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26 February 2015

**ASX Code: CNB**

Companies Announcement Platform  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

## **LODGEMENT OF INTERIM FINANCIAL REPORT DECEMBER 2014 HALF-YEAR ACCOUNTS**

Pursuant to Listing Rules 4.3A and 4.5, CIC Australia Limited (CNB) announces its FY15 interim results in the form of the attached Interim Financial Report and Appendix 4D for the half year ended 31 December 2014.

Issued by  
CIC Australia Limited

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# Appendix 4D

## Half Yearly Report

Name of entity

CIC AUSTRALIA LIMITED

ABN

92 003 157 515

Half year ended

31 DECEMBER 2014

### Results for announcement to the market

\$A'000

Revenues from ordinary activities	Up 136%	to	77,423
<i>Explanation</i> See Review and results of operations in Directors' Report			
Profit from ordinary activities after tax attributable to members	Down 43%	to	5,141
<i>Explanation</i> See Review and results of operations in Directors' Report			
Net profit for the period attributable to members	Down 43%	to	5,141
<i>Explanation</i> See Review and results of operations in Directors' Report			
<b>Dividends (distributions)</b>	Amount per security	Franked amount per security	
Interim dividend	-	-	
<i>Explanation</i>			
Record date for determining entitlements to the dividend	N/A		
Date on which dividend is payable	N/A		

	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	\$0.83	\$0.72

### Control gained over entities during the period

Name of entity	<div></div>
Date of the gain of control	<div></div>
Contribution of entity to the reporting entity's profit/(loss) from ordinary activities during the current period	\$
Contribution of entity to the reporting entity's profit/(loss) from ordinary activities during the whole of the previous corresponding period	\$

### Control lost over entities during the period

Name of entity	<div></div>
Date of the loss of control	<div></div>
Contribution of entity to the reporting entity's profit/(loss) from ordinary activities during the current period	\$
Contribution of entity to the reporting entity's profit/(loss) from ordinary activities during the whole of the previous corresponding period	\$

### Dividend or Distribution Reinvestment Plans

N/A
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### Details of associates and joint venture entities

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) of consolidated entity	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
CBT Joint Venture	40%	40%	-	-
Lyons Joint Venture	50%	50%	(12)	19
Crace Developments Pty Limited	80%	80%	360	7,391
Googong Township Unit Trust	50%	50%	1,215	869
Forde Developments Pty Limited	50%	50%	25	147

**This report is to be read in conjunction with the most recent annual financial report.**



**AUSTRALIA**

**CIC AUSTRALIA LIMITED**

**ABN: 92 003 157 515**

**Interim Financial Report**  
**31 December 2014**

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## Directors' Report

The directors present their report together with the consolidated interim financial report for the period 1 July 2014 to 31 December 2014 and the review report thereon.

### DIRECTORS

The directors of the Company at any time during or since the end of the interim period are:

Name	Period of directorship
<b>Non-executive</b>	
Mr James Service (Chairman)	Appointed 26 June 2013.
Mr John Mackay	Appointed 27 February 2009.
Mr Brendan Gore	Appointed 30 May 2013.
Mr Peter Dumas	Appointed 30 May 2013.
<b>Executive</b>	
Mr Colin Alexander	Appointed 2 September 1986. Chief Executive Officer.

### REVIEW OF OPERATIONS

CIC has posted a solid 1H15 result achieving a profit before income tax of \$7.3m and after tax \$5.1m.

CIC remains in a solid financial position having extended its Multi Option Facility (MOF) through to July 2015 at which time the debt will be extinguished.

In addition to undertaking to extinguish the MOF debt, CIC has over the past year reduced debt significantly and remains modestly geared. At balance date CIC had no external debt on its balance sheet, albeit there is debt in its equity accounted investees. Interest cover for the year was 11.8 times<sup>1</sup>.

CIC continues to maintain a high level of pre sales in most of our developments. As at 31 December 2014 there were 553 unsettled sales totalling \$131m across all CIC projects which will underpin a good result for 2014/15.

The business strategy for CIC at present is to focus on extinguishing the MOF debt, concentrate on our current projects which are all in various stages of delivery, and now looking to find other opportunities and grow the operations of CIC. Opportunities to date include being selected by Renewal SA as the preferred partner to develop the Tonsley site, now undertaking the Mt Barker project, both in Adelaide and our new acquisition for the development of the old Kingston car park located in Canberra.

