

## APPENDIX 4D HALF-YEAR REPORT

### 1. Company details

Name of entity:	<b>OrotonGroup Limited</b>
ABN:	14 000 038 675
Reporting period:	<b>Half-year ended 29 January 2011</b>
Previous corresponding period:	Half-year ended 23 January 2010

### 2. Results for announcement to the market

Revenues from ordinary activities	up	7.1%	to	\$ 87,439,000
Profit from ordinary activities after tax attributable to the owners of OrotonGroup Limited	up	0.0%	to	\$ 15,449,000
Profit for the period attributable to the owners of OrotonGroup Limited	up	0.0%	to	\$ 15,449,000

#### *Dividends*

	Amount per security	Franked amount per security
Final dividend paid on 27 October 2010	26.000 cents	26.000 cents

On 17 March 2011 the directors declared a fully franked interim dividend of 22.0 cents per ordinary share with a record date of 30 March 2011 to be paid on 13 April 2011.

#### *Comments*

The profit for the consolidated entity after providing for income tax amounted to \$15,449,000 (23 January 2010: \$15,442,000).

Earnings before Interest and Tax (EBIT)	up	4.7%	to	\$ 22,613,000
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Refer to the company announcement on 17 March 2011.

### 3. NTA backing

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	78.36 cents	73.80 cents

### 4. Control gained over entities

Name of entities (or group of entities)	Not applicable.
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Date control gained

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	\$ -
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Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period (where material)	\$ -
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**5. Loss of control over entities**

Name of entities (or group of entities)	Not applicable.	
Date control lost		
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)		\$ -
Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		\$ -

**6. Dividends**

*Current period*

	Amount per security	Franked amount per security
Final dividend paid on 27 October 2010	26.000 cents	26.000 cents

On 17 March 2011 the directors declared a fully franked interim dividend of 22.0 cents per ordinary share with a record date of 30 March 2011 to be paid on 13 April 2011.

*Previous corresponding period*

	Amount per security	Franked amount per security
Final dividend paid on 28 October 2009	22.000 cents	22.000 cents
Special dividend paid on 28 October 2009	3.000 cents	3.000 cents

**7. Dividend reinvestment plans**

*The following dividend or distribution plans are in operation:*

Not applicable.

The last date(s) for receipt of election notices for the dividend or distribution plans: Not applicable.

**8. Details of associates and joint venture entities**

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Current period	Previous corresponding period	Current period	Previous corresponding period
Not applicable.				
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit(loss) from ordinary activities before income tax			\$ -	\$ -
Income tax on operating activities			\$ -	\$ -

**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The accounts were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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**11. Attachments**

*Details of attachments (if any):*

The Interim Report of OrotonGroup Limited for the half-year ended 29 January 2011 is attached.

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**12. Signed**

Signed:  \_\_\_\_\_

Date: 17 March 2011

Sally L Macdonald  
Managing Director  
Sydney

**OrotonGroup Limited**

**ABN 14 000 038 675**

**Interim Report - 29 January 2011**

**OrotonGroup Limited**  
**Directors' report**  
**29 January 2011**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of OrotonGroup Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 29 January 2011.

**Directors**

The following persons were directors of OrotonGroup Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ross B Lane  
Sally L Macdonald  
John P Schmoll  
J Will Vicars  
Samuel S Weiss  
Eddy Chieng

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Retailing and wholesaling of leather goods, fashion apparel and related accessories under the OROTON and
- Licensing of the OROTON brand name.

**Review of operations**

The profit for the consolidated entity after providing for income tax amounted to \$15,449,000 (23 January 2010: \$15,442,000).

Refer to the company announcement on 17 March 2011 for further details.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Rounding of amounts**

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

**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 the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Ross B Lane  
Executive Chairman

17 March 2011  
Sydney

PricewaterhouseCoopers  
ABN 52 780 433 757

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201 Sussex Street  
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## Auditor's Independence Declaration

As lead auditor for the review of OrotonGroup Limited for the half year ended 29 January 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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



Paddy Carney  
Partner  
PricewaterhouseCoopers

17 March 2011

**OrotonGroup Limited**  
**Financial report**  
**For the half-year ended 29 January 2011**

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**General information**

The financial report covers OrotonGroup Limited as a consolidated entity consisting of OrotonGroup Limited and the entities it controlled. The financial report is presented in Australian dollars, which is OrotonGroup Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

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

Unit 15  
Level 2  
409 George Street  
Waterloo NSW 2017

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 17 March 2011. The directors have the power to amend and reissue the financial report.

