	**127**	(2,127)
Total loss before income tax expense	**(27,187)**	(1,197)
Tax at the Australian tax rate of 30.0% (2015 - 30.0%)	**(8,156)**	(359)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment	**4**	10
Options issued to employees	**21**	16
Recognition of previously unrecognised tax losses	**-**	(1,766)
Current year tax losses not recognised	**9,559**	-
Income tax expense / (benefit)	**1,428**	(2,099)

4 Income tax expense / (benefit) (continued)

(c) Amounts recognised directly in equity

	30 June 2016 $'000	30 June 2015 $'000
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Net deferred tax – credited directly to equity	**-**	(9)

(d) Tax losses

The Group has total tax losses of $119,988,330 (December 2015: $85,505,424) which will be available for offsetting against future profits provided certain tests under relevant taxation legislations are met. $100,936,640 of these losses (December 2015: $69,072,824) have not been recognised.

Deferred tax assets in respect of these losses of $30,280,992 (December 2015: $20,721,847) have not been recognised as there is not sufficient certainty that future taxable amounts will be available in the short term to utilise these losses or that these tests will be able to be met.

5 Dividends

(a) Franking credits balance

	30 June 2016 $'000	**30 June 2015 $'000**
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (June 2015 - 30.0%)	**9,444**	9,444

6 Contingencies

Contingent liabilities

The Group had contingent liabilities at 30 June 2016 in respect of:

(i) Guarantees

The Group has provided the following guarantees:

The Group and controlled entities have provided bank guarantees and surety bonds totalling $33.4m at 30 June 2016 (Dec 2015: $40.1m) relating to individual land developments and other aspects of the Company's operations. The guarantees and bonds are secured by charges over the assets of the respective entities or indemnities. No liabilities are expected to arise.

The Group and, in most instances, its joint venture partners have provided guarantees for the performance of the joint ventures for debt totalling $36.8m at 30 June 2016 (Dec 2015: $33.4m). The debt is secured against assets of the joint ventures with a recorded value of $108.2m (Dec 2015:$109.2m) and is to be repaid from the property sales of the joint ventures. No liabilities are expected to arise.

The Group also provides performance and financial guarantees for land acquisitions, construction and developments in the normal course of its business operations. No liabilities are expected to arise.

(ii) Litigation

There are a small number of matters that are the subject of litigation or potential litigation with different parties. A provision is raised in the financial statements, based on estimates, where legal or other advice indicates that it is probable that the Group will incur costs either in progressing its investigation of the claim or ultimately in settlement.

7 Segment information

(a) Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the CEO and the Board.

For the December 2015 statutory accounts the Group reported the closure of the detached housing business as discontinued and the continuing medium density and wholesale housing business as part of the Communities segment.

Effective June 2016 the Group has decided to wind down the medium density and wholesale housing business. This part of the Communities segment will progressively be wound down over the next 6 months to 31 December 2016. The closure is expected to be completed by December 2016.

The discontinued segment incorporates the detached housing, medium density and wholesale housing business.

(b) Operating segments

30 June 2016	**Communities $'000**	**Development $'000**	**Construction $'000**	**Corporate $'000**	**Total continuing operations $'000**	**Discontinued $'000**	**Consolidated Total $'000**
Total sales revenue ***	37,358	367	55,681	-	93,406	19,127	112,533
Interest revenue	56	1	9	172	238	10	248
Other revenue	21	293	-	50	364	-	364
Total segment revenue	37,435	661	55,690	222	94,008	19,137	113,145
Segment result**	(2,802)	(7,160)	(8,066)	(3,488)	(21,516)	127	(21,389)
Write back of inventory	(5,774)	-	-	-	(5,774)	-	(5,774)
Takeover costs	-	-	-	(24)	(24)	-	(24)
Segment result	(8,576)	(7,160)	(8,066)	(3,512)	(27,314)	127	(27,187)
Loss before income tax	-	-	-	-	(27,314)	127	(27,187)
Income tax expense	-	-	-	-	(1,390)	(38)	(1,428)
Loss for the half year	-	-	-	-	(28,704)	89	(28,615)
As at 30 June 2016:							
Segment assets	253,434	27,791	19,048	4,524	304,797	17,806	322,603
Segment liabilities*	36,202	6,571	26,274	58,503	127,550	10,902	138,452
Other segment information							
Investments in joint ventures	3	10,482	-	-	10,485	-	10,485
Share of net profits / (losses) of joint ventures	3	(4,499)	-	-	(4,496)	-	(4,496)

* Corporate liabilities reflect borrowing by the Group which is made available to operating divisions as required to fund operations (excluding specific project funding).

** During the December 2015 financial year corporate costs / recharges ceased to be allocated to individual operating segments.

*** During the period, three customers within the construction segment each contributed to more than 10% of the Group revenue.

