

Appendix 4D

For The Six Months Ended 31 December 2014

1. Details of the reporting period

This report details the consolidated results of Finbar Group Limited and its controlled entities for the six months ended 31 December 2014. Comparatives are for the six months ended 31 December 2013.

2. Results for announcement to the market

	31-Dec-14	31-Dec-13	Change %
2.1 Revenue from ordinary activities	26,406,247	134,210,906	-80.32%
2.2 Profit from ordinary activities after tax attributable to members	10,954,968	18,876,732	-41.97%
2.3 Net Profit for the period attributable to members	10,979,999	18,876,732	-41.83%
2.4 Final 2014 Dividend per share, fully franked	6.0 cents	6.0 cents	0.00%
Declared Interim 2015 Dividend per share, fully franked	4.0 cents	4.0 cents	0.00%
Earnings per Share (Cents per Share)	4.80	8.57	-44.01%
2.5 Record date for dividend	26 February 2015		
2.6 Explanation	Refer to Company Announcement		

3. Net tangible assets per share

	31-Dec-14	31-Dec-13
Net tangible assets per share (Cents per Share)	101.08	96.07

4. Details of entities over which control has been gained or lost during the period

4.1 Not Applicable.

5. Details of dividends

The Board has declared a dividend of 4.0 cents per share payable on 08 April 2015.
The record date for the dividend is 26 February 2015.

6. Dividend reinvestment plan

The company has a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash.
Last date for the receipt of an election notice for participation in the DRP is 27 February 2015.

7. Details of subsidiaries

	Ownership
1 Mends Street Pty Ltd	100%
17 Sunlander Drive Pty Ltd	100%
31 Rowe Avenue Pty Ltd	100%
43 McGregor Road Pty Ltd	100%
52 Mill Point Road Pty Ltd	100%
59 Albany Highway Pty Ltd	68.75%
63 Adelaide Terrace Pty Ltd	100%
88 Terrace Road Pty Ltd	100%
96 Mill Point Road Pty Ltd	100%
172 Railway Parade West Leederville Pty Ltd	100%
175 Adelaide Terrace Pty Ltd	100%
208 Adelaide Terrace Pty Ltd	100%
239 Great Eastern Highway Pty Ltd	100%
241 Railway Parade Pty Ltd	100%
262 Lord Street Perth Pty Ltd	100%
269 James Street Pty Ltd	100%
280 Lord Street Perth Pty Ltd	100%
Burt Way Developments Pty Ltd (De-registered)	100%
Finbar Finance Pty Ltd	100%
Finbar Fund Limited	100%

Appendix 4D continued

For The Six Months Ended 31 December 2014

7. Details of subsidiaries (continued)

Finbar Funds Management Limited	100%
Finbar Karratha Pty Ltd	100%
Finbar Port Hedland	100%
Finbar Property Trust	100%
Finbar Project Management Pty Ltd	100%
Finbar Sub 100 Pty Ltd	100%
Finbar Sub 103 Pty Ltd	100%
Lake Street Pty Ltd	100%
Lot 1 to 10 Whatley Crescent Pty Ltd	100%

8. Details of joint venture entities

	<u>Ownership</u>
36 Chester Avenue Pty Ltd	50%
185 Swansea Street Pty Ltd	50%
375 Hay Street Pty Ltd	50%
406 & 407 Newcastle Street Pty Ltd	50%
647 Murray Street Pty Ltd	50%
Finbar Sub 5050 Pty Ltd	50%
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50%
Rowe Avenue Pty Ltd	50%
Roydhouse Street Subiaco Pty Ltd	50%

8. Foreign entities

Not Applicable.