**OrotonGroup Limited**  
**Statement of comprehensive income**  
**For the half-year ended 29 January 2011**

		<b>Consolidated</b>	
	<b>Note</b>	<b>29 Jan 2011</b>	<b>23 Jan 2010</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>	3	87,439	81,620
Other income		54	9
<b>Expenses</b>			
Cost of sales		(23,647)	(26,242)
Warehouse and distribution		(2,121)	(1,439)
Marketing		(2,865)	(2,171)
Selling		(29,077)	(23,975)
Administration		(7,166)	(6,207)
Finance costs	4	(585)	(340)
<b>Profit before income tax expense</b>		22,032	21,255
Income tax expense		(6,583)	(5,813)
<b>Profit after income tax expense for the half-year attributable to the owners of OrotonGroup Limited</b>		15,449	15,442
<b>Other comprehensive income</b>			
Net change in the fair value of cash flow hedges taken to equity, net of tax		(1,390)	(828)
Foreign currency translation		(33)	(72)
Other comprehensive income for the half-year, net of tax		(1,423)	(900)
<b>Total comprehensive income for the half-year attributable to the owners of OrotonGroup Limited</b>		<u>14,026</u>	<u>14,542</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	10	37.87	37.85
Diluted earnings per share	10	37.71	37.66

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



**OrotonGroup Limited**  
**Statement of financial position**  
**As at 29 January 2011**

	<b>Consolidated</b>	
<b>Note</b>	<b>29 Jan 2011</b>	<b>31 Jul 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	5 1,192	267
Trade and other receivables	7,242	6,993
Inventories	27,615	23,521
Tax receivable	121	96
<b>Total current assets</b>	<u>36,170</u>	<u>30,877</u>
<b>Non-current assets</b>		
Property, plant and equipment	23,428	22,977
Intangibles	300	383
Deferred tax	4,456	3,546
<b>Total non-current assets</b>	<u>28,184</u>	<u>26,906</u>
<b>Total assets</b>	<u>64,354</u>	<u>57,783</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	15,435	14,434
Borrowings	6 521	1,396
Derivative financial instruments	1,568	209
Income tax	5,054	2,031
Provisions	173	176
<b>Total current liabilities</b>	<u>22,751</u>	<u>18,246</u>
<b>Non-current liabilities</b>		
Borrowings	7 6,322	8,210
Provisions	2,945	2,622
<b>Total non-current liabilities</b>	<u>9,267</u>	<u>10,832</u>
<b>Total liabilities</b>	<u>32,018</u>	<u>29,078</u>
<b>Net assets</b>	<u>32,336</u>	<u>28,705</u>
<b>Equity</b>		
Contributed equity	22,523	22,523
Reserves	(3,233)	(2,044)
Retained profits	13,046	8,226
<b>Total equity</b>	<u>32,336</u>	<u>28,705</u>

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

**OrotonGroup Limited**  
**Statement of changes in equity**  
**For the half-year ended 29 January 2011**

	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
<b>Consolidated</b>				
Balance at 26 July 2009	22,523	(767)	4,468	26,224
Other comprehensive income for the half-year, net of tax	-	(900)	-	(900)
Profit after income tax expense for the half-year	-	-	15,442	15,442
Total comprehensive income for the half-year	-	(900)	15,442	14,542
<i>Transactions with owners in their capacity as owners:</i>				
Net movement in share-based payment reserve	-	(384)	-	(384)
Net movement in share-based payment trust reserve	-	519	-	519
Dividends paid	-	-	(10,220)	(10,220)
Balance at 23 January 2010	22,523	(1,532)	9,690	30,681
	<b>Contributed equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
<b>Consolidated</b>				
Balance at 1 August 2010	22,523	(2,044)	8,226	28,705
Other comprehensive income for the half-year, net of tax	-	(1,423)	-	(1,423)
Profit after income tax expense for the half-year	-	-	15,449	15,449
Total comprehensive income for the half-year	-	(1,423)	15,449	14,026
<i>Transactions with owners in their capacity as owners:</i>				
Net movement in share-based payment reserve	-	(1,341)	-	(1,341)
Net movement in share-based payment trust reserve	-	1,575	-	1,575
Dividends paid	-	-	(10,629)	(10,629)
Balance at 29 January 2011	22,523	(3,233)	13,046	32,336

