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# HALF YEAR PROFIT RESULTS 2016



## Appendix 4D

For the half year ended 30 September 2015

### OzForex Group Limited

ABN 12 165 602 273

Results for announcement to the market

For the half year ended 30 September 2015 ("current period")

		<b>30 September 2015</b>	<b>% Change from 6 months ended 30 September 2014</b>	<b>30 September 2014</b>
		<b>A\$'000</b>	<b>2014</b>	<b>A\$'000</b>
<b>Revenue</b> from ordinary activities	Up	58,139	30 %	44,780
<b>Net profit</b> for the period attributable to members	Down	11,223	6 %	11,978
<b>Net profit</b> for the period attributable to members of parent (before non-controlling interest)	Down	11,223	6 %	11,978
<b>Underlying net profit</b> * for the period attributable to members	Up	12,309	12 %	10,986

The Group achieved underlying net profit after tax (attributable to members, adjusted for the one off impacts of corporate actions, professional fees incurred in relation to the rebrand to "OFX", restructuring the Executive Team and the retrospective impact of the new remuneration schemes in the prior period) of \$12.3 million for the half year. The underlying net profit was 12% higher than the \$11.0 million of the prior period.

The statutory net profit for the half year was \$11.2 million, down 6% from \$12.0 million in the prior period.

\*Refer to page 4 of the attached Interim Financial Report for a reconciliation of underlying net profit after tax to statutory net profit after tax.

<b>Dividend information</b>	<b>Amount per share (cents)</b>	<b>Franked amount per share (cents)</b>	<b>Tax rate for franking credit</b>
2015 final dividend (paid 26 June 2015)	3.584	3.584	30%
2016 interim dividend (determined 9 November 2015)	3.600	3.600	30%

#### 2016 Interim dividend dates

Ex-Dividend date	2 December 2015
Record date	4 December 2015
Payment date	18 December 2015

	<b>30 September 2015 (Cents)</b>	<b>31 March 2015 (Cents)</b>
<b>Net tangible assets</b> per security	21.28	19.85

Additional Appendix 4D disclosure requirements can be found in the notes to the Interim Financial Report and the Directors' Report for the half year ended 30 September 2015. Information should be read in conjunction with OzForex Group Limited's 2015 Annual Report and the attached Interim Financial Report.

This report is based on the consolidated Interim Financial Report for the half year ended 30 September 2015 which has been reviewed by PricewaterhouseCoopers with the Independent Auditor's Review Report included in the Interim Report.

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OZFOREX GROUP LIMITED

ABN 12 165 602 273

Interim Financial Report

Half Year Ended 30 September 2015



The Company's registered office is:  
Level 9  
10 Bridge Street  
SYDNEY NSW 2000  
AUSTRALIA

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# OzForex Group Limited

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# OzForex Group Limited

## Directors' Report

The Directors present their report together with the financial statements of the consolidated entity (the "Group"), being OzForex Group Limited (the "Company") and its controlled entities, for the half year ended 30 September 2015 and the Independent Auditor's Review Report thereon.

### Directors

The names of the Directors of the Group in office during the half year up to the date of the report unless otherwise stated are as follows:

Peter Warne	Independent Chairman
Neil Helm	Managing Director and Chief Executive Officer (resigned on 1 <sup>st</sup> June 2015)
Richard Kimber	Managing Director and Chief Executive Officer (appointed on 1 <sup>st</sup> June 2015)
Melinda Conrad	Independent Director
Douglas Snedden	Independent Director
Grant Murdoch	Independent Director

### Principal activities

The Group's principal activity during the half year was the provision of international payment and foreign exchange services.

### Dividend and distributions

Dividend paid or determined by the Company during and since the end of the half year are set out in Note 7 to the Financial Statements.