9. Auditor's review report

No dispute or qualification exists in the auditor's review report.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 97 009 113 473

ACN 009 113 473

INTERIM FINANCIAL REPORT

for the financial period ended 31st December 2014



FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
INTERIM FINANCIAL REPORT
For the Six Months Ended 31 December 2014

CONTENTS	Page
Directors' Report	3
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	5
Condensed Consolidated Interim Statement of Changes in Equity	6
Condensed Consolidated Interim Statement of Financial Position	7
Condensed Consolidated Interim Statement of Cash Flows	8
Notes to the Condensed Consolidated Interim Financial Statements	9
Directors' Declaration	15
Independent Auditor's Review Report of condensed consolidated interim financial report	16
Lead Auditors' Independence Declaration	18

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

For the Six Months Ended 31 December 2014

1 Directors

The Directors present their report together with the consolidated financial report of Finbar Group Limited ('the Company') for the six months ended 31 December 2014 and the auditor's review report thereon.

The Directors of the Company at any time during or since the end of the six months ended 31 December 2014:

Executive Director and Chairman

John CHAN - BSc, MBA, MAICD

Director since 27 April 1995
Chairman since 15 July 2010

Managing Director

Darren John PATEMAN - EMBA, GradDipACG, ACSA, AGIA, MAICD, AFAIM

Director since 6 November 2008
Managing Director since 15 July 2010

Non-executive Directors

John Boon Heng CHEAK - B Eco

Director since 28 April 1993

Kee Kong LOH - B Acc, CPA

Director since 28 April 1993

Non-executive (Independent) Director

Lee VERIOS - LLB, MAICD

Director since 6 December 2011

2 Company Secretary

Anthony David HEWETT - MBusLaw (Curtin), GradDipACG, FCSA, FGIA, MSAA

Company Secretary since 5 February 2013

3 Principal Activities

The principal activities of the consolidated group during the course of the six months ended 31 December 2014 continued to be property development and investment.

The consolidated groups' focus is the development of medium to high-density residential buildings in Western Australia by way of direct ownership, ownership through fully owned Subsidiaries or by Joint Ventures (through companies registered specifically to conduct the development).

There were no significant changes in the nature of the activities of the consolidated group during the financial half-year.

4 Results

Operating Results

Total comprehensive income attributable to owners of the group amounted to \$10,979,999 (2014 : \$18,876,732).

5 Review of Operations

Completed Projects

Spring View Towers - 3 Homelea Court, Rivervale : The completion of the Spring View Towers project occurred during the reporting period. 164 settlements occurred in the reporting period. 4 units have settled since the end of the reporting period, 7 units are expected to settle in the second half of the financial year ending 30 June 2015. 13 units remain for sale in the 188 unit development.

Ecco - 262 Lord Street, Perth : 2 settlements in the Ecco project occurred during the reporting period. 5 units remain for sale in the 98 unit development.

Au - 208 Adelaide Terrace & 311 Hay Street, East Perth : 21 settlements in the Au project occurred during the reporting period. 2 units have settled since the end of the reporting period with a further 1 unit expected to settle in the second half of the financial year ending 30 June 2015. 1 unit remains for sale in the 194 unit development.

Fifty Two Mill Point Rd - 52 Mill Point Road, South Perth : 5 settlements in the Fifty Two Mill Point Rd project occurred during the reporting period. The company is pleased to report that the development is now complete.

Adagio - 90 Terrace Road, East Perth : 1 settlement in the Adagio project occurred during the reporting period. The company is pleased to report that the development is now complete.

Lime - 189 Swansea Street, East Victoria Park : 1 settlement in the Lime project occurred during the reporting period. The company is pleased to report that the development is now complete.

Pelago East - 26 Sharpe Avenue, Karratha : 3 settlements in the Pelago East project occurred during the reporting period. 103 units remain for sale in the 174 unit development. These apartments are leased whilst being actively marketed for sale.

Pelago West - 23 Sharpe Avenue, Karratha : 1 settlement in the Pelago West project occurred during the reporting period. 15 units remain for sale in the 114 unit development. These apartments are leased whilst being actively marketed for sale.

Currently Under Construction

Subi Strand - Cnr Roydhouse Street & Hood Street, Subiaco : Construction at the Subi Strand project is expected to reach completion during the second half of the financial year ending 30 June 2015. To date 204 sales have been achieved in the 264 unit development.