The Googong project is now well underway and will underpin ongoing future profits into the future along with Lightsview (Adelaide SA) and The Heights, Durack (Darwin NT) both of which have long development lives. The construction of our Quayside project is completed and is returning a modest profit and releasing a large amount of capital that has been tied up for many years as we battled the well publicised objections to this project.

An update summary of our various projects is outlined below.

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<sup>1</sup> This is the number of times EBIT covers actual bank interest expensed (i.e. not capitalised into loan balances) during the reporting period.

# Directors' Report (continued)

## GOOGONG Township, NSW (CIC 50%)

Googong is a Joint Venture (JV) between CIC and Mirvac to develop a new township adjoining Queanbeyan just outside the ACT border.

The period 1 July to 31 December 2014 has seen the Googong Township growing rapidly.

The primary milestones achieved in the second 6 months of 2014 included:

- Commencement of construction of the first stage of the Water Recycling Plant
- Cut in of the bulk water supply line to ActewAGL's 1800 diameter regional supply main
- Civil construction work completed for another 165 lots bringing the total completed to 500
- Construction underway for a further 550 lots
- Lodgement of DA for next 600 lots
- Completion of the first sports field
- Completion of the Anglican School which opened in February 2015
- 100 homes completed with a further 140 under construction

Exchanged sales reached 770 lots and buyers have settled on 386 lots.

## CRACE, ACT (CIC 40%)

Crace is a JV with the ACT Government's Land Development Agency (LDA), while CIC in its own right is the project manager and is also responsible for all sales and marketing.

The period July to December 2014 was a period where effort was concentrated in executing the Exit Plan for the project. The completion of the Exit Plan tasks has progressed well with handover of public assets to the ACT Government completed in mid 2014. Goodwin at Crace Independent Living opened in September 2014 at the same time as the Crace Childcare Centre.

The Exit Plan will continue to be executed during 2015.

## QUAYSIDE APARTMENTS, KINGSTON, ACT (CIC 100%)

Our Quayside apartments project is located at the Kingston Foreshore, a major redevelopment precinct in Canberra adjacent to Lake Burley Griffin.

Completion of the Quayside project, occurred in October 2014 and the majority of apartment settlements were undertaken prior to the close of 2014.

Of the 100 apartments in the development, 93 have settled with 4 exchanged contracts expected to settle by Q1 2015 which will leave 3 Penthouses remaining for sale.

Of the 10 Commercial tenancies 6 tenancies remain unsold and our commercial agents expect to have them sold by June 2015.

# Directors' Report (continued)

## EASTERN INDUSTRIAL ESTATE, ACT (100%)

Eastern Industrial Estate is a small industrial development located near Fyshwick ACT.

Sales at Eastern Industrial Estate (EIE) continue to be extremely slow with all competing industrial projects in the region facing similar difficulties. The sales rate is indicative of the soft demand for industrial land in the ACT. A new release of land in Stage 2B1 has been made with the pre-sales target close to being met. Sales in Stage 2A of titled land continue to be achieved. The market is being offered a wide variety of block sizes which is assisting in achieving the current sales rate.

## BAY RIDGE, BATEMANS BAY, NSW (CIC 100%)

Bay Ridge is at the intersection of the Kings Highway and the Princes Highway, just 3 minutes north of Batemans Bay on the NSW South Coast.

The release of stage 2B1 has seen 15 sales of the 20 available triggering construction commencement by a local contractor. Stage 2B2 consisting of 12 lots is expected to be released to the market in April 2015. Sales rate is just over 1 lot per month.

Considering a very slow start to the project based upon the previous Urban Planning Instrument, the now reduction of lots sizes (1,500m<sup>2</sup> minimum) has enabled locals to be able to afford to purchase in Bay Ridge which is a positive outcome for the Batemans Bay community that are now supporting the project.

Albeit the low demand for land and low sales rate on the South Coast generally CIC is hopeful on a sell out and completion of stage 2B in the next 12 to 18 months.

## LIGHTSVIEW (ADELAIDE), SA (CIC 50%)

The Lightsview development is a JV between CIC and the SA Government's Urban Renewal Authority.

Over the last 6 months sales levels have increased again and continue to be well above the competition in the greater Adelaide region. A key aspect of Lightsview's sales success is the off-plan sale of CIC designed packaged housing which now accounts for 35% of all sales.

During this period the Joint Venture was once again extended to include a further extension to the project to include land for approximately 250 dwellings on the former Ross Smith High School site. Subsequently demolition of the original school buildings has been completed and site remediation, leading to a full environmental clearance will be completed by March 2015.