	2016 interim dividend	2015 final dividend
Per Share (cents)	3.600	3.584
Total amount (\$000)	8,640	8,602
Franked <sup>1</sup>	100%	100%
Payment date	18 December 2015	26 June 2015

<sup>1</sup>. All dividends are fully franked based on tax paid at 30%

### Operating and financial review

A summary of financial results for the half year ended 30 September is below:

	Half year 30 September 2015 \$'000	Half year 30 September 2014 \$'000	Growth
Net operating income <sup>2</sup>	53,641	41,620	28.9%
Underlying EBITDA <sup>3</sup>	17,229	14,926	15.4%
Underlying EBITDA margin <sup>4</sup>	32.1%	35.9%	
Underlying net profit (after tax) <sup>5</sup>	12,309	10,986	12.0%
Underlying earnings per share (EPS) (cents) <sup>6</sup>	5.13	4.58	
Statutory EBITDA <sup>3</sup>	15,678	16,343	(4.1%)
Statutory EBITDA margin <sup>4</sup>	29.9%	39.3%	
Statutory net profit (after tax)	11,223	11,978	(6.3%)
Earnings per share (cents)	4.68	4.99	
Cash balance as at 30 September <sup>7</sup>	175,662	174,004	1.0%

<sup>2</sup>. Net operating income is the combination of interest income and net fee and commission income;

<sup>3</sup>. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) is a non IFRS measure that is unaudited;

<sup>4</sup>. EBITDA margins are calculated with reference to net operating income;

<sup>5</sup>. Underlying net profit (after tax) (NPAT) is net profit after tax adjusted for one-time expenses. Refer to the NPAT reconciliation on page 4;

<sup>6</sup>. Underlying earnings per share was calculated with reference to underlying net profit after tax;

<sup>7</sup>. Cash includes cash held for subsequent settlement of client liabilities and term deposits of all maturities. The net cash position after client liabilities is \$48.3 million at 30 September 2015 (31 March 2015: \$49.4 million)

# OzForex Group Limited

## Directors' Report (continued)

### Operating and financial review (continued)

Fee and commission income continued its growth trend in the half year with a 30.5% increase to \$57.3 million. The Group has continued to invest in its own brand off shore segments which has resulted in them contributing 36.7% of fee and commission, up from 34.9% in the prior period.

Australia and New Zealand (ANZ) and Europe were the two largest contributors to the Group's fee and commission income. These regions experienced growth of 29.4% and 24.9% respectively. They continue to provide the majority of the Group's fee and commission income, delivering 72.8% of the total, decreasing from 74.1% in the prior period. This decrease has been driven by the strong growth being achieved in one of the Group's key strategic growth area, North America.

North America consists of operations in Canada and the US. Fee and commission income has grown by 57.2% to \$8.7 million. North America's contribution to the Group's fee and commission income increased from 12.6% to 15.2% in the half year ended 30 September 2015.

As at 30 September 2015 the Group had 151,100 active clients, an increase of 16.2% on the prior period. Active clients are clients who have transacted within the past 12 months. During the half year period 392,200 transactions were entered into, and increase of 16.7% on the prior period, helping to drive international payment volumes to \$10.0 billion.

The Group's underlying EBITDA increased by 15.4% for the half year to \$17.2 million. Underlying operating expenditure increased by 37.8% to \$36.0 million. Investment has been made in the Group's core business processes along with the introduction of new remuneration schemes in order to attract and retain employees. There has been an increase in headcount to key enabling areas of the business in order to support the Accelerate Strategy. The depreciation in the Australian Dollar during the half year has also resulted in increased expenditure.

Underlying NPAT adjusted for the one off impacts of corporate actions, professional fees incurred in relation to the rebrand to "OFX", restructuring the Executive Team and the retrospective impact of the new remuneration schemes in the prior period has resulted in an increase of 12.0% to \$12.3 million. In order to better understand the underlying NPAT of the Group, the reconciliation is outlined as follows:

	Half year 30 September 2015 \$'000	Half year 30 September 2014 \$'000	Growth %
<b>Underlying NPAT</b>	<b>12,309</b>	10,986	12.0%
Corporate action costs after tax	(489)	-	
Rebranding expenditure after tax	(144)	-	
Executive team restructure costs after tax	(453)	-	
Remuneration schemes costs after tax	-	992	
<b>Statutory NPAT</b>	<b>11,223</b>	11,978	(6.3%)