Toccata - 88 Terrace Road, East Perth : Construction at the Toccata project is expected to reach completion during the second half of the financial year ending 30 June 2015. To date 32 sales have been achieved in the 47 unit development.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

For the Six Months Ended 31 December 2014

5 Review of Operations (continued)

Norwood - 280 Lord Street, Perth : Construction continues to progress well at the Norwood project, with completion expected during the financial year ending 30 June 2016. To date 48 sales have been achieved in the 63 unit development.

Arbor North - Lot 1001 - 1003 Rowe Avenue, Rivervale : Construction works commenced during the reporting period with completion expected during the financial year ending 30 June 2016. To date 101 sales have been achieved in the 154 unit development.

Unison on Tenth - 241 Railway Parade, Maylands : The Unison project was launched during the reporting period. To date 61 sales have been achieved in the 169 unit development.

Concerto & Harmony - 193 Adelaide Terrace, East Perth : The Concerto project was launched during the reporting period. To date 105 sales have been achieved in the 227 unit development.

Future Projects

Motive - 172 Railway Parade, West Leederville : The Motive project was launched during the reporting period. To date 23 sales have been achieved in the 143 unit development.

Linq - 269 James Street, Northbridge : The Linq project was launched during the reporting period. To date 42 sales have been achieved in the 116 unit development.

Aurelia - 96 Mill Point Road, South Perth : Development approval has been received for the development of 118 apartments plus 20 commercial lots. Marketing is expected to commence in the second half the financial year ending 30 June 2015.

Dianella - 36 Chester Avenue, Dianella : The company continues to work towards the lodgement of a Development Application for the site.

Springs Commercial - 2 Hawksburn Road, Rivervale : The company has not secured a lease to date which would underpin the viability of the development of a commercial building on this land. The company will continue to seek a leasing pre-commitment. If it is unsuccessful by the time the Arbor development nears completion, the company will consider seeking approval from the statutory authorities for the redesign into a residential apartment project.

West Perth - 647-659 Murray Street, West Perth : The company continues to work towards the lodgement of a Development Application for the site.

Belmont - 239 Great Eastern Highway, Belmont : The company continues to work towards the lodgement of a Development Application for the site. The purchase of the property is due to settle in August 2015.

Springs Stage 3 - 31 Rowe Avenue, Rivervale : The company continues to work towards the lodgement of a Development Application for the site.

South Perth Civic Triangle - 1 Mends Street, South Perth : A Development Application has been lodged. We anticipate that marketing will commence in second half of the financial year ending 30 June 2015.

Unison on Kennedy - 241 Railway Parade, Maylands : Development approval has been received. Marketing is anticipated to commence upon completion of the Unison on Tenth project.

63 Adelaide Terrace, East Perth : The company continues to work towards the lodgement of a Development Application for the site.

Arbor South - Lot 1001 - 1003 Rowe Avenue, Rivervale : The company continues to work towards the lodgement of a Development Application for the site.

Investment Property

Gateway - 59 Albany Highway, Victoria Park : During the reporting period, management committed to actively market for sale the "Gateway" property at 59 Albany Highway. The company continues to benefit from the income generated from the leased property. On 4th February 2015, 59 Albany Highway JV Pty Ltd entered into an unconditional contract for the sale of the Gateway building (see note 18).

Fairlanes - 175 Adelaide Terrace, East Perth : The company continues to benefit from the investment income generated from the leased property. The property is currently 93% leased. The company continues to actively market the remaining tenancies for rental.

Pelago West Commercial - 23 Sharpe Avenue, Karratha : The company continues to benefit from the investment income generated from the leased property. The property is currently 65% leased. The company continues to actively market the remaining tenancies for rental.

Pelago East Commercial - 26 Sharpe Avenue, Karratha : The company continues to benefit from the investment income generated from the leased property. The property is currently 63% leased. The company continues to actively market the remaining tenancies for rental.

6 Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on Page 18 and forms part of the Directors' Report for the six months ended 31 December 2014.

Dated at Perth this 17th day of February 2015.