The site is of major strategic importance to Lightsview as it adjoins Hampstead Road, one of Adelaide's busiest arterial roads which will provide excellent exposure for the project. The final section of Lightsview's major collector road which enter from this major arterial has now been constructed and will open in April 2015.

The first stage of Ross Smith will include a major display village dedicated entirely to Terrace housing which is currently in high demand throughout Lightsview. The village is planned to compliment the original display village which is progressively closing as well as the new premium Waterford village showcasing upmarket custom housing.

Progress on the remainder of the project continues in line with expectations with over 1200 lots out of a total of 2700 sold to date. Construction is also on target with the majority of large infrastructure items now completed including major head works servicing upgrades.

Commercially the project continues to deliver strong returns for both JV partners. In particular Lightsview recorded a strong sales result for the first half of the financial year against the back drop of a continuing

## Directors' Report (continued)

depressed real-estate market in Adelaide. For the full year Lightsview is expected to deliver a similar result, once again significantly out selling all other comparable projects within the market.

### THE HEIGHTS, DURACK NT (CHARLES DARWIN UNIVERSITY) (CIC 50%)

CIC is the development partner for the creation of a new residential community at the Palmerston campus of the Charles Darwin University.

The suburb of Durack (in which the University is located) is immediately adjacent to the Palmerston City Centre, and is perhaps the most sought after address in Palmerston. Part of the University's land has now been determined to be surplus to requirements, and is to be developed into a diverse new community in the heart of the City and surrounding the University's on-site facilities.

Stages 1 to 8 have been completed with 310 allotments delivered and titled. Stage 9 is currently under construction. To date a total of 272 lots have been settled. An accelerated sales and delivery program has been implemented to meet ongoing strong demand for residential land in Darwin. The project is likely to yield a maximum of 882 new dwellings, and will take the lead in Darwin in the delivery of a diverse range of housing types, including a commitment to delivery of a minimum of 5% of the homes in the affordable bracket.

With increasing commercial and strategic interest in the "Top End", The Heights at Durack is an exceptional opportunity for CIC, and allows the company to consolidate its presence and position in the Darwin housing market.

### SUBSEQUENT EVENTS

#### Proposed Buy Back of Minority Shares

On 25 February 2015, CIC Australia Limited announced a proposed buy-back of minority shares not held by majority shareholder Peet Limited via a scheme of arrangement. This transaction has not yet been finalised and is not reflected in the financial report. The indicative terms may be withdrawn or modified and are conditional on a number of events and approvals as per the ASX announcement of 25 February 2015. The Board cautions that there is no assurance that a transaction will be implemented.

For dividends declared after 31 December 2014, refer to Note 6.

Apart from the above, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group.

### ROUNDING OFF

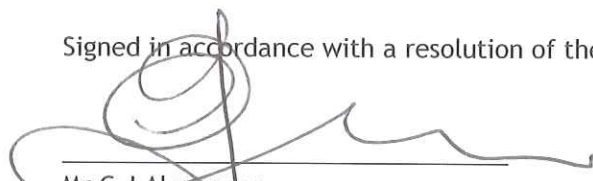
The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

### LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 7 and forms part of the directors' report for the six months ended 31 December 2014.

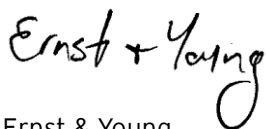
Dated at Canberra on this 26<sup>th</sup> day of February 2015.

Signed in accordance with a resolution of the directors:

  
\_\_\_\_\_  
Mr C J Alexander  
Managing Director

## Auditor's Independence Declaration to the Directors of CIC Australia Limited

In relation to our review of the financial report of CIC Australia Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Peter McIver  
Partner  
26 February 2015

# Consolidated Interim Financial Statements

## Statement of profit and loss and other comprehensive income For the period 1 July 2014 to 31 December 2014

*In thousands of AUD*

	1 July to 31 December 2014	1 July to 31 December 2013
Revenue	77,423	32,742
Cost of sales	(60,806)	(20,325)
<b>Gross profit</b>	<b>16,617</b>	<b>12,417</b>
Other income	416	770
Share of profit of equity accounted investees (net of tax)	1,588	8,426
Property selling and holding expenses	(3,196)	(1,957)
Corporate and administrative expenses	(7,046)	(8,383)
Project investigation expenses	(562)	(137)
<b>Results from operating activities</b>	<b>7,817</b>	<b>11,136</b>
Financial income	91	621
Financial expenses	(642)	(2,000)
<b>Net financing (expense)</b>	<b>(551)</b>	<b>(1,379)</b>
Write down of inventory to net realisable value	-	-
<b>Profit before income tax</b>	<b>7,266</b>	<b>9,757</b>
Income tax (expense)	(2,125)	(782)
<b>Profit for the period</b>	<b>5,141</b>	<b>8,975</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>5,141</b>	<b>8,975</b>
<b>Earnings per share</b>		
Basic earnings per share (AUD)	0.04	0.07
Diluted earnings per share (AUD)	0.04	0.07

These consolidated interim financial statements should be read in conjunction with the accompanying notes.