EBITDA is a non-IFRS unaudited measure that is calculated by adding back tax and is reconciled as outlined below:

<b>Underlying EBITDA</b>	<b>17,229</b>	14,926	15.4%
Corporate action costs before tax	(698)	-	
Rebranding expenditure before tax	(206)	-	
Executive team restructure costs before tax	(647)	-	
Remuneration schemes costs before tax	-	1,417	
<b>Statutory EBITDA</b>	<b>15,678</b>	16,343	(4.1%)
Add back interest income	843	860	
<b>Earnings before Tax, Depreciation and Amortisation (EBTDA)<sup>1</sup></b>	<b>16,521</b>	17,203	(4.9%)
Less income tax expense	(4,909)	(4,957)	
Less depreciation and amortisation	(389)	(268)	
<b>Statutory NPAT</b>	<b>11,223</b>	11,978	(6.3%)

<sup>1</sup> The Group actively uses its cash balances as part of its hedging strategy making the interest income integral to its earnings. For this reason, the Group regularly uses EBTDA as a measure of performance.

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# OzForex Group Limited

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## Directors' Report (continued)

### Operating and financial review (continued)

The Group's financial position remains strong. The balance sheet consists predominantly of cash and client liabilities. The cash position net of client liabilities decreased to \$48.3 million from \$49.4 million as the Group was required to prepay tax balances relating to the expenses incurred in the IPO process. The Group currently has no external debt.

	<b>As at 30 September 2015 \$'000</b>	As at 31 March 2015 \$'000	<b>Growth</b>
Cash and receivables due from financial institutions	<b>175,662</b>	174,004	<b>1.0%</b>
Client liabilities	<b>(127,366)</b>	(124,591)	<b>2.2%</b>
Net cash position	<b>48,296</b>	49,413	<b>(2.3%)</b>

<sup>1</sup> Cash and Client liabilities can vary greatly depending on the timing of deal flows.

<sup>2</sup> Cash includes cash held for subsequent settlement of client liabilities and term deposits of all maturities.

The financial position provides a good platform to pursue future growth opportunities.

### Rounding amounts

The Group is of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

### Chief Executive Officer/Chief Financial Officer declaration

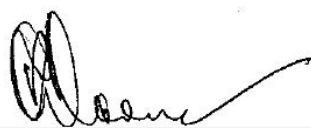
The Chief Executive Officer and the Chief Financial Officer have given the declarations to the Board concerning the Group's Financial Statements and other matters as required under section 295A(2) of the Corporations Act 2001.

### Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half year ended 30 September 2015 is on page 6 of this report.

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

On behalf of the Board



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Peter Warne  
Chairman



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Richard Kimber  
Chief Executive Officer and Managing Director





## Auditor's Independence Declaration

As lead auditor for the review of OzForex Group Limited for the half-year ended 30 September 2015, 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 OzForex Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'CPG Cooper', with a horizontal line underneath.