Signed in accordance with a resolution of the Board of Directors:



Darren Pateman
Managing Director

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
For the Six Months Ended 31 December 2014

	Note	31-Dec-14 \$	31-Dec-13 \$
Revenue		26,406,247	134,210,906
Cost of sales		(12,224,180)	(99,888,342)
Gross Profit		14,182,067	34,322,564
Other income	7	53,180	331,045
Administrative expenses		(3,576,635)	(3,730,111)
Advertising expenses		(777,479)	(929,353)
Other expenses		(2,620,306)	(2,420,069)
Results from Operating Activities		7,260,827	27,574,076
Finance income		2,522,387	1,662,255
Finance costs		(1,824,355)	(1,825,493)
Net Finance Income/(Costs)		698,032	(163,238)
Share of profit/(loss) of Equity Accounted Investees (net of income tax)		5,462,253	(116,110)
Profit before Income Tax		13,421,112	27,294,728
Income tax expense	8	(2,063,151)	(8,273,774)
Profit for the period		11,357,961	19,020,954
Other comprehensive income			
Items which will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		35,758	-
Income tax relating to components of other comprehensive income		(10,727)	-
Other comprehensive income for the period, net of income tax		25,031	-
Total comprehensive income for the period		11,382,992	19,020,954
Profit attributable to:			
Owners of the Group		10,954,968	18,876,732
Non-controlling interest		402,993	144,222
Profit for the period		11,357,961	19,020,954
Total comprehensive income attributable to:			
Owners of the Group		10,979,999	18,876,732
Non-controlling interest		402,993	144,222
Total comprehensive income for the period		11,382,992	19,020,954
Earnings per Share:			
Basic earnings per share (cents per share)		4.80	8.57
Diluted earnings per share (cents per share)		4.80	8.57
Dividends per share (cents per share)	12	6.00	6.00

The condensed notes on pages 9 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the Six Months Ended 31 December 2014

	Attributable to equity holders of the company				Non Controlling Interest	Total Equity
	Share Capital	Retained Earnings	Asset Revaluation Reserve	Total		
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2013	137,779,605	63,616,005	1,395,971	202,791,581	3,011,877	205,803,458
Total comprehensive income for the period						
Profit		18,876,732		18,876,732	144,222	19,020,954
Transactions with owners, recognised directly in equity						
Issue of ordinary shares	3,576,572			3,576,572		3,576,572
Dividends to shareholders Note 12		(13,080,370)		(13,080,370)		(13,080,370)
Balance as at 31 December 2013	141,356,177	69,412,367	1,395,971	212,164,515	3,156,099	215,320,614
Balance as at 1 July 2014	151,687,878	78,198,818	1,425,771	231,312,467	7,362,934	238,675,401
Total comprehensive income for the period						
Profit		10,954,968		10,954,968	402,993	11,357,961
Transactions with owners, recognised directly in equity						
Issue of ordinary shares	2,520,355			2,520,355		2,520,355
Dividends to shareholders Note 12		(13,621,092)		(13,621,092)	(3,460,000)	(17,081,092)
Closing balance at 31 December 2014	154,208,233	75,532,694	1,450,802	231,191,729	4,305,927	235,497,656

Amounts are stated net of tax

The condensed notes on pages 9 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Note	31-Dec-14 \$	30-Jun-14 \$
ASSETS			
Current Assets			
Cash and cash equivalents		48,796,041	60,914,484
Trade and other receivables		5,810,797	11,104,520
Inventories	9	95,577,382	75,768,509
Prepayments		101,378	92,044
Investments in Equity Accounted Investees		4,729,166	-
Assets held for sale	10	73,000,000	-
Other assets		372,436	352,454
Total Current Assets		228,387,200	148,232,011
Non Current Assets			
Trade and other receivables		50,619,427	46,109,434
Inventories	9	14,868,530	11,771,124
Prepayments		346,647	-
Investment property	11	60,754,804	134,981,804
Property, plant and equipment		12,589,364	12,325,927
Other assets		1,905,384	1,952,696
Total Non Current Assets		141,084,156	207,140,985
Total Assets		369,471,356	355,372,996
LIABILITIES			
Current Liabilities			
Trade and other payables		11,063,918	12,055,009
Loans and borrowings	13	73,293,305	-
Investments in Equity Accounted Investees		-	495,922
Current tax payable		8,509,998	13,500,733
Employee benefits		55,952	33,499
Total Current Liabilities		92,923,173	26,085,163
Non Current Liabilities			
Loans and borrowings	13	30,350,690	78,379,122
Investments in Equity Accounted Investees		304,002	203,668
Deferred tax liabilities		10,175,976	11,831,928
Employee benefits		219,859	197,714
Total Non Current Liabilities		41,050,527	90,612,432
Total Liabilities		133,973,700	116,697,595
Net Assets		235,497,656	238,675,401
EQUITY			
Share capital		154,208,233	151,687,878
Retained earnings		75,532,694	78,198,818
Reserves		1,450,802	1,425,771
Total Equity Attributable to Holders of the Group		231,191,729	231,312,467
Non-controlling interest		4,305,927	7,362,934
Total Equity		235,497,656	238,675,401