# Consolidated Interim Financial Statements

## Statement of changes in equity

For the period 1 July 2014 to 31 December 2014

<i>In thousands of AUD</i>	Issued capital	Share option reserve	Retained earnings	Total Equity
Balance at 1 July 2013	62,630	472	27,750	90,852
Profit for the period	-	-	8,975	8,975
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	<b>8,975</b>	<b>8,975</b>
<b>Balance at 31 December 2013</b>	<b>62,630</b>	<b>472</b>	<b>36,725</b>	<b>99,827</b>
Balance at 1 July 2014	62,630	472	41,893	104,995
Profit for the period	-	-	5,141	5,141
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	<b>5,141</b>	<b>5,141</b>
<b>Balance at 31 December 2014</b>	<b>62,630</b>	<b>472</b>	<b>47,034</b>	<b>110,136</b>

These consolidated interim financial statements should be read in conjunction with the accompanying notes.

# Consolidated Interim Financial Statements

## Statement of financial position

As at 31 December 2014

*In thousands of AUD*

	31 December 2014	30 June 2014
<b>Assets</b>		
Cash and cash equivalents	17,322	9,969
Trade and other receivables	14,552	14,392
Inventories	39,005	66,413
Prepayments and accrued income	1,741	1,665
<b>Total current assets</b>	<b>72,620</b>	<b>92,439</b>
Inventories	8,430	15,064
Investments in equity accounted investees	35,159	41,353
Investments - other	25	25
Deferred tax assets	4,515	6,653
Property, plant and equipment	2,975	3,183
Intangible assets	239	232
<b>Total non-current assets</b>	<b>51,343</b>	<b>66,510</b>
<b>Total assets</b>	<b>123,963</b>	<b>158,949</b>
<b>Liabilities</b>		
Trade and other payables	12,078	16,536
Loans and borrowings	-	33,670
Employee benefits	1,340	3,038
<b>Total current liabilities</b>	<b>13,418</b>	<b>53,244</b>
Trade and other payables	-	168
Loans and borrowings	-	32
Employee benefits	270	371
Provisions	139	139
<b>Total non-current liabilities</b>	<b>409</b>	<b>710</b>
<b>Total liabilities</b>	<b>13,827</b>	<b>53,954</b>
<b>Net assets</b>	<b>110,136</b>	<b>104,995</b>
<b>Equity</b>		
Share capital	62,630	62,630
Reserves	472	472
Retained earnings	47,034	41,893
<b>Total equity</b>	<b>110,136</b>	<b>104,995</b>

These consolidated interim financial statements should be read in conjunction with the accompanying notes.

# Consolidated Interim Financial Statements

## Statement of cash flows

For the period 1 July 2014 to 31 December 2014

*In thousands of AUD*

	1 July to 31 December 2014	1 July to 31 December 2013
<b>Cash flows from operating activities</b>		
Cash receipts from customers	80,771	44,111
Cash paid to suppliers and employees	(46,268)	(41,689)
Cash generated from operations	34,503	2,422
Distributions from joint ventures	8,225	11,950
Interest paid	(1,125)	(1,104)
<b>Net cash from operating activities</b>	<b>41,603</b>	<b>13,268</b>
<b>Cash flows from investing activities</b>		
Interest received	67	51
Payments for investments	(428)	-
Acquisition of property, plant and equipment	(189)	(101)
Proceeds from sale of assets	1	-
<b>Net cash (used in) investing activities</b>	<b>(549)</b>	<b>(50)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	26,910	20,844
Repayment of borrowings	(60,611)	(33,925)
<b>Net cash (used in) financing activities</b>	<b>(33,701)</b>	<b>(13,081)</b>
<b>Net increase in cash and cash equivalents</b>	<b>7,353</b>	<b>137</b>
Cash and cash equivalents at 1 July	9,969	8,869
<b>Cash and cash equivalents at 31 December</b>	<b>17,322</b>	<b>9,006</b>

These consolidated interim financial statements should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Interim Financial Statements

## 1. Reporting entity

CIC Australia Limited (the “Company”) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2014 comprises the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities. The Group is a for-profit entity.