CPG Cooper  
Partner  
PricewaterhouseCoopers

Sydney  
10 November 2015

# OzForex Group Limited

## Statement of Comprehensive Income For the half year ended 30 September 2015

	Notes	Half year 30 September 2015 \$'000	Half year 30 September 2014 \$'000
Interest and similar income		843	860
<b>Interest income</b>		<b>843</b>	<b>860</b>
Fee and commission income		57,296	43,920
Fee and commission expense		(4,498)	(3,160)
<b>Net fee and commission income</b>		<b>52,798</b>	<b>40,760</b>
Other income		-	96
<b>Total other income</b>		<b>-</b>	<b>96</b>
Employment expenses		(21,086)	(14,182)
Occupancy expenses		(1,363)	(897)
Promotional expenses		(7,797)	(5,838)
IPO related expenses		-	(96)
Other operating expenses	3	(7,263)	(3,768)
<b>Total operating expenses</b>		<b>(37,509)</b>	<b>(24,781)</b>
<b>Profit before income tax</b>		<b>16,132</b>	<b>16,935</b>
Income tax expense	4	(4,909)	(4,957)
<b>Profit for the half year</b>		<b>11,223</b>	<b>11,978</b>
<b>Profit attributable to ordinary equity holders of OzForex Group Limited<sup>1</sup></b>		<b>11,223</b>	<b>11,978</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations <sup>2</sup>		32	129
<b>Total comprehensive income for the half year</b>		<b>11,255</b>	<b>12,107</b>
Total comprehensive income for the year is attributable to:			
<b>Ordinary equity holders of OzForex Group Limited</b>		<b>11,255</b>	<b>12,107</b>
<sup>1</sup> : Represents profit from continuing operations.			
<sup>2</sup> : Represents other comprehensive income that may be reclassified to profit or loss.			
<b>Earnings per share based on profit from continuing operations, attributable to the ordinary equity holders of the parent entity:</b>			
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		4.68	4.99
Diluted earnings per share		4.62	4.99

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

# OzForex Group Limited

## Statement of Financial Position As at 30 September 2015

	Notes	As at 30 September 2015 \$'000	As at 31 March 2015 \$'000
<b>Assets</b>			
Cash and cash equivalents		155,567	168,804
Receivables due from financial institutions		20,095	5,200
Derivative financial instruments – positive values	5	17,413	10,294
Other assets		3,653	3,083
Property, plant and equipment		2,452	1,212
Intangible assets		639	-
Prepaid income tax		2,963	-
Deferred income tax assets		3,757	3,919
<b>Total assets</b>		<b>206,539</b>	<b>192,512</b>
<b>Liabilities</b>			
Client liabilities		127,366	124,591
Derivative financial instruments – negative values	5	19,164	10,327
Other liabilities		5,404	4,263
Current tax liabilities		-	2,686
Provisions		3,524	2,999
Deferred income tax liabilities		18	15
<b>Total liabilities</b>		<b>155,476</b>	<b>144,881</b>
<b>Net assets</b>		<b>51,063</b>	<b>47,631</b>
<b>Equity</b>			
Ordinary share capital	6	24,360	24,360
Foreign currency translation reserve		343	311
Share option reserve		2,018	1,239
Retained earnings		24,342	21,721
Total capital and reserves attributable to equity holders of OzForex Group Limited		51,063	47,631
<b>Total equity</b>		<b>51,063</b>	<b>47,631</b>

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

# OzForex Group Limited

## Statement of Changes in Equity For the half year ended 30 September 2015

	Contributed equity	Retained earnings	Foreign currency translation reserve	Share option reserve	Total Equity
Notes	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 April 2014</b>	<b>24,360</b>	<b>11,555</b>	<b>(3)</b>	<b>91</b>	<b>36,003</b>
Profit for the half year, after income tax	-	11,978	-	-	11,978
Other comprehensive income, net of tax	-	-	129	-	129
Total comprehensive income	-	<b>11,978</b>	<b>129</b>	-	<b>12,107</b>
Transactions with equity holders in their capacity as equity holders:					
Dividends and distributions paid	-	(5,700)	-	-	(5,700)
Employee share options – value of employee services	-	-	-	327	327
	-	<b>(5,700)</b>	-	-	<b>(5,700)</b>
<b>Balance at 30 September 2014</b>	<b>24,360</b>	<b>17,833</b>	<b>126</b>	<b>418</b>	<b>42,737</b>
<b>Balance at 1 April 2015</b>	<b>24,360</b>	<b>21,721</b>	<b>311</b>	<b>1,239</b>	<b>47,631</b>
Profit for the half year, after income tax	-	11,223	-	-	11,223
Other comprehensive income, net of tax	-	-	32	-	32
Total comprehensive income	-	<b>11,223</b>	<b>32</b>	-	<b>11,255</b>
Transactions with equity holders in their capacity as equity holders:					
Dividends and distributions paid	7	(8,602)	-	-	(8,602)
Employee share options – value of employee services	-	-	-	779	779
	-	<b>(8,602)</b>	-	<b>779</b>	<b>(7,823)</b>
<b>Balance at 30 September 2015</b>	<b>24,360</b>	<b>24,342</b>	<b>343</b>	<b>2,018</b>	<b>51,063</b>

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

The foreign currency translation reserve and the share option reserve are non-distributable reserves of the Group.