The condensed notes on pages 9 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the Six Months Ended 31 December 2014

	31-Dec-14 \$	31-Dec-13 \$
Cash Flows from Operating Activities		
Cash receipts from customers	41,153,986	137,143,632
Cash paid to suppliers and employees	(54,305,661)	(82,394,834)
Cash (used in)/generated from Operating Activities	(13,151,675)	54,748,798
Interest paid	(2,342,709)	(2,812,261)
Income tax paid	(8,719,462)	(3,940,196)
Net Cash (used in)/generated from Operating Activities	(24,213,846)	47,996,341
Cash Flows from Investing Activities		
Interest received	2,528,488	1,516,202
Dividends received from equity accounted investees	337,500	930,000
Acquisition of property, plant and equipment	(13,597)	(270,213)
Loans to equity accounted investees	(1,101,156)	(13,613,663)
Net Cash provided by/(used in) Investing Activities	1,751,235	(11,437,674)
Cash Flows from Financing Activities		
Proceeds from borrowings	25,264,905	1,449,252
Dividends paid (net of DRP)	(11,460,737)	(9,503,797)
Dividends paid to non-controlling interest	(3,460,000)	-
Net Cash provided by/(used in) Financing Activities	10,344,168	(8,054,545)
Net (decrease)/increase in cash and cash equivalents	(12,118,443)	28,504,122
Cash and cash equivalents at 1 July	60,914,484	35,596,741
Cash and Cash Equivalents at 31 December	48,796,041	64,100,863

The condensed notes on pages 9 to 14 are an integral part of these Condensed Consolidated Interim Financial Statements.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2014

1 Reporting Entity

Finbar Group Limited (the 'Company') is a public company domiciled in Australia. These condensed consolidated interim financial statements of the Group as at and for the six months ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in Joint Ventures. The Group is primarily involved in property development and investment.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2014 are available on request from the Company's registered office at Level 6, 181 Adelaide Terrace, East Perth, WA, 6004 or can be downloaded from the Company's website at www.finbar.com.au.

2 Basis of Preparation

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position, and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2014. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 30 June 2014.

The condensed consolidated interim financial statements were approved by the Board of Directors on 17th day of February 2015.

3 Significant Accounting Policies

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

4 Judgements and Estimates

In preparing these condensed interim financial statements management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 applied to the financial statements at and for the year ended 30 June 2014.

5 Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2014.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2014

6 Operating Segments

The Group operates predominantly in the property development sector and has identified four reportable segments, as described below, which are the Group's three strategic business units, as well as the Corporate office. The strategic business units offer different products, and are managed separately because they require different technology, marketing strategies and have different types of customers. For each of the strategic business units, the CODM reviews internal management reports on a regular basis. The following describes the operations in each of the Group's reportable segments:

- Residential apartment development in Western Australia,
- Commercial office/retail development in Western Australia,
- Rental of property in Western Australia,
- Corporate costs and net assets attributable to the corporate office.