## 2. Statement of compliance

The consolidated interim financial report is a condensed general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The 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 consolidated annual financial report of the Group as at and for the period ended 30 June 2014.

This consolidated interim financial report was approved by the Board of Directors on 26 February 2015.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## 3. Significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2014.

## 4. Estimates

The preparation of the interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2014.

## 5. Segment reporting

The Group has one reportable segment, property development, which is the Group’s strategic business unit. The CEO reviews internal management reports for the strategic business unit on a monthly basis. Property development includes the acquisition, development and sale of real estate property.

## 6. Dividends

No dividends were recognised in the reporting period by the company. No dividends have been proposed subsequent to 31 December 2014.

# Notes to the Consolidated Interim Financial Statements

## 7. Related party transactions

During the period 1 July 2014 to 31 December 2014, the following related party transactions occurred.

<i>In thousands of AUD</i>	Transaction value	
	Six months ended	
	31 December 2014	31 December 2013
Services provided to Joint Ventures	5,828	8,616
Financial income received from Joint Ventures	9	323
Financial expenses paid or payable to Joint Ventures	-	1,020

At 31 December 2014, the following were the balances outstanding relating to related party transactions.

	Balance outstanding	
	31 December 2014	31 December 2013
Trade debtors	2,324	887
Loans to JV entities	11,455	10,495
Loans from JV entities	-	25,297

Key management personnel of the Group or their related entities, may purchase goods from the Group. Unless disclosed otherwise, these purchases are on the same terms and conditions as those entered into by other Group employees or customers

For details on these arrangements, refer to the 30 June 2014 consolidated annual financial report.

## 8. Loans and borrowings

At 31 December 2014, the Group had nil borrowings that are due for repayment in less than 12 months.

The Groups multi option facility will expire on 1 July 2015.

## 9. Financial instruments

Carrying values of assets and liabilities are reflective of their fair values at balance date. The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

## 10. Subsequent events

### Proposed Buy Back of Minority Shares

On 25 February 2015, CIC Australia Limited announced a proposed buy-back of minority shares not held by majority shareholder Peet Limited via a scheme of arrangement. This transaction has not yet been finalised and is not reflected in the financial report. The indicative terms may be withdrawn or modified and are conditional on a number of events and approvals as per the ASX announcement of 25 February 2015. The Board cautions that there is no assurance that a transaction will be implemented.

Apart from that mentioned above, there has not arisen in the interval between the end of the interim reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely to significantly affect the operations of the Group.

# Notes to the Consolidated Interim Financial Statements

## 11. Contingencies

### *Contingent liabilities*

As at 31 December 2014 an equity accounted investee Forde Joint Venture (through Forde Developments Pty Limited) has a contingent liability to the Land Development Agency (LDA) for development services rendered for the period from 1 July 2008 to 30 June 2011. At this stage the timing is not known and the amount is unquantifiable, however, it could be in the range of \$0 to \$0.45m. This liability relates to a dispute with the Australian Taxation Office (ATO) for GST with whom the LDA transacts. The outcome of this dispute may impact the Joint Venture and the amount of development services that it has charged. The LDA intends to defend the matter vigorously.

### *Contingent assets*

In relation to the Forde JV issue noted in the contingent liability note above, during the period ended 31 December 2014, the LDA has received GST refunds from the Australian Taxation Office for GST claims relating to 1 July 2011 to the end of the development project for the above development services. This has not yet been passed onto the Forde Joint Venture as the amount relates to the above matter which is still under dispute with the ATO. CIC's share of this refund is within the range of \$0 - \$1.5m. No amount has been recognised in the financial report.

## Directors' declaration

In the opinion of the directors of CIC Australia Limited ("the Company"):

1. the financial statements and notes, set out on pages 8 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the six months ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Canberra on this 26th day of February 2015.

Signed in accordance with a resolution of the directors:



Mr C J Alexander  
Managing Director

To the members of CIC Australia Pty Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CIC Australia Limited, which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of profit and loss and other comprehensive income, condensed statement of changes in equity and condensed 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 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 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 half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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 CIC Australia 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 a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

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

## 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 CIC Australia Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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



Peter McIver  
Partner  
Perth  
26 February 2015