# OzForex Group Limited

## Statement of Cash Flows For the half year ended 30 September 2015

	Notes	Half year 30 September 2015 \$'000	Half year 30 September 2014 \$'000
<b>Cash flows from operating activities</b>			
Interest received		843	860
Total cash inflows from customers		10,015,327	7,493,201
Total cash outflows to customers, suppliers and employees <sup>1</sup>		(9,994,474)	(7,475,653)
Income tax paid		(10,392)	(3,646)
<b>Net cash flows from operating activities</b>		<b>11,304</b>	<b>14,762</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,629)	(414)
Payments for intangible assets		(639)	-
Payments for deposits with financial institutions		(14,895)	-
<b>Net cash flows used in investing activities</b>		<b>(17,163)</b>	<b>(414)</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issue		-	-
Dividends paid	7	(8,602)	(5,700)
Net cash flows used in financing activities		(8,602)	(5,700)
<b>Net (decrease)/increase in cash</b>		<b>(14,461)</b>	<b>8,648</b>
Cash and cash equivalents at the beginning of the half year		168,804	148,558
Exchange gains on cash and cash equivalents <sup>1</sup>		1,224	(594)
<b>Cash and cash equivalents at the end of the half year</b>		<b>155,567</b>	<b>156,612</b>

<sup>1</sup> Comparative information has been restated to conform to presentation in the current year.

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

## Note 1. Basis of preparation

This consolidated interim financial report for the half year ended 30 September 2015 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2015 and any public announcements made by OzForex Group Limited during the half year 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 with the addition of in intangible assets.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

### Intangible assets

Certain internal and external costs directly incurred in acquiring and developing certain software are capitalised and amortised over the estimated useful life, usually a period of three years. Costs incurred on software maintenance are expensed as incurred.

### Compliance with IFRS as issued by the IASB

Compliance with Australian Accounting Standards ensures that the financial report complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Consequently, this financial report has also been prepared in accordance with and complies with IFRS as issued by the IASB.

# OzForex Group Limited

## Note 2. Segment Information

The Group operates international payment services in defined geographic regions (based on client location) and international payment solutions globally.

"International Payment Solutions" is a package offered to strategic partners which consists of the OzForex IT platform, customer service, compliance sophistication, banking relationships, and payments capabilities.

Half year ended 30 September 2015	Australia & New Zealand \$'000	Europe \$'000	North America \$'000	Asia \$'000	International Payment Solutions \$'000	Consolidated \$'000
<b>Segment Revenue</b>						
Fee and commission income	30,510	11,185	8,733	1,090	5,778	57,296
<b>Total segment revenue</b>	<b>30,510</b>	<b>11,185</b>	<b>8,733</b>	<b>1,090</b>	<b>5,778</b>	<b>57,296</b>
<b>Segment result</b>						
<b>EBITDA</b>	<b>8,153</b>	<b>4,492</b>	<b>525</b>	<b>313</b>	<b>2,195</b>	<b>15,678</b>
Depreciation and amortisation						(389)
Interest income						843
Profit before income tax						16,132
Income tax expense						(4,909)
<b>Profit for the year</b>						<b>11,223</b>
<b>Segment assets</b>						
<b>As at 30 September 2015</b>						
<b>Segment assets</b>	<b>154,767</b>	<b>21,761</b>	<b>26,739</b>	<b>7,937</b>	<b>-</b>	<b>211,204</b>
Intergroup eliminations	-	(8,282)	-	(140)	-	(8,422)
Deferred tax assets						3,757
<b>Total Assets</b>						<b>206,539</b>
<b>Segment liabilities</b>						
<b>As at 30 September 2015</b>						
<b>Segment liabilities</b>	<b>(121,405)</b>	<b>(19,300)</b>	<b>(21,429)</b>	<b>(1,746)</b>	<b>-</b>	<b>(163,880)</b>
Intergroup eliminations	5,841	-	2,581	-	-	8,422
Deferred tax liabilities						(18)
<b>Total Liabilities</b>						<b>(155,476)</b>
<b>Segment net assets</b>						
<b>Segment net assets</b>	<b>33,362</b>	<b>2,461</b>	<b>5,310</b>	<b>6,191</b>	<b>-</b>	<b>47,324</b>
Intergroup eliminations	5,841	(8,282)	2,581	(140)	-	-
Net deferred tax						3,739
<b>Total Net Assets</b>						<b>51,063</b>