Information about Reportable Segments For the Six Months ended 31 December 2014	Residential Apartment Development	Commercial Office/Retail Development	Rental of Property	Corporate	Total
	\$	\$	\$	\$	\$
External Revenues - Company and Subsidiaries	17,131,974	28,035	9,362,707	1,778,101	28,300,817
External Revenues - Equity Accounted Investees	39,954,470	315,000	11,078	-	40,280,548
External Revenues - Total	57,086,444	343,035	9,373,785	1,778,101	68,581,365
Interest Income	21,788	-	-	2,500,530	2,522,318
Interest Expense	-	-	-	1,816,329	1,816,329
Depreciation and Amortisation	-	-	-	149,048	149,048
Reportable Segment Profit/(Loss) before Income Tax - Company and Subsidiaries	912,157	(72,198)	6,742,401	5,008,785	12,591,145
Reportable Segment Profit before Income Tax - Equity Accounted Investees	7,761,173	15,484	11,078	15,484	7,803,219
Reportable Segment Profit/(Loss) before Income Tax - Total	8,673,330	(56,714)	6,753,479	5,024,269	20,394,364
Information about Reportable Segments as at 31 December 2014					
Reportable Segment Assets - Company and Subsidiaries	117,069,813	3,138,992	136,563,981	21,498,990	278,271,776
Reportable Segment Assets - Equity Accounted Investees	65,000,412	4,044,850	-	-	69,045,263
Reportable Segment Liabilities - Company and Subsidiaries	35,489,132	350,343	78,365,071	779,178	114,983,724
Reportable Segment Liabilities - Equity Accounted Investees *	43,602,410	2,816,458	-	-	46,418,868
Capital Expenditure	-	-	-	376,727	376,727

* Excludes Liabilities payable to Finbar Group

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2014

6 Operating Segments (continued)

Information about Reportable Segments
For the Six Months ended 31 December 2013

	Residential Apartment Development	Commercial Office/Retail Development	Rental of Property	Corporate	Total
	\$	\$	\$	\$	\$
External Revenues - Company and Subsidiaries	124,265,671	3,500,000	6,445,235	331,045	134,541,951
External Revenues - Equity Accounted Investees	4,421	1,679,000	-	-	1,683,421
External Revenues - Total	124,270,092	5,179,000	6,445,235	331,045	136,225,372
Interest Income	1,112,247	-	-	549,994	1,662,241
Interest Expense	-	-	-	1,819,233	1,819,233
Depreciation and Amortisation	-	-	105,480	78,334	183,814
Reportable Segment Profit before Income Tax - Company and Subsidiaries	26,496,799	451,177	4,025,166	273,511	31,246,653
Reportable Segment Profit/(Loss) before Income Tax - Equity Accounted Investees	(382,434)	194,341	-	22,221	(165,872)
Reportable Segment Profit before Income Tax - Total	26,114,365	645,518	4,025,166	295,732	31,080,781

Information about Reportable Segments as at 31 December 2013

Reportable Segment Assets - Company and Subsidiaries	157,320,707	17,182,209	124,930,798	12,791,549	312,225,264
Reportable Segment Assets - Equity Accounted Investees	36,685,304	1,333,469	-	-	38,018,773
Reportable Segment Liabilities - Company and Subsidiaries	81,060,856	3,758,588	78,714,112	1,064,861	164,598,417
Reportable Segment Liabilities - Equity Accounted Investees *	24,621,347	771,133	-	-	25,392,480
Capital Expenditure	-	-	-	266,081	266,081

* Excludes Liabilities payable to Finbar Group

Reconciliation of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities

	31-Dec-14	31-Dec-13
	\$	\$
Revenues		
Total revenue for development reportable segments	26,522,716	134,210,906
Total revenue for other reportable segments	1,778,101	331,045
Consolidated Revenue	28,300,817	134,541,951
Total revenue for development reportable segments - Equity Accounted Investees	40,269,470	1,683,421
Total revenue for rental segments included in other income - Equity Accounted Investees	11,078	-
Total Reportable Segments Revenue	68,581,365	136,225,372

Profit or Loss

Total profit or loss for reportable segments	20,394,364	31,080,781
Finance income - Company and Subsidiaries	2,522,388	1,662,255
Finance costs - Company and Subsidiaries	(1,824,355)	(1,825,493)
Unallocated amounts:		
Administrative expenses	(3,488,929)	(3,672,577)
Revaluation of investment property	(1,841,390)	-
Income tax applicable to share of profit of Equity Accounted Investees	(2,340,966)	49,762
Consolidated Profit before Income Tax	13,421,112	27,294,728