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

**OrotonGroup Limited**  
**Statement of cash flows**  
**For the half-year ended 29 January 2011**

		<b>Consolidated</b>	
<b>Note</b>	<b>29 Jan 2011</b>	<b>23 Jan 2010</b>	
	<b>\$'000</b>	<b>\$'000</b>	
<b>Cash flows from operating activities</b>			
	95,144	89,702	
	<u>(72,168)</u>	<u>(65,358)</u>	
	22,976	24,344	
	4	2	
	(585)	(340)	
	<u>(3,898)</u>	<u>(6,082)</u>	
	18,497	17,924	
<b>Cash flows from investing activities</b>			
	(3,895)	(4,662)	
	<u>(106)</u>	<u>(123)</u>	
	(4,001)	(4,785)	
<b>Cash flows from financing activities</b>			
	21,629	18,220	
8	(10,629)	(10,220)	
	(23,629)	(20,220)	
	<u>-</u>	<u>(12)</u>	
	(12,629)	(12,232)	
	1,867	907	
	(675)	(576)	
	<u>-</u>	<u>(2)</u>	
	1,192	329	
5	<u><u>1,192</u></u>	<u><u>329</u></u>	

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

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 29 January 2011 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 29 July 2010 and any public announcements made by the company 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.

**New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the consolidated entity. The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

*AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

The consolidated entity has applied AASB 2010-3 amendments from 1 August 2010. The amendments result in some accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes had no or minimal effect on accounting. The main changes were:

AASB 127 'Consolidated and Separate Financial Statements' ('AASB 127') and AASB 3 Business Combinations ('AASB 3') - clarifies that contingent consideration from a business combination that occurred before the effective date of revised AASB 3 is not restated; the scope of the measurement choices of non-controlling interest is limited at proportionate share of net assets in the event of liquidation; requires an entity in a business combination to account for the replacement of acquiree's share-based payment transactions, unreplaced and voluntarily replaced, by splitting between consideration and post combination expenses.

*AASB 2009-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

The consolidated entity has applied AASB 2009-5 amendments from 1 August 2010. The amendments result in some accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes had no or minimal effect on accounting. The main changes were:

AASB 101 'Presentation of Financial Statements' - classification is not affected by the terms of a liability that could be settled by the issuance of equity instruments at the option of the counterparty; AASB 107 'Statement of Cash Flows' - only expenditure that results in a recognised asset can be classified as a cash flow from investing activities; AASB 117 'Leases' - removal of specific guidance on classifying land as a lease; AASB 118 'Revenue' - provides additional guidance to determine whether an entity is acting as a principal or agent; and AASB 136 'Impairment of Assets' - clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 'Operating Segments' before aggregation for reporting purposes.

**OrotonGroup Limited**  
**Notes to the financial statements**  
**29 January 2011**

**Note 2. Operating segments**

*Identification of reportable operating segments*

The consolidated entity has two operating segments. These segments have been determined based on the internal reports that are reviewed and used by the Board of Directors (collectively referred to as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. The operating segments have been aggregated in accordance with AASB 8 on the basis that they share similar economic characteristics.

*Types of products and services*

The reportable segment operates principally in the retailing and wholesaling of luxury fashion apparel and accessories.

**Note 3. Revenue**

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>23 Jan 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Sales revenue</i>		
Sale of goods	86,765	80,952
Licence and franchise fees	670	666
	<u>87,435</u>	<u>81,618</u>
<i>Other revenue</i>		
Interest	4	2
	<u>4</u>	<u>2</u>
Revenue	<u>87,439</u>	<u>81,620</u>

**Note 4. Expenses**

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>23 Jan 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before income tax includes the following specific expenses:		
<i>Depreciation and amortisation of assets</i>		
Depreciation of plant and equipment	3,339	2,759
Amortisation of software	189	171
	<u>3,528</u>	<u>2,930</u>
Total depreciation and amortisation of assets	<u>3,528</u>	<u>2,930</u>

**OrotonGroup Limited**  
**Notes to the financial statements**  
**29 January 2011**

**Note 4. Expenses (continued)**

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>23 Jan 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Finance costs</i>		
Interest and finance charges paid/payable	585	340
	<hr/>	<hr/>
<i>Net loss on disposal</i>		
Net loss on disposal of property, plant and equipment	58	236
	<hr/>	<hr/>
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	10,505	9,078
Amortisation of deferred lease incentives	(322)	(245)
	<hr/>	<hr/>
Total rental expense relating to operating leases	10,183	8,833
	<hr/>	<hr/>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	893	724
	<hr/>	<hr/>