7 Segment information (continued)

(b) Operating segments (continued)

(b) Operating segments

30 June 2015	**Communities $'000**	**Development $'000**	**Construction $'000**	**Corporate $'000**	**Total continuing operations $'000**	**Discontinued $'000**	**Consolidated Total $'000**
Total sales revenue	47,967	1,966	46,396	-	96,329	48,048	144,377
Interest revenue	209	1	11	426	647	19	666
Other revenue	6	1,398	-	-	1,404	-	1,404
Total segment revenue	48,182	3,365	46,407	426	98,380	48,067	146,447
Segment result**	1,780	2,419	1,223	(4,060)	1,362	(682)	680
Net sale transaction costs	-	-	-	(8)	(8)	-	(8)
Restructure costs	-	-	-	(424)	(424)	(1,445)	(1,869)
Segment result	1,780	2,419	1,223	(4,491)	930	(2,127)	(1,197)
Loss before income tax	-	-	-	-	930	(2,127)	(1,197)
Income tax benefit	-	-	-	-	1,461	638	2,099
Profit for the half year	-	-	-	-	2,391	(1,489)	902
As at 31 December 2015:							
Segment assets	280,141	35,069	11,096	21,065	347,371	22,105	369,476
Segment liabilities*	42,553	6,783	38,856	50,937	139,129	17,542	156,671
Other segment information							
Investments in joint ventures	4,075	15,049	-	-	19,124	-	19,124
Share of net profits / (losses) of joint ventures	(1)	(119)	-	-	(120)	-	(120)

* Corporate liabilities reflect borrowing by the Group which is made available to operating divisions as required to fund operations (excluding specific project funding).

** As at June 2015 corporate costs/recharges ceased to be allocated to individual operating segments.

8 Earnings per share

(a) Basic and diluted earnings per share attributable to the ordinary equity holders of the Company

	30 June 2016 Cents	30 June 2015 Cents
Earnings per share for continuing operations	**(18.1)**	1.5
Total basic and diluted earnings per share	**(18.0)**	0.6

(b) Reconciliation of earnings used in calculating earnings per share

	30 June 2016 $'000	30 June 2015 $'000
(Loss) / profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
Continuing operations earnings	**(28,704)**	2,391
Total earnings	**(28,615)**	902

(c) Weighted average number of shares used as denominator

	30 June 2016 Number	30 June 2015 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**158,730,556**	158,730,556

Options and performance rights granted to employees are only included in the determination of diluted earnings per share to the extent they are considered potentially dilutive.

Conversions, calls, subscriptions or issues since the reporting date

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

9 Discontinued operations

	June 2016 $'000	June 2015 $'000
Revenue	**19,137**	48,067
Expenses	**(18,882)**	(50,183)
Operating income/(loss)	**255**	(2,116)
Finance expenses	**(128)**	(11)
Profit/(loss) before income tax from discontinued operations	**127**	(2,127)
Tax (expense)/benefit	**(38)**	638
Profit/(loss) after tax from discontinued operations	**89**	(1,489)

Refer to Note 7 for more details on discontinued operations

9 Discontinued operations (continued)

The net cashflows incurred by the discontinued operations are as follows:

	June 2016 $'000	June 2015 $'000
Operating	**278**	(4,226)
Financing	**2,179**	-
Net cash inflow/(outflow)	**2,457**	(4,226)

10 Interests in joint arrangements

Reconciliation of movement in investments accounted for using the equity method:

	June 2016 $'000	June 2015 $'000
Opening balance	19,124	12,473
Equity contributions	32	1,331
Equity disbursements	(3,100)	(1,316)
Transfer *	(311)	7,007
Loss on sale of 50% interest in equity accounted investment	(764)	-
Share of net loss	(4,496)	(39)
Closing balance	10,485	19,456

*The June 2016 movement relates to the Group's interest in Woodforde JV Pty Ltd. As at December 2015 this amount was disclosed as equity, it has now been reclassified to current receivables.

* The June 2015 movement relates to the Group's interest in the Hamilton Harbour Unit Trust. During the December 2014 financial year a key inventory asset of the Trust was sold and the proceeds returned to the Group. As at December 2014 this was disclosed as a return of equity, in the June 2015 accounts it was reclassified to current payables.

11 Interest bearing loans

As at June 2016 a total cash balance of $10.6 million has been offset against the current Multi Option Facility balance of $51.3 million.

For the year ended 31 December 2015 the total cash of $15.0 million had been included in the cash and cash equivalents balance. This amount was required to be held on deposit under the terms of the Company's senior debt facility.

12 Events occurring after the reporting period

In July 2016 the Group entered into an unconditional sale contract to sell the Eden's Crossing estate at Redbank Plains for $30.05 million to a Peet Limited managed Joint Venture. Settlement proceeds are due in September 2016.

Devine Limited
Directors' declaration
30 June 2016

In the Directors' opinion:

(a) the interim financial statements and notes set out on pages 2 to 13 are in accordance with the *Corporations Act 2001*, including:
 (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*,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.

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

P J Dransfield
Director

Brisbane
10 August 2016

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Auditor's Independence Declaration to the Directors of Devine Limited

As lead auditor for the review of Devine Limited for the period ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Devine Limited and the entities it controlled during the financial period.

Ernst & Young

Ric Roach
Partner
Brisbane
10 August 2016

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Independent review report to the members of Devine Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Devine Limited, which comprises the consolidated statement of financial position 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are 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 interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 Devine Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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Conclusion

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

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

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

Ernst & Young

Ernst & Young

Ric Roach

Ric Roach
Partner
Brisbane
10 August 2016