Assets

	31-Dec-14	30-Jun-14
Total assets for reportable segments	278,271,776	257,458,622
Cash and cash equivalents	48,796,041	60,914,484
Investments in Equity Accounted Investees	4,729,166	-
Other assets *	37,674,373	36,999,890
Consolidated Total Assets	369,471,356	355,372,996

Liabilities

Total liabilities for reportable segments	114,983,724	90,665,346
Investments in Equity Accounted Investees	304,002	699,590
Other liabilities **	18,685,974	25,332,661
Consolidated Total Liabilities	133,973,700	116,697,597

Geographical Segments

The Group operates predominantly in the one geographical segment of Western Australia.

* Includes receivables due to Finbar Group from Equity Accounted Investees

** Includes liabilities payable to Finbar Group from Equity Accounted Investees

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2014

		Consolidated	
		31-Dec-14	31-Dec-13
		\$	\$
7	Other Income		
	Administration Expenses	75,653	57,534
	Commission income	1,066	1,604
	Management Fees	1,805,797	271,907
	Other	12,054	-
	Total Other Income before revaluation	1,894,570	331,045
	Revaluation of investment property	(1,841,390)	-
	Total Other Income	53,180	331,045
	Revaluation of property (reported as other comprehensive income)	35,758	-

8 Income Tax Expense

The Group's consolidated effective tax rate in respect of continuing operations (excluding equity accounted investees) for the six months ended 31 December 2014 was 26% (2014 : 30%).

		31-Dec-14	30-Jun-14
9	Inventories		
	Current		
	Work in progress	41,707,081	11,425,466
	Completed Stock	53,870,301	64,343,043
	Total Current Inventories	95,577,382	75,768,509
	Non Current		
	Work in progress	14,868,530	11,771,124
	Total Non Current Inventories	14,868,530	11,771,124

10 Assets held for sale

During the reporting period, management committed to actively market for sale the "Gateway" property at 59 Albany Highway. The property value of \$73m has been moved from investment property to assets held for sale. On 4th February 2015, 59 Albany Highway JV Pty Ltd entered into an unconditional contract for the sale of the Gateway building located at 59 Albany Highway, East Victoria Park (see note 19). The related commercial bills and shareholder loan were re-classified to current.

11 Investment Property

All investment properties of the Group have been categorised on a Level 3 fair value basis under *AASB 13 Fair Value Measurement*, as some of the inputs required to value the properties are not based on "observable market data". For full details of the methodology and the significant assumptions/inputs used please refer to the 30 June 2014 annual financial statements.

12 Capital and Reserves

		Company	
		Ordinary shares	
		31-Dec-14	31-Dec-13
	On issue at 1 July	227,018,204	218,006,169
	Issued under Dividend Reinvestment Plan	1,702,611	2,841,015
	On Issue at 31 December - Fully Paid	228,720,815	220,847,184

Dividends

The following dividends were declared and paid by the Group:

	Cents per Share	Total Amount \$	Franked / Unfranked	Date of Payment
Dividend Paid During the six months ended 31 December 2014				
Final 2014 ordinary	6.00	13,621,092	Franked	19 September 2014
Total Amount		13,621,092		
Dividend Paid During the six months ended 31 December 2013				
Final 2013 ordinary	6.00	13,080,368	Franked	11 September 2013
Total Amount		13,080,368		

During the period a subsidiary paid dividends of \$3,460,000 to a minority shareholder.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2014

13 Loans and Borrowings

The following loans and borrowings (non-current and current) were on hand at 31 December 2014:

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

	Nominal Interest Rate	Financial Year of Maturity	31-Dec-14 \$ Carrying Amount	30-Jun-14 \$ Carrying Amount
Commercial bills (Secured)	BBSY+2.00%	2016	23,951,898	-
Commercial bills (Secured)	BBSY+2.00%	2016	1,098,681	-
Commercial bills (Secured)	5.66%	2016	43,770,000	-
Shareholders loan to subsidiaries (Unsecured)*	BBSY+5.00%	2016	4,472,726	-
Current			73,293,305	-
Commercial bills (Secured)	5.66%	2016	-	43,770,000
Commercial bills (Secured)	BBSY+5.00%	2016	-	4,609,122
Commercial bills (Secured)	BBSY+2.51%	2016	4,000,000	4,000,000
Commercial bills (Secured)	BBSY+1.25%	2017	26,000,000	26,000,000
Shareholders loan to subsidiaries (Unsecured)**		2016	350,690	-
Non Current			30,350,690	78,379,122

* These loans are from the non-controlling shareholder

** This is a non interest bearing loan

14 Financial Instruments

Fair Values

Fair Values Versus Carrying Amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown on the balance sheet are as follows:

	31 December 2014	
	Carrying Amount	Fair Value
	\$	\$
Trade and other receivables	56,430,224	56,430,224
Cash and cash equivalents	48,796,041	48,796,041
Secured bank loans	(98,820,579)	(98,820,579)
Unsecured shareholder loans	(4,823,416)	(4,823,416)
Trade and other payables	(11,063,918)	(11,063,918)

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Loans and receivables, payables and deferred income

Due to the short term nature of these financial rights and obligations, their carrying amounts are equal to their fair values.

Cash and Short Term Deposits

The carrying amount is fair value due to the liquid nature of these assets.

Bank Loans

The carrying amount is a reasonable approximation of fair value.

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 31 December 2014

	31-Dec-14 \$	30-Jun-14 \$
15 Capital and Other Commitments		
Commitments and Contingent Liabilities		
Property Development		
Contracted but not provided for and payable:		
Within one year	22,321,829	47,028,408
Total Property Development Commitments	<u>22,321,829</u>	<u>47,028,408</u>
Property Development - Joint Ventures		
Contracted but not provided for and payable:		
Within one year	60,110,516	80,987,908
Total Property Development Commitments - Joint Ventures	<u>60,110,516</u>	<u>80,987,908</u>
Group's Share of Property Development - Joint Ventures		
Contracted but not provided for and payable:		
Within one year	30,055,258	40,493,954
Total Share of Property Development Commitments - Joint Ventures	<u>30,055,258</u>	<u>40,493,954</u>
Group's Property Development Commitments including Joint Ventures		
Contracted but not provided for and payable:		
Within one year	52,377,087	87,522,362
Total Property Development Commitments including Joint Ventures	<u>52,377,087</u>	<u>87,522,362</u>

16 Contingencies

There are no changes to contingencies as noted in the 30th June 2014 financial statements.

17 Related Parties

The following changes to related parties occurred in the reporting period:

On 29 October 2014, Finbar Group Limited issued 250,000 fully paid ordinary shares to Darren Pateman as Director Incentive Shares.

18 Subsequent Events

Other than the item below, there has not arisen in the interval between the end of the financial half-year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group, in future financial years.

On 4th February 2015, 59 Albany Highway JV Pty Ltd entered into an unconditional contract for the sale of the Gateway building located at 59 Albany Highway, East Victoria Park for the price of \$72.8m. Settlement is expected to be completed in March 2015.

Directors' Declaration

In the opinion of the Directors of Finbar Group Limited ('the Company'):

1. The condensed consolidated interim financial statements and notes that are contained in Pages 5 to 14 are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the six month period ended on that date; and
 - ii) complying with Australian Accounting Standards AASB134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company and the group entities will be able to pay its debts as and when they become due and payable.

Dated at Perth this 17th day of February 2015.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Darren Pateman', is written over a light yellow rectangular background.

Darren Pateman
Managing Director



Independent auditor's review report to the members of Finbar Group Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Finbar Group Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's 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 control as the directors determine is necessary to enable the preparation of the interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Finbar Group Limited, 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*.



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 Finbar Group Limited is not 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 half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Denise McComish'.

Denise McComish
Partner

Perth

17 February 2015



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Finbar Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature of the KPMG firm, written in black ink.

KPMG

A handwritten signature of Denise McComish, written in black ink.

Denise McComish
Partner

Perth

17 February 2015