**Note 5. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>31 Jul 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	819	226
Cash on deposit	373	41
	<hr/>	<hr/>
	1,192	267
	<hr/> <hr/>	<hr/> <hr/>

**Note 6. Current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>31 Jul 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank overdraft	-	942
Deferred lease incentives	521	454
	<hr/>	<hr/>
	521	1,396
	<hr/> <hr/>	<hr/> <hr/>

Deferred lease incentives represent the unamortised value of lease incentive payments received from lessors at the time of entering new leases. Deferred lease incentives are unsecured.

Refer to note 7 for the non-current portion of deferred lease incentives.

**OrotonGroup Limited**  
**Notes to the financial statements**  
**29 January 2011**

**Note 7. Non-current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>31 Jul 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank loans	4,000	6,000
Deferred lease incentives	2,322	2,210
	<u>6,322</u>	<u>8,210</u>

*Total secured liabilities*

The total secured liabilities (current and non-current) are as follows:

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>31 Jul 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank overdraft	-	942
Bank loans	4,000	6,000
	<u>4,000</u>	<u>6,942</u>

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>31 Jul 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Total facilities		
Bank overdraft	3,000	3,000
Working capital facilities	37,000	37,000
	<u>40,000</u>	<u>40,000</u>
Used at the reporting date		
Bank overdraft	-	942
Working capital facilities *	9,541	12,182
	<u>9,541</u>	<u>13,124</u>
Unused at the reporting date		
Bank overdraft	3,000	2,058
Working capital facilities	27,459	24,818
	<u>30,459</u>	<u>26,876</u>

\* Working capital facilities used includes bank loans of \$4,000,000 (31/7/2010: \$6,000,000).

The financing arrangements are secured by a first mortgage over the consolidated entity's assets.

The bank overdraft facilities and bank bill acceptance facility may be drawn at any time. In addition to the unused credit facilities disclosed above, the consolidated entity has access to the cash balances as disclosed in note 5. Bank facilities are arranged with the general terms and conditions being set and agreed from time to time. The \$3 million bank overdraft facility is repayable and terminable on demand and the \$37 million working capital facilities are due for renewal on 31 October 2013.

**OrotonGroup Limited**  
**Notes to the financial statements**  
**29 January 2011**

**Note 8. Equity - dividends**

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>23 Jan 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Final dividend for the year ended 31 July 2010: of 26.0 cents (2010: 22.0 cents) per ordinary share paid on 27 October 2010 fully franked based on a tax rate of 30%	10,629	8,994
Special dividend for the year ended 25 July 2009 of 3.0 cents per ordinary share paid on 28 October 2009 fully franked based on a tax rate of 30%	-	1,226
	<u>10,629</u>	<u>10,220</u>

On 17 March 2011 the directors declared a fully franked interim dividend of 22.0 cents per ordinary share with a record date of 30 March 2011 to be paid on 13 April 2011.

**Note 9. Events occurring after the reporting date**

Apart from the dividend declared as disclosed in note 8, no other matter or circumstance has arisen since 29 January 2011 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 10. Earnings per share**

	<b>Consolidated</b>	
	<b>29 Jan 2011</b>	<b>23 Jan 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit after income tax attributable to the owners of OrotonGroup Limited	<u>15,449</u>	<u>15,442</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	40,795,078	40,800,139
Adjustments for calculation of diluted earnings per share:		
Options	<u>177,293</u>	<u>204,745</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>40,972,371</u>	<u>41,004,884</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	37.87	37.85
Diluted earnings per share	37.71	37.66



**OrotonGroup Limited**  
**Directors' declaration**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 29 January 2011 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



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Ross B Lane  
Executive Chairman

17 March 2011  
Sydney

## Independent auditor's review report to the members of OrotonGroup Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of OrotonGroup Limited, which comprises the statement of financial position as at 29 January 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for OrotonGroup Limited (the consolidated entity). The consolidated entity comprises both OrotonGroup Limited (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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 29 January 2011 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 OrotonGroup 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

**Independent auditor's review report to the members of  
OrotonGroup Limited (continued)**

*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 OrotonGroup 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 29 January 2011 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*.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*P.J. Carney*

Paddy Carney  
Partner

17 March 2011