# OzForex Group Limited

## Note 2. Segment information (continued)

Half Year ended 30 September 2014	International				Consolidated \$'000	
	Australia & New Zealand \$'000	Europe \$'000	North America \$'000	Asia \$'000		Payment Solutions \$'000
<b>Segment Revenue</b>						
Fee and commission income	23,579	8,959	5,554	810	5,018	43,920
<b>Total segment revenue</b>	<b>23,579</b>	<b>8,959</b>	<b>5,554</b>	<b>810</b>	<b>5,018</b>	<b>43,920</b>
<b>Segment result</b>						
<b>EBITDA</b>	<b>10,431</b>	<b>3,494</b>	<b>589</b>	<b>205</b>	<b>1,624</b>	<b>16,343</b>
Depreciation and amortisation						(268)
Interest income						860
Profit before income tax						16,935
Income tax expense						(4,957)
<b>Profit for the year</b>						<b>11,978</b>
<b>Segment assets</b>						
<b>As at 31 March 2015</b>						
<b>Segment assets</b>	<b>149,035</b>	<b>24,238</b>	<b>23,784</b>	<b>6,430</b>	-	<b>203,487</b>
Intergroup eliminations	-	(10,937)	(3,342)	(615)	-	(14,894)
Deferred tax assets						3,919
<b>Total Assets</b>						<b>192,512</b>
<b>Segment liabilities</b>						
<b>As at 31 March 2015</b>						
<b>Segment liabilities</b>	<b>(119,340)</b>	<b>(21,329)</b>	<b>(18,304)</b>	<b>(787)</b>	-	<b>(159,760)</b>
Intergroup eliminations	14,894	-	-	-	-	14,894
Deferred tax liabilities						(15)
<b>Total Liabilities</b>						<b>(144,881)</b>
<b>Segment net assets</b>						
<b>Segment net assets</b>	<b>29,695</b>	<b>2,909</b>	<b>5,480</b>	<b>5,643</b>	-	<b>43,727</b>
Intergroup eliminations	14,894	(10,937)	(3,342)	(615)	-	-
Net deferred tax						3,904
<b>Total Net Assets</b>						<b>47,631</b>



# OzForex Group Limited

## Note 3. Other operating expenses

	Half year 30 September 2015 \$'000	Half year 30 September 2014 \$'000
<b>Other operating expenses</b>		
Professional fees	(2,717)	(978)
Information technology	(701)	(427)
Depreciation: computer equipment and software	(251)	(234)
Communication expenses	(362)	(287)
Compliance expenses	(946)	(605)
Insurance expenses	(408)	(368)
Travel expenses	(788)	(332)
Bad and doubtful debts recovery/(expense)	(428)	(394)
Non recoverable GST	(182)	(77)
Other expenses	(480)	(66)
<b>Total other operating expenses</b>	<b>(7,263)</b>	<b>(3,768)</b>

## Note 4. Income tax expense

	Half year 30 September 2015 \$'000	Half year 30 September 2014 \$'000
<b>a) Income tax expense</b>		
Current tax expense	5,092	5,277
Adjustments for current tax of prior periods	(348)	(348)
<b>Total tax on profits for the year<sup>1</sup></b>	<b>4,744</b>	<b>4,929</b>
Deferred income tax:		
Decrease / (Increase) in deferred tax assets	162	28
(Decrease) / Increase in deferred tax liabilities	3	-
Total deferred income tax expense / (benefit) <sup>2</sup>	165	28
<b>Total income tax expense</b>	<b>4,909</b>	<b>4,957</b>
<b>b) Reconciliation of income tax expense to prima facie tax payable</b>		
Profit before income tax	16,132	16,935
Prima Facie income tax expense on operating profit	4,840	5,080
Tax effect of amounts adjusted in calculating taxable income:		
Other items	69	(123)
<b>Total income tax expense</b>	<b>4,909</b>	<b>4,957</b>

<sup>1</sup> Comparative information has been restated to reflect a prior period reclassification.

<sup>2</sup> Prima facie income tax on operating profit is calculated at the rate of 30 percent (2014: 30 percent).

The Group has a tax year ending on 30 September.

No tax losses were transferred to the parent or utilised during the half year period.

## Note 5. Fair values of assets and liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value reflects the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding inputs such as timing and amounts of future cash flows, discount rates, credit risk, volatility and correlation.

Financial instruments measured at fair value are categorised in their entirety, in accordance with the levels of the fair value hierarchy prescribed under the accounting standards as outlined below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices in active market (for example, over-the-counter derivatives) are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The appropriate level for an instrument is determined on the basis of the lowest level input that is significant to the fair value measurement.

The following methods and significant assumptions have been applied in determining the fair values of financial instruments:

Liabilities, financial assets and liabilities at fair value through profit or loss, derivative financial instruments and other transactions undertaken for trading purposes are measured at fair value by reference to quoted market prices when available (e.g. listed securities). If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques.

The following methods and significant assumptions have been applied in determining the fair values of financial instruments which are carried at amortised cost:

- The fair values of liquid assets and other instruments maturing within 3 months approximate their carrying amounts. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- The fair value of demand deposits with no fixed maturity is approximately their carrying amount as they are short term in nature or are payable on demand.
- The fair values of balances due from/to related entities are approximated by their carrying amount as the balances are generally receivable/payable on demand.

The table below summarises the carrying value and fair value of all financial instruments of the Group at 30 September.

	30 September 2015 Carrying amount \$'000	30 September 2015 Fair value \$'000	31 March 2015 Carrying amount \$'000	31 March 2015 Fair value \$'000
<b>Assets</b>				
Cash	155,567	155,567	168,804	168,804
Receivables due from financial institutions	20,095	20,095	5,200	5,200
Derivative financial instruments – positive values	17,413	17,413	10,294	10,294
<b>Total financial assets</b>	<b>193,075</b>	<b>193,075</b>	<b>184,298</b>	<b>184,298</b>
<b>Liabilities</b>				
Derivative financial instruments – negative values	19,164	19,164	10,327	10,327
<b>Total financial liabilities</b>	<b>19,164</b>	<b>19,164</b>	<b>10,327</b>	<b>10,327</b>

# OzForex Group Limited

## Note 5. Fair values of assets and liabilities (continued)

The following table summarises the levels of the fair value hierarchy for financial instruments measured at fair value of the Group at 30 September:

	<b>30 September 2015 Level 2 \$'000</b>	<b>30 September 2015 Total \$'000</b>	31 March 2015 Level 2 \$'000	31 March 2015 Total \$'000
<b>Assets</b>				
Derivative financial instruments – positive values	17,413	17,413	10,294	10,294
<b>Total assets</b>	<b>17,413</b>	<b>17,413</b>	<b>10,294</b>	<b>10,294</b>
<b>Liabilities</b>				
Derivative financial instruments – negative values	19,164	19,164	10,327	10,327
<b>Total liabilities</b>	<b>19,164</b>	<b>19,164</b>	<b>10,327</b>	<b>10,327</b>

## Note 6. Contributed equity

	<b>30 September 2015 Number of shares</b>	31 March 2015 Number of shares	<b>30 September 2015 \$'000</b>	31 March 2015 \$'000
<b>Ordinary share capital</b>				
Opening balance of fully paid ordinary shares	<b>240,000,000</b>	240,000,000	<b>24,360</b>	24,360
Fully paid ordinary shares	-	-	-	-
<b>Closing balance of fully paid ordinary shares</b>	<b>240,000,000</b>	240,000,000	<b>24,360</b>	24,360
<b>Total equity contribution</b>	<b>240,000,000</b>	240,000,000	<b>24,360</b>	24,360

### **Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds of the company in a liquidity event in proportion to the number of and amounts paid on the shares held.

Each ordinary shareholder is entitled to one vote per share held.

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# OzForex Group Limited

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## Note 7. Dividends paid and distributions paid or provided for

	<b>30 September 2015 \$'000</b>	30 September 2014 \$'000
Final dividend paid (\$0.03584 (2014: \$0.02375) per share) <sup>1</sup>	<b>(8,602)</b>	(5,700)
<b>Total dividends paid</b>	<b>(8,602)</b>	(5,700)

<sup>1</sup> These dividends were 100 percent franked at the 30 percent corporate tax rate.

Dividend per share is calculated based on the ordinary shares outstanding on the dividend determination date.

	<b>30 September 2015 \$'000</b>	30 September 2014 \$'000
<b>Franked dividends</b>		
Franking credits available for subsequent financial years based on a tax rate of 30% (2014: 30%)	<b>10,811</b>	2,774

The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax.

## Note 8. Events occurring after balance sheet date

### Dividend

On 9 November 2015 a dividend of \$0.036 per share (\$8,640,000) was determined.

Ex-Dividend date	2 December 2015
Record date	4 December 2015
Payment date	18 December 2015

There were no other material post balance sheet events occurring after the reporting date requiring disclosure in these financial statements.

As the parent entity OzForex Group Limited is a holding company which has no trading profits, dividends declared but not paid will be funded through the profits of subsidiary entities.

## Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes for the half year ended 30 September 2015 are in accordance with the Corporations Act 2001, including;

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

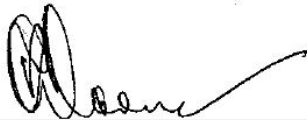
(ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2015 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that OzForex Group Limited will be able to pay its debts as and when they become due and payable, and

(c) Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board:



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Peter Warne  
Chairman



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Richard Kimber  
Chief Executive Officer and Managing Director



## **Independent auditor's review report to the members of OzForex Group Limited**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of OzForex Group Limited (the Company), which comprises the statement of financial position as at 30 September 2015, 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 OzForex Group Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 30 September 2015 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 OzForex Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

***PricewaterhouseCoopers, ABN 52 780 433 757***

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### *Conclusion*

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

- a) giving a true and fair view of the entity's financial position as at 30 September 2015 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*.

### *Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of the company for the half-year ended 30 September 2015 included on OzForex Group Limited's web site. The company's directors are responsible for the integrity of the OzForex Group Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that appears to read 'CPG Cooper'.

CPG Cooper  
Partner

Sydney  
10 November 2015

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# OzForex Group Limited

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## Corporate Information

Directors	Mr Peter Warne (Chairman) Mr Neil Helm (Managing Director & CEO) (resigned on 1 June 2015) Mr Richard Kimber (Managing Director & CEO) (appointed on 1 June 2015) Mr Douglas Snedden Ms Melinda Conrad Mr Grant Murdoch
Company Secretary	Ms Linda Cox
	Level 9 10 Bridge Street Sydney, NSW 2000 Australia  Ph +61 2 8667 8000 Fax +61 2 8667 8080 Email <a href="mailto:investors@ozforex.com.au">investors@ozforex.com.au</a>
Share register	Computer Registry Services Pty Limited 60 Carrington Street Sydney, NSW 2000 Australia  Ph +61 3 9415 4000 Ph 1300 850 505 (Australian shareholders)
Auditor	PwC Darling Park Tower 2 201 Sussex Street Sydney, NSW 2000 Australia
Stock Exchange Listing	OzForex Group shares are listed on the Australian Securities Exchange: OFX
Website address	<a href="http://www.ozforex.com.au">www.ozforex.com.au</a>